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**中國遠洋控股股份有限公司**  
**China COSCO Holdings Company Limited\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock code : 1919)

**MAJOR AND CONNECTED TRANSACTION**  
**DISPOSAL OF 81% EQUITY INTEREST IN TWO PROJECT COMPANIES**

On 29 August 2013 (after trading hours), (i) COSCO Qingdao (a wholly-owned subsidiary of the Company) as vendor and Yuehon as purchaser entered into the Qingdao Management Equity Transfer Agreement, pursuant to which COSCO Qingdao agreed to sell, and Yuehon agreed to purchase, the 81% equity interest in Qingdao Management; and (ii) COSCON (a wholly-owned subsidiary of the Company) as vendor and Ling Hui as purchaser entered into the Shanghai Tianhongli Equity Transfer Agreement, pursuant to which COSCON agreed to sell, and Ling Hui agreed to purchase, the 81% equity interest in Shanghai Tianhongli.

As the applicable percentage ratios (as defined under the Listing Rules) for the Disposals and the COSCO Logistics Disposal, on an aggregated basis, are more than 25% but less than 75%, the Disposals constitute a major transaction of the Company under Chapter 14 of the Listing Rules. In addition, each of Yuehon and Ling Hui is an indirect wholly-owned subsidiary of COSCO which is the controlling shareholder of the Company and hence a connected person of the Company. As such, the Disposals also constitute connected transactions which are subject to the reporting, announcement and independent shareholders' approval requirements. Accordingly, the Company will seek the Independent Shareholders' approval at the EGM by way of poll for the Equity Transfer Agreements and the transactions contemplated therein.

Notice of EGM will be despatched to the Shareholders on or around 30 August 2013.

A circular containing, among other things, (i) further details of the Equity Transfer Agreements and the transactions contemplated thereby; (ii) recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or around 23 September 2013 as additional time is required for the Company and the Independent Financial Adviser to prepare the relevant information therein.

## **1. EQUITY TRANSFER AGREEMENTS**

On 29 August 2013 (after trading hours), (i) COSCO Qingdao (a wholly-owned subsidiary of the Company) as vendor and Yuehon as purchaser entered into the Qingdao Management Equity Transfer Agreement, pursuant to which COSCO Qingdao agreed to sell, and Yuehon agreed to purchase, the 81% equity interest in Qingdao Management; and (ii) COSCON (a wholly-owned subsidiary of the Company) as vendor and Ling Hui as purchaser entered into the Shanghai Tianhongli Equity Transfer Agreement, pursuant to which COSCON agreed to sell, and Ling Hui agreed to purchase, the 81% equity interest in Shanghai Tianhongli.

On 29 August 2013, COSCO Qingdao, Yuehon and COSCO entered into the Qingdao Management Guarantee, pursuant to which the parties agreed that if condition (6) of the conditions precedent of the Qingdao Management Equity Transfer Agreement is not fulfilled on or before the Long Stop Date, the Qingdao Management Equity Transfer Agreement will terminate automatically on the Long Stop Date, and COSCO Qingdao and COSCO shall enter into the New Qingdao Management Agreement on the day after the Long Stop Date (the form of which is set out in the appendix to the Qingdao Management Guarantee), pursuant to which COSCO shall be the purchaser in respect of the Qingdao Management Disposal in place of Yuehon.

On 29 August 2013, COSCON, Ling Hui and COSCO entered into the Shanghai Tianhongli Guarantee, pursuant to which the parties agreed that if condition (6) of the conditions precedent of the Shanghai Tianhongli Equity Transfer Agreement is not fulfilled on or before the Long Stop Date, the Shanghai Tianhongli Equity Transfer Agreement will terminate automatically on the Long Stop Date, and COSCON and COSCO shall enter into the New Shanghai Tianhongli Agreement on the day after the Long Stop Date (the form of which is set out in the appendix to the Shanghai Tianhongli Guarantee), pursuant to which COSCO shall be the purchaser in respect of the Shanghai Tianhongli Disposal in place of Ling Hui.

In the event the Qingdao Management Equity Transfer Agreement and/or the Shanghai Tianhongli Equity Transfer Agreement is terminated, and the New Qingdao Management Agreement and/or the New Shanghai Tianhongli Agreement is entered into by the parties, an announcement will be made by the Company to inform its Shareholders.

