



# China COSCO Holdings Company Limited\*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1919)

## CONTINUING CONNECTED TRANSACTIONS

The Board would like to announce that as stated in the CP Announcement, the COSCO Pacific Group has entered into the Container Services Master Agreement with COSCO and COSCON. In view of the value of the 2006 COSCON Container Continuing Connected Transactions being higher than previously anticipated, the total value of which was US\$6,641,000 up to the end of November 2006, the annual cap therefor has been exceeded in December 2006, and COSCO Pacific has revised such annual cap. COSCO Pacific has also revised the annual cap for the 2007 COSCON Container Continuing Connected Transactions. The 2006 COSCON Container Continuing Connected Transactions and the 2007 COSCON Container Continuing Connected Transactions are subject to the reporting and announcement requirements (but are exempt from the independent shareholders' approval requirements) set out in Chapter 14A of the Listing Rules.

### COSCON CONTAINER CONTINUING CONNECTED TRANSACTIONS

#### (A) Particulars of the Container Services Master Agreement:

Date:	3 June 2005
Parties:	Plangreat COSCO COSCON
Duration:	1 January 2005 to 31 December 2007
Nature of transaction:	Provision of container related services by Plangreat and its subsidiaries to members of the COSCO Group (including COSCON), including but not limited to maintenance, handling, stevedoring, repair, import, export, loading, discharging, transshipment, collection, delivery, storage, shifting, restowage and disposal of containers, lighter berthing, midstream operation and trailers' transportation.
Terms:	At rates no less favourable to Plangreat and its subsidiaries than that at which Plangreat and its subsidiaries charge independent third parties for the relevant services. Unless otherwise specified in the relevant service contract, the service fees payable by COSCO Group to the COSCO Pacific Group should be settled within 90 days after its receipt of a written invoice for provision of the relevant services.

#### (B) Annual cap:

For the year ending 31 December 2005	For the year ending 31 December 2006 Original	Revised	For the year ending 31 December 2007 Original	Revised
US\$6,642,000	US\$6,642,000	US\$7,375,000	US\$6,642,000	US\$7,375,000

In view of the value of the 2006 COSCON Container Continuing Connected Transactions being higher than previously anticipated, the total value of which was US\$6,641,000 up to the end of November 2006, the annual cap therefor has been exceeded in December 2006, and COSCO Pacific has revised such annual cap as above. COSCO Pacific has also revised the annual cap for the 2007 COSCON Container Continuing Connected Transactions as above.

#### (C) Basis of the annual cap:

By reference to the nature of the transactions, the aggregate annual values of the transactions for the three years ended 31 December 2005 of US\$8,259,000, US\$6,619,000 and US\$6,346,000 respectively and the eleven months ended 30 November 2006 of US\$6,641,000, the existing scale and operations of the businesses of Plangreat and its subsidiaries and the anticipated demand for such services as a result of predicted volume of containers.

### RELATIONSHIP BETWEEN THE COMPANY AND THE COUNTERPARTIES TO THE CONTINUING CONNECTED TRANSACTIONS

COSCO is the ultimate controlling shareholder of the Company. Accordingly, members of the COSCO Group are connected persons of the Company. The COSCO Group is a diversified group focusing mainly on shipping and modern logistics businesses. They also serve as shipping agencies and provide services in freight forwarding, ship building, ship repairing, terminal operation, container paint manufacturing, trade, financing, real estate, information technology and contract employment.

### LISTING RULES REQUIREMENTS

As it is expected that the relevant percentage ratios calculated by reference to the revised annual caps in relation to the 2006 COSCON Container Continuing Connected Transactions and the 2007 COSCON Container Continuing Connected Transactions will all be less than 2.5%, such continuing connected transactions are still exempt from the independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules. However, as one or more of such percentage ratio(s) will be 0.1% or more, such continuing connected transactions are subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

The Company will comply with the requirements under Rule 14A.36 of the Listing Rules if any of the revised annual caps set out above in relation to the COSCON Container Continuing Connected Transactions is exceeded.

### REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group is one of the leading global providers of integrated container shipping services to international and domestic customers. The Group's businesses include the provision of a wide range of container shipping, container terminal, container leasing and freight forwarding and shipping agency services across the container shipping value chain.

The COSCO Pacific Group is principally engaged in the businesses of container leasing, container management, managing and operating container terminals, logistics, container manufacturing and related businesses and other investments.

The Board considers that the COSCON Container Continuing Connected Transactions are consistent with the businesses and commercial objectives of the Group.

The Board also considers that the COSCON Container Continuing Connected Transactions are and will be entered into in the ordinary and usual course of business of the Group and on normal commercial terms

and that their terms are fair and reasonable and in the interests of the shareholders of the Company as a whole. The independent non-executive directors of the Company have concurred with such views of the Board.

### DEFINITIONS

"2006 COSCON Container Continuing Connected Transactions"

the provision of container related services contemplated under the Container Services Master Agreement for the year 2006

"2007 COSCON Container Continuing Connected Transactions"

the provision of container related services contemplated under the Container Services Master Agreement for the year 2007

"associate(s)"

has the meaning ascribed thereto in the Listing Rules, except that the words "or holding company or a fellow subsidiary of any such holding company" at the end of paragraph (b)(iv) of the definition of "associate" under Rule 1.01 of the Listing Rules are deemed to be deleted for the purposes of this announcement

"Board"

the board of directors of the Company

"Company"

China COSCO Holdings Company Limited, a joint stock limited company incorporated in the People's Republic of China with limited liability, the shares of which are listed on the Stock Exchange

"connected person(s)"

has the meanings ascribed thereto in the Listing Rules

"Container Services Master Agreement"

the Container Services Master Agreement dated 3 June 2005 entered into between Plangreat, COSCO and COSCON

"COSCO"

China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), a company established in the PRC and the ultimate controlling shareholder of the Company

"COSCO Group"

COSCO and its associates (excluding the Group)

"COSCO Pacific"

COSCO Pacific Limited, a company incorporated in Bermuda with limited liability and a non-wholly owned subsidiary of the Company, the shares of which are listed on the Stock Exchange

"COSCO Pacific Group"

COSCO Pacific and its subsidiaries

"COSCON"

COSCO Container Lines Company Limited (中遠集裝箱運輸有限公司), a limited liability company established in the PRC and a subsidiary of the Company

"COSCON Container Continuing Connected Transactions"

the provision of container related services contemplated under the Container Services Master Agreement for the years 2006 and 2007

"CP Announcement"

the announcement of COSCO Pacific dated 3 June 2005 in relation to certain continuing connected transactions

"Group"

the Company and its subsidiaries

"holding company"

has the meaning ascribed thereto in the Listing Rules

"Hong Kong"

the Hong Kong Special Administrative Region of the PRC

"Listing Rules"

the Rules Governing the Listing of Securities on the Stock Exchange

"Plangreat"

Plangreat Limited, a company established in the British Virgin Islands and a wholly-owned subsidiary of COSCO Pacific

"PRC"

the People's Republic of China

"Stock Exchange"

The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"

has the meaning ascribed thereto in the Listing Rules

"US\$"

United States dollars, the lawful currency of the United States of America

By Order of the Board  
China COSCO Holdings Company Limited  
Zhang Yongjian  
Joint Company Secretary

Beijing, the PRC, 28 December 2006

As at the date of this announcement, the executive directors of the Company are Mr. WEI Jiafu (Chairman and CEO) and Mr. CHEN Hongsheng (President); the non-executive directors of the Company are Mr. ZHANG Fusheng (Vice Chairman), Mr. WANG Futian, Mr. LI Jianhong, Mr. MA Zehua, Mr. MA Guichuan and Ms. SUN Yueling; and the independent non-executive directors of the Company are Ms. LI Boxi, Mr. TSAO Wen King, Frank, Mr. HAMILTON Alexander Reid and Mr. CHENG Mo Chi.

\* The Company is registered as an overseas company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name "China COSCO Holdings Company Limited".