



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 of directors of COSCO Pacific announces that on 23 March 2007, the COSCO Pacific Group entered into the following agreements in relation to certain continuing connected transactions of COSCO Pacific:	
(i)	the COSCON Shipping Services Master Agreement for a term of three years up to 31 December 2009;
(ii)	the APM Shipping Services Master Agreement for a term of three years up to 31 December 2009; and
(iii)	the COSCON Container Services Agreement to effectively renew the term of the COSCON Container Services Master Agreement from 23 March 2007 to expire on 31 December 2009.
As it is expected that one or more percentage ratio(s) in relation to the Continuing Connected Transactions for COSCO Pacific will exceed 2.5%, accordingly, for COSCO Pacific such continuing connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules. However, from the Company's perspective, it is expected that one or more percentage ratio(s) in relation to (a) each of the Continuing Connected Transactions and (b) the COSCON Shipping Continuing Connected Transactions and the COSCON Container Continuing Connected Transactions being aggregated, will exceed 0.1% but will not exceed 2.5%, accordingly, for the Company such continuing connected transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and is exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.	

THE CONTINUING CONNECTED TRANSACTIONS

The board of directors of COSCO Pacific announces that on 23 March 2007, the COSCO Pacific Group entered into three separate agreements in relation to certain continuing connected transactions of COSCO Pacific.

(1) COSCON Shipping Services Master Agreement

Date:	23 March 2007
Parties:	COSCO Ports, a wholly owned subsidiary of COSCO Pacific which in turn is a non wholly owned subsidiary of the Company COSCO, the controlling Shareholder COSCON
Duration:	1 January 2007 to 31 December 2009
Nature of transaction:	Provision of shipping related services by members of the COSCO Ports Group to members of the COSCO Group, including but not limited to the handling, storage and maintenance of cargoes.
Terms:	On normal commercial terms and at rates no less favourable to the relevant members of the COSCO Ports Group than that at which the relevant members of the COSCO Ports Group charge independent third party customers for the relevant services.
Proposed annual cap:	Consideration payable by the COSCO Group (including COSCON):

For the year ending 31 December 2007	For the year ending 31 December 2008	For the year ending 31 December 2009
US\$34,929,000 (equivalent to approximately RMB256,029,570) (Note)	US\$51,272,000 (equivalent to approximately RMB396,332,560)	US\$52,629,000 (equivalent to approximately RMB406,822,170)

Note: The annual cap for the year 2007 supersedes the annual cap set out in the announcement of COSCO Pacific dated 3 June 2005 in relation to continuing connected transactions contemplated under the Shipping Services Master Agreement dated 3 June 2005 entered into between COSCO, COSCON, COSCO Ports and Zhangjiagang Win Hanverky Container Terminal Co., Ltd. (a subsidiary of COSCO Ports).

Basis of the proposed annual cap:	By reference to the nature of the transactions, the aggregate annual values of the transactions for the three years ended 31 December 2006 of US\$1,693,012 <sup>(note)</sup> (equivalent to approximately RMB13,086,982.76), US\$2,377,460 (equivalent to approximately RMB18,377,765.80) and US\$4,117,464 (equivalent to approximately RMB31,827,996.72) respectively, the existing scale and operations of the businesses of the COSCO Ports Group, the anticipated growth and development of such businesses (including commencement of operations of new berths, such as four new berths at the port of Quanzhou of 5,000 to 50,000 dwt which commenced operation in September 2006, two new berths of 100,000 dwt at the port of Nansha, Guangzhou which commenced operation in the first quarter of 2007 and four more new berths the operations of which are expected to commence in the last quarter of 2007 and possible acquisitions of new berths) and the anticipated demand for such services. (Note: The annual value of the transactions for the year ended 31 December 2004 represented the value of shipping related services provided by the COSCO Ports Group to the COSCO Group at all the ports which were operated and owned by the members of the COSCO Ports Group, including the ports of Zhangjiagang and Yangzhou, i.e. it comprised the annual value of the transactions for the year ended 31 December 2004 in respect of services provided at the port of Zhangjiagang as disclosed in the announcement of the Company dated 3 June 2005.)
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(2) APM Shipping Services Master Agreement