Set out below are the principal terms of the Original Equity Transfer Agreements:

	<b>Qingdao Management Equity Transfer Agreement</b>	<b>Shanghai Tianhongli Equity Transfer Agreement</b>
<b>Date:</b>	29 August 2013	29 August 2013
<b>Parties:</b>	(1) COSCO Qingdao as vendor; and (2) Yuehon as purchaser.	(1) COSCON as vendor; and (2) Ling Hui as purchaser.
<b>Subject matter:</b>	81% equity interest in Qingdao Management	81% equity interest in Shanghai Tianhongli

**Consideration:**

Pursuant to the Qingdao Management Equity Transfer Agreement, the consideration for the Qingdao Management Disposal shall be equivalent to 81% of the valuation result of the net assets of Qingdao Management as disclosed in the Qingdao Management Asset Appraisal Report produced by an independent appraiser (which is a requirement for the transfer of state-owned assets under PRC laws and regulations).

Pursuant to the Shanghai Tianhongli Equity Transfer Agreement, the consideration for the Shanghai Tianhongli Disposal shall be equivalent to 81% of the valuation result of the net assets of Shanghai Tianhongli as disclosed in the Shanghai Tianhongli Asset Appraisal Report produced by an independent appraiser (which is a requirement for the transfer of state-owned assets under PRC laws and regulations).

According to the relevant PRC laws and regulations, the final considerations under the Qingdao Management Equity Transfer Agreement and the Shanghai Tianhongli Equity Transfer Agreement are required to be confirmed subject to the approval of the relevant asset appraisal reports by SASAC.

Assuming that the current Qingdao Management Asset Appraisal Report and Shanghai Tianhongli Asset Appraisal Report have been approved by SASAC, the considerations for the Qingdao Management Disposal and the Shanghai Tianhongli Disposal shall be RMB2,057 million and RMB1,675 million, respectively, being 81% of the valuation results of the net assets of Qingdao Management and Shanghai Tianhongli as stated in the current Qingdao Management Asset Appraisal Report and Shanghai Tianhongli Asset Appraisal Report.

The final considerations for the Disposals will be announced once approval is obtained and will be included in the circular of the Company containing further details of the Equity Transfer Agreements and the transactions contemplated therein for the Shareholders' consideration.

Pursuant to the Original Equity Transfer Agreements, the parties further agreed that any attributable profits (and other rights) or losses of Qingdao Management or Shanghai Tianhongli from the Valuation Date to (but excluding) the relevant Change of Business Registration Completion Date, to be determined based on the special audited accounts of Qingdao Management or Shanghai Tianhongli, shall be attributed to or borne by COSCO Qingdao or COSCON (as the case may be). Any attributable profits (and other rights) or losses of Qingdao Management or Shanghai Tianhongli on and after the relevant Change of Business Registration Completion Date shall be attributed to or borne by COSCO Qingdao or COSCON (as the case may be) and Yuehon or Ling Hui (as the case may be) in proportion to their equity interest in Qingdao Management or Shanghai Tianhongli.

Pursuant to the Original Equity Transfer Agreements, 50% of the consideration for the Qingdao Management Disposal (or as the case may be, the Shanghai Tianhongli Disposal) shall be payable by Yuehon to COSCO Qingdao (or as the case may be, Ling Hui to COSCON) in cash within 10 Business Days after the conditions precedent to the completion of the relevant Disposal is satisfied (or waived by the parties in writing), and the remainder of the consideration shall be payable in cash on or before 31 December 2013 after the Change of Business Registration Completion Date in respect of the relevant Disposal.

**Conditions Precedent:**

Pursuant to the Original Equity Transfer Agreements, completion of the Qingdao Management Disposal or the Shanghai Tianhongli Disposal (as the case may be) is conditional upon:

- (1) the transfer of state-owned assets as contemplated under the relevant Equity Transfer Agreement having been approved by the SASAC according to applicable PRC laws and the filing procedures having been completed;

- (2) the parties to the relevant Equity Transfer Agreement and their respective shareholders or actual controllers having completed their respective internal approval procedures in accordance with their articles of association and applicable listing rules in respect of the execution and performance of the relevant Equity Transfer Agreement;
- (3) the parties to the relevant Equity Transfer Agreement having effectively executed the Equity Transfer Agreement and the shareholders of Qingdao Management having consented to the Qingdao Management Disposal (or as the case may be, the shareholders of Shanghai Tianhongli having consented to the Shanghai Tianhongli Disposal);
- (4) no material adverse change having occurred to the business, operations, assets, liabilities, etc. of Qingdao Management or Shanghai Tianhongli (as the case may be) since the Valuation Date, save as disclosed by COSCO Qingdao to Yuehon or COSCON to Ling Hui (as the case may be) before the signing of the relevant Equity Transfer Agreement;
- (5) no breach of the terms of the relevant Equity Transfer Agreement having occurred, and the declarations, representations and warranties given by the parties under the relevant Equity Transfer Agreement remaining effective; and
- (6) the relevant Disposal as a foreign investment having been approved by the Ministry of Commerce in accordance with PRC laws.

