



China COSCO Holdings Company Limited*

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

(Stock code : 1919)

CONNECTED TRANSACTION

The Board is pleased to announce that, COSCO Ports Qianwan, an indirect subsidiary of the Company, entered into the Shareholder's Loan Agreement on 8 January 2007 with QQCT, a connected person of the Company, in pursuance to the QQCT JV Contract whereby COSCO Ports Qianwan, PTS Holdings and QPC agreed to grant shareholders' loans to QQCT in proportion to their respective equity interests in QQCT. Under the Shareholder's Loan Agreement, COSCO Ports Qianwan agreed to grant the Shareholder's Loan in the amount of US\$12,820,513 to QQCT to be drawn on or before 26 January 2007. The Shareholder's Loan constitutes financial assistance of the Group to a connected person under Chapter 14A of the Listing Rules. Since one or more of the applicable percentage ratios of the QQCT Connected Transaction are more than 0.1%, but are all less than 2.5%, in accordance with Rule 14A.66(2) of the Listing Rules, the QQCT Connected Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement of the Listing Rules.

THE CONNECTED TRANSACTION

On 8 January 2007, COSCO Ports Qianwan, an indirect subsidiary of the Company, entered into the Shareholder's Loan Agreement as lender with QQCT as borrower. The Shareholder's Loan Agreement was made in pursuance to the QQCT JV Contract, whereby COSCO Ports Qianwan, PTS Holdings and QPC agreed to grant shareholders' loans to QQCT in proportion to their respective equity interests in QQCT.

The principal terms of the Shareholder's Loan Agreement are as follows:

Date : 8 January 2007
Lender : COSCO Ports Qianwan
Borrower : QQCT
Loan facility : US\$12,820,513, which shall be interest-free and drawn on or before 26 January 2007
Term : 11 months, but QQCT can advance or postpone the repayment as per the resolutions of the board of directors of QQCT

RELATIONSHIP BETWEEN THE COMPANY AND THE COUNTERPARTY TO THE CONNECTED TRANSACTION

APM Terminals Invest Company Limited, which is a subsidiary of APM, has been a substantial shareholder of an indirect subsidiary of the Company since 5 September 2006. Accordingly, members of the APM Group are connected persons of the Company. APM holds approximately 40.82% interest in PTS Holdings, which has an equity interest of 49% in QQCT. Accordingly, QQCT is an associate of APM and, on 5 September 2006, became a connected person of the Company. PTS Holdings is an investment holding company which holds interests in QQCT. QQCT is principally engaged in the operation and management of Phases II and III of the container terminal situated at Qingdao Qianwan, the PRC as well as stevedoring and handling containers and other cargoes; transshipping, stacking, storing, packing and unpacking, repairing and cleaning, transporting and storing domestic and international containers, and other related businesses.

LISTING RULES REQUIREMENTS

The Shareholder's Loan constitutes financial assistance of the Group to a connected person under Chapter 14A of the Listing Rules. Since one or more of the applicable percentage ratios of the QQCT Connected Transaction are more than 0.1%, but are all less than 2.5%, in accordance with Rule 14A.66(2) of the Listing Rules, the QQCT Connected Transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement of the Listing Rules.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

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 Board considers that the provision of the Shareholder's Loan, which is proposed to be used to finance the facility usage fee of Phase III of the container terminal situated at Qingdao Qianwan, the PRC, will increase the capacity of such terminal.

The Board believes that, in view of the Group's interest in QQCT, the interest-free Shareholder's Loan to be provided by the Group to QQCT is on normal commercial terms given that the other shareholders are also granting interest-free shareholders' loans to QQCT on a pro-rata basis and that the terms of the QQCT Connected Transaction were 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

"APM" A.P. Møller-Mærsk A/S, a company incorporated in Denmark with limited liability
"APM Group" APM and its subsidiaries
"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
"COSCO Ports Qianwan" COSCO Ports (Qianwan) Limited (中遠碼頭(前灣)有限公司), a company established in the British Virgin Islands and an indirect subsidiary of the Company
"Group" the Company and its subsidiaries
"Hong Kong" the Hong Kong Special Administrative Region of the PRC
"Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" People's Republic of China
"PTS Holdings" PTS Holdings Limited, a company established in Mauritius and owned as to approximately 40.82% by APM
"QPC" Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司), a company established in the PRC
"QQCT" Qingdao Qianwan Container Terminal Co., Ltd. (青島前灣集裝箱碼頭有限責任公司) a sino-foreign equity joint venture company established in the PRC which is owned as to 20%, 49% and 31 % by the Group, PTS Holdings and QPC respectively
"QQCT Connected Transaction" the grant of the Shareholder's Loan by COSCO Ports Qianwan to QQCT in pursuance to the Shareholder's Loan Agreement
"QQCT JV Contract" the amended and restated joint venture contract dated 21 July 2003 made between COSCO Ports Qianwan, PTS Holdings and QPC in relation to QQCT
"Shareholder's Loan" the shareholder's loan granted by COSCO Ports Qianwan to QQCT in pursuance to the Shareholder's Loan Agreement
"Shareholder's Loan Agreement" the shareholder's loan agreement dated 8 January 2007 made between COSCO Ports Qianwan as lender and QQCT as borrower
"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, 8 January 2007

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 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 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".