Date:	23 March 2007
Parties:	COSCO Ports, a wholly owned subsidiary of COSCO Pacific which in turn is a non wholly owned subsidiary of the Company  the Line, entities trading under the names of Maersk Line, Safmarine, MCC or any other future names with majority ownership by APM
Duration:	1 January 2007 to 31 December 2009
Nature of transaction:	Provision of shipping related services by members of the COSCO Ports Group to the Line, including but not limited to the handling, storage and maintenance of cargoes.
Terms:	On normal commercial terms.
Proposed annual cap:	Consideration payable by the Line:

For the year ending 31 December 2007	For the year ending 31 December 2008	For the year ending 31 December 2009
US\$15,000,000 (equivalent to approximately RMB115,950,000)	US\$34,000,000 (equivalent to approximately RMB262,820,000)	US\$46,000,000 (equivalent to approximately RMB355,580,000)

Basis of the proposed annual cap:	By reference to the nature of the transactions, the aggregate annual values of the transactions for the three years ended 31 December 2006 of US\$380,989 (equivalent to approximately RMB2,945,044.97), US\$588,879 (equivalent to approximately RMB4,552,034.67) and US\$895,832 (equivalent to approximately RMB6,924,781.36) respectively, the existing scale and operations of the businesses of the COSCO Ports Group, the anticipated growth and development of such businesses (including commencement of operations of new berths, such as two new berths of 100,000 dwt at the port of Nansha, Guangzhou which commenced operation in the first quarter of 2007 and four more new berths the operations of which are expected to commence in the last quarter of 2007 and possible acquisitions of new berths) and the anticipated demand for such services.
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(3) Container Services Master Agreement (as amended by the COSCON Container Services Agreement)

Date of the COSCON Container Services Agreement:	23 March 2007
Parties:	Plangreat, a wholly owned subsidiary of COSCO Pacific which in turn is a non wholly owned subsidiary of the Company COSCO COSCON
Duration:	Effectively renewed from 23 March 2007 to expire on 31 December 2009.
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, transhipment, 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.
Proposed annual cap:	Consideration payable by the COSCO Group (including COSCON):

For the year ending 31 December 2007	For the year ending 31 December 2008	For the year ending 31 December 2009
US\$7,501,000 (equivalent to approximately RMB57,982,730) (Note)	US\$7,501,000 (equivalent to approximately RMB57,982,730)	US\$7,501,000 (equivalent to approximately RMB57,982,730)

Note: Since it is expected that the value of the 2007 COSCON Container Continuing Connected Transactions may be higher than that set out in the announcement of COSCO Pacific dated 28 December 2006 (under which a revision of the annual cap for the year ending 31 December 2007 satted in the announcement of COSCO Pacific dated 3 June 2005 was announced), COSCO Pacific has proposed a revised annual cap therefor as above.

Basis of the proposed annual cap:	By reference to the nature of the transactions, the aggregate annual values of the transactions for the three years ended 31 December 2006 of US\$6,619,000(equivalent to approximately RMB51,164,870), US\$6,346,000 (equivalent to approximately RMB49,054,580) and US\$7,234,000 (equivalent to approximately RMB55,918,820) respectively, 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.
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REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The directors of COSCO Pacific (including the independent non-executive directors of COSCO Pacific) considers that the Continuing Connected Transactions are consistent with the businesses and commercial objectives of the COSCO Pacific Group and will increase the revenue of the COSCO Pacific Group. The Board shares the same view as the directors of COSCO Pacific that the Continuing Connected Transactions are consistent with the businesses and commercial objectives of the COSCO Pacific Group.

The directors of COSCO Pacific (including the independent non-executive directors of COSCO Pacific) also considers that the Continuing Connected Transactions are and will be entered into in the ordinary and usual course of business of the COSCO Pacific Group and on normal commercial terms and that the terms of the Agreements are fair and reasonable and in the interests of the shareholders of COSCO Pacific as a whole. The independent non-executive directors will render their views after receipt of the letter of the independent financial adviser to be appointed. Based on the view of the directors of COSCO Pacific, the Director are of the view that the Continuing Connected Transactions are and will be entered into in the ordinary and usual course of business of the COSCO Pacific Group and on normal commercial terms and that the terms of the Agreements are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

RELATIONSHIP BETWEEN THE COMPANY AND THE COUNTERPARTIES TO THE AGREEMENTS

COSCO is the controlling shareholder of the Company. Accordingly, members of the COSCO Group (other than the Company and its subsidiaries) 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, business consulting and contract employment.