**Completion and Termination:**

Completion of the Qingdao Management Disposal or the Shanghai Tianhongli Disposal (as the case may be) is conditional upon the fulfillment of the above-mentioned conditions precedent on or before the Long Stop Date. If condition (6) above is fulfilled but any of other conditions precedent is not fulfilled on or before Long Stop Date, and the parties fail to agree within 20 Business Days after Long Stop Date to waive part or all of the conditions precedent, extend the completion date or terminate the relevant Equity Transfer Agreement, the relevant Equity Transfer Agreement will terminate automatically.

If condition (6) of the conditions precedent is not fulfilled on or before the Long Stop Date, the relevant Equity Transfer Agreement will terminate. In this situation, under the Qingdao Management Guarantee and the Shanghai Tianhongli Guarantee, COSCO Qingdao or COSCON (as the case may be) and COSCO shall enter into the New Qingdao Management Agreement or the New Shanghai Tianhongli Agreement (as the case may be) on the day after the Long Stop Date.

If, within 30 days from the date of payment of the first instalment of the consideration, the registration of change of equity holders of Qingdao Management or Shanghai Tianhongli (as the case may be) with the relevant PRC governmental authorities under the relevant Equity Transfer Agreement is not completed, the parties shall seek to agree to extend the business registration date or terminate the relevant Equity Transfer Agreement within a period of 20 Business Days thereafter. If the parties fail to agree to extend the business registration date or agree to terminate the relevant Equity Transfer Agreement within 20 Business Days, the Equity Transfer Agreement will terminate automatically. Upon the termination of the relevant Equity Transfer Agreement, COSCO Qingdao or COSCON (as the case may be) shall return the first instalment of the consideration under the relevant Equity Transfer Agreement in full to Yuehon or Ling Hui (as the case may be) within 10 days.

### **New Equity Transfer Agreements**

The terms of the New Equity Transfer Agreements have been agreed amongst the parties thereto, and the final form of the New Equity Transfer Agreements were included in the appendices to the Qingdao Management Guarantee and the Shanghai Tianhongli Guarantee, respectively. The New Equity Transfer Agreements shall have substantially the same terms as that of the Original Equity Transfer Agreements, except for the following:

- (1) COSCO shall be the purchaser in respect of the relevant Disposal (in place of Yuehon or Ling Hui, as the case may be);
- (2) conditions (1) and (6) of the conditions precedent to the Original Equity Transfer Agreements shall not be applicable;
- (3) completion of the Qingdao Management Disposal or the Shanghai Tianhongli Disposal (as the case may be) is conditional upon the fulfillment of the conditions precedent (which shall be equivalent to conditions (2) to (5) of the conditions precedent under the Original Equity Transfer Agreements as stated above) on or before the New Long Stop Date. If any of the conditions precedent are not fulfilled on or before the New Long Stop

Date, and the parties fail to agree to waive part or all of the conditions precedent, extend the completion date or terminate the relevant New Equity Transfer Agreement within 20 Business Days after the New Long Stop Date, the relevant New Equity Transfer Agreement will terminate; and

- (4) the parties shall not be required to enter into a joint venture contract upon completion of the relevant Disposal as Qingdao Management or Shanghai Tianhongli (as the case may be) would not be a sino-foreign enterprise.

## **2. MANAGEMENT OF QINGDAO MANAGEMENT AND SHANGHAI TIANHONGLI**

In accordance with the amended articles of association and/or joint venture agreement of Qingdao Management and Shanghai Tianhongli, which will take effect upon the completion of the Qingdao Management Disposal and the Shanghai Tianhongli Disposal, respectively, the key arrangements for the management of Qingdao Management and Shanghai Tianhongli will be as follows:

### ***Qingdao Management***

#### **A. Board composition**

The board of directors of Qingdao Management shall consist of five directors, of which Yuehon or COSCO (as the case may be) shall appoint four directors (including the chairman of the board) and COSCO Qingdao shall appoint one director.

#### **B. General manager and chief financial officer**

Qingdao Management shall have a general manager and a chief financial officer, to be recommended by COSCO Qingdao and Yuehon or COSCO (as the case may be) or through open recruitment, and be appointed by the board of directors.

#### **C. Supervisors**

Qingdao Management shall have three supervisors, and each of Yuehon or COSCO (as the case may be) and COSCO Qingdao shall appoint one supervisor, and the remaining supervisor shall be an employee of Qingdao Management.



## *Shanghai Tianhongli*

### A. Board composition

The board of directors of Shanghai Tianhongli shall consist of five directors, of which Ling Hui or COSCO (as the case may be) shall appoint four directors (including the chairman of the board) and COSCON shall appoint one director.

### B. General manager and finance manager

Shanghai Tianhongli shall have a general manager and a finance manager to be appointed or removed by the board of directors.

### C. Supervisors

Shanghai Tianhongli shall have two supervisors, and each of Ling Hui or COSCO (as the case may be) and COSCON shall appoint one supervisor.

## **3. REASONS FOR AND BENEFITS OF THE DISPOSALS**

Assuming that the consideration for the Qingdao Management Disposal and the Shanghai Tianhongli Disposal are RMB2,057 million and RMB1,675 million, respectively (equivalent to 81% of the valuation results of the net assets of Qingdao Management and Shanghai Tianhongli under the Qingdao Management Asset Appraisal Report and the Shanghai Tianhongli Asset Appraisal Report, respectively, which remain subject to the approval of SASAC), the Board expects that the Disposals can provide a gain of approximately RMB3,670 million to the Group for 2013. The Board believes that the Disposals can improve the earning performance of the Group in 2013, replenish the Group's working capital and reduce the risk of the Company's shares being suspended from trading on the A-share market, which is in the best interests of the Shareholders as a whole.

After the Disposals, the Group will continue to use part of the properties held by Qingdao Management and Shanghai Tianhongli. In order to facilitate the stability of the operations and management of Qingdao Management and Shanghai Tianhongli, the Company will retain a 19% equity interest in each of Qingdao Management and Shanghai Tianhongli after the Disposals and has no plans to dispose of these interests.



Mr. MA Zehua, Mr. LI Yunpeng, Ms. SUN Yueying, Mr. SUN Jiakang, Mr. XU Minjie, Mr. YE Weilong and Mr. JIANG Lijun, all being Directors, hold directorship(s) in certain company(ies) controlled by COSCO and have therefore abstained from voting on the relevant board resolution approving the Disposals pursuant to the articles of association of the Company. Save as disclosed above, none of the Directors has a material interest in the Disposals. Other than the above-mentioned Directors, the remaining Directors are the independent non-executive Directors who will express their view after receiving advice from the Independent Financial Adviser in respect of the Disposals.

#### 4. INFORMATION OF QINGDAO MANAGEMENT AND SHANGHAI TIANHONGLI

##### A. Qingdao Management

Qingdao Management is a company established in the PRC on 1 July 2005. The principal businesses of Qingdao Management are management of self-owned assets and leasing of self-owned property. Qingdao COSCO Business Development is a wholly-owned subsidiary of Qingdao Management.

Please see below for a description of the properties held by Qingdao Management and Qingdao COSCO Business Development, respectively:

Property	Location	Gross floor area	Uses	Stage of development
Sunshine Plaza	No. 61 Hong Kong Middle Road, Shinan District, Qingdao, Shangdong Province, the PRC	43,783.94 square metres	Commercial, Completed apartment and office	
Phase II, COSCO Plaza	No. 61A Hong Kong Middle Road, Shinan District, Qingdao, Shangdong Province, the PRC	80,379.06 square metres (planned)	Commercial and office	Under construction and scheduled to be completed in September 2013

Based on the audited consolidated accounts of Qingdao Management prepared in accordance with the PRC GAAP, the value of the total assets and net assets of Qingdao Management as at 31 July 2013 were approximately RMB1,116 million and RMB936 million, respectively.