APM Terminals Invest Company Limited, which is a subsidiary of APM, has been a substantial shareholder of a subsidiary of COSCO Pacific since 5 September 2006. The Line is majority-owned by APM and is therefore an associate of APM Terminal Invest Company Limited. Accordingly, the Line is a connected person of COSCO Pacific.

The Line's principal business activities are to carry out activities in respect of vessels owned or operated by APM, including soliciting cargo, issuing bills of lading, settling freight charges and entering into service contracts.

## GENERAL

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.

As it is expected that one or more percentage ratio(s) in relation to the Continuing Connected Transactions for COSCO Pacific will exceed 2.5%, accordingly, for COSCO Pacific such continuing connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules. However, from the Company's perspective, it is expected that one or more percentage ratio(s) in relation to (a) each of the Continuing Connected Transactions and (b) the COSCON Shipping Continuing Connected Transactions and the COSCON Container Continuing Connected Transactions being aggregated, will exceed 0.1% but will not exceed 2.5%, accordingly, for the Company such continuing connected transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and is exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

## DEFINITIONS

"2007 COSCON Container Continuing Connected Transactions"	the provision of container related services contemplated under the COSCON Container Services Master Agreement (as amended by the COSCON Container Services Agreement) for the year 2007
"APM Shipping Continuing Connected Transactions"	the provision of shipping related services contemplated under the APM Shipping Services Master Agreement for the years 2007, 2008 and 2009
"Agreements"	the COSCON Shipping Services Master Agreement, the APM Shipping Services Master Agreement and the Container Services Master Agreement (as amended by the COSCON Container Services Agreement)
"APM"	A.P. Moller — Maersk A/S, a company incorporated in Denmark with limited liability
"APM Shipping Services Master Agreement"	the Shipping Services Master Agreement dated 23 March 2007 entered into between COSCO Ports and the Line
"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
"Company"	China COSCO Holdings Company Limited, a joint stock limited liability company established under the laws of the PRC whose shares are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Continuing Connected Transactions"	the COSCON Shipping Continuing Connected Transactions, the APM Shipping Continuing Connected Transactions and the COSCON Container Continuing Connected Transactions
"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 controlling Shareholder
"COSCO Group"	COSCO and their respective associates (unless otherwise stated, excluding the Group)
"COSCO Pacific"	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
"COSCO Pacific Group"	COSCO Pacific and its subsidiaries
"COSCO Ports"	COSCO Ports (Holdings) Limited (中遠碼頭控股有限公司), a company established in the British Virgin Islands and a wholly owned subsidiary of COSCO Pacific
"COSCO Ports Group"	COSCO Ports 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 wholly owned subsidiary of the Company
"COSCON Container Continuing Connected Transactions"	the provision of container related services contemplated under the Container Services Master Agreement (as amended by the COSCON Container Services Agreement) for the years 2007, 2008 and 2009
"COSCON Container Services Agreement"	the agreement dated 23 March 2007 entered into between Plangreat, COSCO and COSCON which effectively renewed the term of the COSCON Container Services Master Agreement from 23 March 2007 to expire on 31 December 2009 and changed the definitions of "associates" and "COSCO Group" in the COSCON Container Services Master Agreement
"COSCON Container Services Master Agreement"	the Container Services Master Agreement dated 3 June 2005 entered into between Plangreat, COSCO and COSCON
"COSCON Shipping Continuing Connected Transactions"	the provision of shipping related services contemplated under the COSCON Shipping Services Master Agreement for the years 2007, 2008 and 2009
"COSCON Shipping Services Master Agreement"	the Shipping Services Master Agreement dated 23 March 2007 entered into between COSCO Ports, COSCO and COSCON
"Director(s)"	the director(s) of the Company
"dwt"	Dead weight tonnage
"Group"	the Company and its subsidiaries
"Line"	entities trading under the names of Maersk Line, Safmarine, MCC or any other future names with majority ownership by APM
"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"	People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"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*

Hong Kong, 23 March 2007

As at the date of this notice, 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 Jiahong, Mr. MA Zehua, Mr. MA Guichuan and Ms. SUN Yueying; 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 oversea 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".