Based on the audited consolidated accounts of Qingdao Management prepared in accordance with the PRC GAAP, the profit or loss of Qingdao Management for the two years ended 31 December 2011 and 2012 and the seven months ended 31 July 2013 were as follows:

	<b>For the year ended 31 December</b>		<b>For the seven months ended 31 July 2013</b>
	<b>2011</b>	<b>2012</b>	<b>(Note)</b>
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net profit/(loss) before taxation	(41.03) million	17.76 million	(25.52) million
Net profit/(loss) after taxation	(52.62) million	14.79 million	(27.64) million

*Note:* The net profit / (loss) for the seven months ended 31 July 2013 excluded profit from subsidiaries of Qingdao Management (other than Qingdao COSCO Business Development) which were disposed of by Qingdao Management as part of the restructuring in May 2013 in preparation for the Qingdao Management Disposal.

The appraised value of 100% of the net assets of Qingdao Management as at 31 July 2013 as recommended in the Qingdao Management Asset Appraisal Report is approximately RMB2,539 million, which was prepared based on the asset-based approach.

## B. Shanghai Tianhongli

Shanghai Tianhongli is a company established in the PRC on 12 July 2013. The principal businesses of Shanghai Tianhongli are asset management and property management.

Please see below for a description of the property held by Shanghai Tianhongli:

<b>Property</b>	<b>Location</b>	<b>Gross floor area</b>	<b>Uses</b>	<b>Stage of development</b>
COSCO Plaza	No. 378 Dongdaming Road, Hongkou District, Shanghai, the PRC	31,334.20 square metres	Office	Completed

Based on the audited consolidated accounts of Shanghai Tianhongli prepared in accordance with the PRC GAAP, the value of the total assets and net assets of Shanghai Tianhongli as at 31 July 2013 were approximately RMB2,070 million and RMB2,069 million, respectively.

As Shanghai Tianhongli was established on 12 July 2013, no financial accounts of Shanghai Tianhongli have been prepared for the years ended 31 December 2011 and 2012.

The appraised value of 100% net assets of Shanghai Tianhongli as at 31 July 2013 as recommended in the Shanghai Tianhongli Asset Appraisal Report is approximately RMB2,068 million, which was prepared based on the asset-based approach.

## **5. FINANCIAL EFFECTS OF THE DISPOSALS**

Assuming that the consideration for the Qingdao Management Disposal and the Shanghai Tianhongli Disposal are RMB2,057 million and RMB1,675 million, respectively (equivalent to 81% of the valuation results of the net assets of Qingdao Management and Shanghai Tianhongli under the the Qingdao Management Asset Appraisal Report and the Shanghai Tianhongli Asset Appraisal Report, respectively, which remain subject to the approval of SASAC, the Disposals are expected to provide a gain of approximately RMB3,670 million, which is calculated with reference to (i) the net proceeds from the Disposals; (ii) the carrying amounts and the fair values of the assets and liabilities of Qingdao Management and Shanghai Tianhongli prepared in accordance with PRC GAAP for the seven-month period ended 31 July 2013 and (iii) estimated direct expenses for the Disposals. The actual gain that the Group is able to realise will depend on the carrying amounts and fair values of the assets and liabilities of Qingdao Management and Shanghai Tianhongli on the Qingdao Management Completion Date and Shanghai Tianhongli Completion Date, respectively.

The final gain / loss from the Disposals for the Company will be determined after the considerations for the Disposals are determined, and will be disclosed in the circular of the Company containing further details of the Equity Transfer Agreements and the transactions contemplated thereby.

The Company intends to use the net proceeds from the Disposals for (i) supporting the continuing development of the Group's core shipping business; and (ii) repay certain debts of the Group, to lower the Group's debt ratio and interest expenses.

Upon completion of the Qingdao Management Disposal, Qingdao Management will be held as to 19% by the Company and will cease to be a subsidiary of the Company.

Upon completion of the Shanghai Tianhongli Disposal, Shanghai Tianhongli will be held as to 19% by the Company and will cease to be a subsidiary of the Company.

## **6. INFORMATION ON THE RELEVANT PARTIES**

The Company was established in the PRC on 3 March 2005. The Company, through its various subsidiaries, provides a wide range of container shipping, dry bulk shipping, terminals and container leasing services covering the whole shipping value chain for both international and domestic customers.

Each of Yuehon and Ling Hui is an indirect wholly-owned subsidiary of COSCO.

COSCO is one of the mega-sized state-owned enterprises under SASAC. Apart from the business operated by the Group, the main business currently operated by COSCO and its subsidiaries also includes operation of oil tankers and other liquefied bulk cargo shipping, general cargo and special vessel shipping, ship repair and retrofit, ship building, provision of vessel fuels, and provision of financial services, ship trading services and seaman and ship management services, etc.

COSCON is established in the PRC as a limited liability company. The principal business of COSCON is container shipping. It provides customers with high quality "door-to-door" container shipping services for a wide range of medium to high-end industrial products and consumer products (including raw materials, semi-finished products and finished products).

COSCO Qingdao is established in the PRC as a limited liability company. The principal business of COSCO Qingdao is the provision of passenger and dry bulk shipping services.

## **7. LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) for the Disposals and the COSCO Logistics Disposal, on an aggregated basis, are more than 25% but less than 75%, the Disposals constitute a major transaction of the Company under Chapter 14 of the Listing Rules. In addition, each of Yuehon and Ling Hui is an indirect wholly-owned subsidiary of COSCO which is the controlling shareholder of the Company and hence a connected person of the Company. As such, the Disposals also constitute connected transactions which are subject to the reporting, announcement and independent shareholders' approval requirements. Accordingly, the Company will seek the Independent Shareholders' approval at the EGM by way of poll for the Equity Transfer Agreements and the transactions contemplated therein.

## **8. GENERAL**

Pursuant to the Listing Rules, the Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the Equity Transfer Agreements and the transaction contemplated thereby are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Company has appointed the Independent Financial Adviser as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard under the Listing Rules.

Notice of EGM will be despatched to the Shareholders on or around 30 August 2013.

An ordinary resolution to approve the Equity Transfer Agreements and the transactions contemplated thereby will be proposed at the EGM. COSCO, having a material interest in the Equity Transfer Agreements, and its associates, which together hold 5,313,082,844 A Shares and 81,179,500 H Shares, representing in aggregate 52.80% of the total issued share capital of the Company, will abstain from voting on the resolution to approve the Equity Transfer Agreements and the transactions contemplated thereby at the EGM.

A circular containing, among other things, (i) further details of the Equity Transfer Agreements and the transactions contemplated thereby; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders on or around 23 September 2013 as additional time is required for the Company and the Independent Financial Adviser to prepare the relevant information therein.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	board of Directors
“Business Day(s)”	a day on which banks in the PRC and Hong Kong are generally open for normal banking business
“Change of Business Registration Completion Date”	the date of completion of the change of business registration in respect of the relevant Disposal with the Administration of Industry and Commerce of the PRC
“Company”	China COSCO Holdings Company Limited (中國遠洋控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange
“COSCO”	China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), a Chinese State-owned enterprise, the controlling Shareholder, which, together with its associates, currently own an aggregate of 52.80% of the total registered capital of the Company
“COSCO Logistics Disposal”	the disposal of 100% equity interest in 中國遠洋物流有限公司 (COSCO Logistics Co., Ltd.***) by the Company to COSCO, as described in the circular of the Company dated 2 April 2013
“COSCO Qingdao”	青島遠洋運輸有限公司 (Qingdao Ocean Shipping Co., Ltd.**), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“COSCON”	中遠集裝箱運輸有限公司(COSCO Container Lines Company Limited), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Directors”	directors of the Company

“Disposals”	the Qingdao Management Disposal and the Shanghai Tianhongli Disposal
“EGM”	the extraordinary general meeting of the Company to be held to, among other things, consider, and if thought fit, approve the Equity Transfer Agreements and the transactions contemplated thereby
“Equity Transfer Agreements”	the Original Equity Transfer Agreements and the New Equity Transfer Agreements
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board consisting of all the independent non-executive Directors
“Independent Financial Adviser”	Platinum Securities Company Limited, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Independent Shareholders”	the Shareholders who are prohibited from voting under the Listing Rules to approve the relevant transactions at a general meeting of the Company
“Ling Hui”	Ling Hui Investments Limited (領惠投資有限公司), a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of COSCO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	15 November 2013 or an earlier date as agreed between the parties to the relevant Original Equity Transfer Agreement
“Ministry of Commerce”	中華人民共和國商務部 (the Ministry of Commerce of the PRC)



“New Equity Transfer Agreements”	the New Qingdao Management Agreement and the New Shanghai Tianhongli Agreement
“New Long Stop Date”	the day which is 10 Business Days after the date of the New Equity Transfer Agreement or an earlier date as agreed between the parties to the relevant New Equity Transfer Agreement
“New Qingdao Management Agreement”	the equity transfer agreement which may be entered into between COSCO Qingdao and COSCO in respect of the Qingdao Management Disposal upon termination of the Qingdao Management Equity Transfer Agreement
“New Shanghai Tianhongli Agreement”	the equity transfer agreement which may be entered into between COSCON and COSCO in respect of the Shanghai Tianhongli Disposal upon termination of the Shanghai Tianhongli Equity Transfer Agreement
“Original Equity Transfer Agreements”	Qingdao Management Equity Transfer Agreement and the Shanghai Tianhongli Equity Transfer Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	the Generally Accepted Accounting Principles of the PRC
“Qingdao COSCO Business Development”	青島遠洋商業發展有限公司(Qingdao COSCO Business Development Co., Ltd.***) (formerly known as 青島遠洋賓館有限公司 (Qingdao COSCO Hotel Co., Ltd.**)), a company established in the PRC and a wholly-owned subsidiary of Qingdao Management
“Qingdao Management”	青島遠洋資產管理有限公司 (COSCO (Qingdao) Asset Management Co., Ltd.***) (formerly, 青島遠洋投資發展有限公司 (COSCO (Qingdao) Investment Holding Co., Ltd.**)), a company established in the PRC and a wholly-owned subsidiary of COSCO Qingdao as at the date of this announcement

“Qingdao Management Asset Appraisal Report”	the asset appraisal report issued by China Tong Cheng Assets Appraisal Co., Ltd. (中通誠資產評估有限公司) with respect to the valuation of Qingdao Management as at 31 July 2013
“Qingdao Management Disposal”	the sale and transfer of the 81% equity interest in Qingdao Management
“Qingdao Management Equity Transfer Agreement”	the equity transfer agreement dated 29 August 2013 entered into between COSCO Qingdao and Yuehon in respect of the Qingdao Management Disposal
“Qingdao Management Guarantee”	the guarantee agreement dated 29 August 2013 between COSCO Qingdao, COSCO and Yuehon in respect of the Qingdao Management Disposal
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SASAC”	國務院國有資產監督管理委員會(State-owned Assets Supervision and Administration Commission of the State Council of the PRC)
“Shanghai Tianhongli”	上海天宏力資產管理有限公司 (Shanghai Tianhongli Asset Management Co. Ltd.**), a company established in the PRC and a wholly-owned subsidiary of COSCON as at the date of this announcement
“Shanghai Tianhongli Asset Appraisal Report”	the asset appraisal report issued by Oriental Appraisal Co., Ltd. (上海東洲資產評估有限公司) with respect to the valuation of Shanghai Tianhongli as at 31 July 2013
“Shanghai Tianhongli Disposal”	the sale and transfer of the 81% equity interest in Shanghai Tianhongli
“Shanghai Tianhongli Equity Transfer Agreement”	the equity transfer agreement dated 29 August 2013 entered into between COSCON and Ling Hui in respect of the Shanghai Tianhongli Disposal
“Shanghai Tianhongli Guarantee”	the guarantee agreement dated 29 August 2013 between COSCON, COSCO and Ling Hui in respect of the Shanghai Tianhongli Disposal
“Shareholder(s)”	holder(s) of the Share(s)

“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Date”	31 July 2013
“Yuehon”	Yuehon Investment Limited (裕航投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of COSCO
“%”	per cent

By Order of the Board  
**China COSCO Holdings Company Limited**  
**Guo Huawei**  
*Joint Company Secretary*

Beijing, the PRC, 29 August 2013

*As at the date of this announcement, the directors of the Company are Mr. MA Zehua<sup>2</sup> (Chairman), Mr. LI Yunpeng<sup>1</sup> (Vice Chairman), Ms. SUN Yueying<sup>2</sup>, Mr. SUN Jiakang<sup>1</sup>, Mr. XU Minjie<sup>1</sup>, Mr. YE Weilong<sup>2</sup>, Mr. JIANG Lijun<sup>1</sup> (President), Mr. TEO Siong Seng<sup>3</sup>, Dr. FAN HSU Lai Tai, Rita<sup>3</sup>, Mr. KWONG Che Keung, Gordon<sup>3</sup> and Mr. Peter Guy BOWIE<sup>3</sup>.*

<sup>1</sup>. *Executive Director*

<sup>2</sup>. *Non-executive Director*

<sup>3</sup>. *Independent non-executive Director*

\* *The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name (中國遠洋控股股份有限公司) and its English name “China COSCO Holdings Company Limited”.*

\*\* *for identification purpose only*