



COSCO International Holdings Limited

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

The Share Transfer and Capital Injection Agreement

The Company, through its wholly-owned subsidiary, Mission Success, entered into the Share Transfer and Capital Injection Agreement on 24th January 2003 with, among others, COSCO relating to the acquisition of 23.4% equity interest in CRED (before the Capital Injection) by Mission Success from COSCO, which is equivalent to 17.6% equity interest in CRED on a fully diluted basis upon completion of the Capital Injection for a cash consideration of RMB191.75 million (approximately HK\$180 million) and the participation in the Capital Injection by Mission Success for an aggregate amount of RMB26.51 million (approximately HK\$25 million). The basis of consideration for the Acquisition and the Capital Injection has been arrived at after arm's length negotiations between the parties involved with reference to the Adjusted NAV of CRED as at 30th November 2002, which, among other things, has assumed the completion of the Capital Injection as at that date, and represents a discount of approximately 3.6% of the Adjusted NAV. The principal business of CRED is property development and investment, decoration, trading of construction materials and provision of property consultancy services in the PRC. Upon Completion, Mission Success will hold 20% of the equity interest in CRED.

The JV Agreement

Mission Success also entered into the JV Agreement and other ancillary documents on 24th January 2003 with, among others, COSCO relating to the conversion of CRED from a domestic incorporated company into a sino-foreign equity joint venture company. Thereafter, the JV Partners further intend to convert CRED, the then sino-foreign equity joint venture company into a joint stock limited company in the future, which will involve, among other things, the signing of the Promoters' Agreement and other ancillary documents.

The Sale and Purchase Agreement

Market Smart, a wholly-owned subsidiary of the Company, also entered into the Sale and Purchase Agreement with Yuan Kun, a company owned as to 96.42% by CRED, to sell its entire 49% equity interest in Tian Lin to Yuan Kun for (i) a cash consideration of RMB62.63 million (approximately HK\$59 million) which has been determined with reference to the unaudited adjusted net asset value of Tian Lin as at 30th November 2002; and (ii) Yuan Kun procuring the repayment by Tian Lin of the outstanding face value of the aggregate shareholders loan advanced by Market Smart to Tian Lin as at the date of the Sale and Purchase Agreement together with the handling fee in the sum of RMB 226.76 million (approximately HK\$213 million).

General

The entering into of the Share Transfer and Capital Injection Agreement, the JV Agreement and the Sale and Purchase Agreement constitute discloseable transactions for the Company under the Listing Rules. As COSCO, the ultimate controlling shareholder of the Company and COSCO Tianjin being a subsidiary of COSCO and CRED, being an associate of COSCO, are connected persons of the Company, the Acquisition and the Capital Injection, the execution of the JV Agreement and the Sale and Purchase Agreement and other ancillary documents and the transactions contemplated thereunder also constitute connected transactions for the Company under the Listing Rules.

A circular containing, among other things, further details of the Connected Transactions, a letter from the independent financial adviser containing its advice to the independent board committee of the Company, the recommendations of the independent board committee of the Company and a property valuation report together with a notice convening a special general meeting of the Company will be despatched to the Shareholders as soon as practicable. COSCO, True Smart and COSCO Investments and their respective associates will abstain from voting on the resolutions approving the entering into of the Connected Transactions.

THE SHARE TRANSFER AND CAPITAL INJECTION AGREEMENT

Date : 24th January 2003

Parties : COSCO, SINOCEM, Mission Success, Rillfung, CFETTI, Fan In and COSCO Tianjin

Assets to be acquired

Mission Success shall acquire 23.4% equity interest in CRED (before the Capital Injection) from COSCO, which is equivalent to 17.6% equity interest in CRED on a fully diluted basis upon completion of the Capital Injection for a consideration of RMB 191.75 million (approximately HK\$180 million). Mission Success will also participate in the Capital Injection for the sum of RMB26.51 million (approximately HK\$25 million) to subscribe for 2.4% in the fully diluted equity interest in CRED. Upon Completion, Mission Success will in aggregate own 20% of the enlarged issued share capital of CRED.

Consideration for the Acquisition and the Capital Injection

For the Acquisition

The consideration for the Acquisition of 17.6% equity interest in CRED on a fully diluted basis, being RMB191.75 million (approximately HK\$180 million) was arrived at after arm's length negotiations between the parties with reference to the Adjusted NAV of CRED as at 30th November 2002. Such consideration represents a discount of approximately 3.6% to the 17.6% attributable interest in the Adjusted NAV of CRED of approximately RMB1,130 million (HK\$1,066 million) as at 30th November 2002. The consideration will be settled in cash upon Completion.

For Capital Injection

Mission Success will participate in the Capital Injection for the sum of RMB26.51 million (approximately HK\$25 million) representing 3.2% of the existing share capital in CRED and 2.4% of the enlarged share capital of CRED. Such consideration has been determined with reference to the Adjusted NAV of CRED of approximately RMB1,130 million (HK\$1,066 million) as at 30th November 2002, the same basis of determining the consideration for the Acquisition, which also is the same basis upon which the other JV Partners make the Capital Injection. Together with the Acquisition, Mission Success will in aggregate own 20% of the enlarged issued share capital of CRED.

The Company will finance the aggregate consideration for the Acquisition and the Capital Injection of RMB218.26 million from its internal resources.

Rillfung shall acquire 14.1% equity interest in CRED (before the Capital Injection) from SINOCEM, which is equivalent to 10.6% equity interest in CRED on a fully diluted basis upon completion of the Capital Injection for a consideration of RMB115.36 million (approximately HK\$108 million) which was arrived at after arm's length negotiations between the parties with reference to the Adjusted NAV of CRED as at 30th November 2002 of approximately RMB1,130 million, which represents a discount of approximately 3.6% to the Adjusted NAV. Rillfung will also participate in the Capital Injection and subscribe for an additional 6.4% equity interest (on a fully diluted basis) for the sum of RMB70.16 million (approximately HK\$66 million) on the same basis as those of the Company with a discount of approximately 3.6% to the Adjusted NAV.

CFETTI shall acquire 9.3% equity interest in CRED (before the Capital Injection) from SINOCEM, which is equivalent to 7.0% equity interest in CRED on a fully diluted basis upon completion of the Capital Injection for a consideration of RMB76.39 million (approximately HK\$ 72 million) which was arrived at after arm's length negotiations between the parties with reference to the Adjusted NAV of CRED as at 30th November 2002 of approximately RMB1,130 million, which represents a discount of approximately 3.6% to the Adjusted NAV.

The following table sets out the change of capital in CRED as a result of the Share Transfer and the Capital Injection:

Shareholders of CRED	Existing Capital RMB (%)	Movement in capital as per Share Transfer RMB	Capital Injection RMB	Capital after Share Transfer and Capital Injection RMB (%)
COSCO	375,710,900 (50%)	-175,710,900		200,000,000 (20%)
SINOCEM	375,710,900 (50%)	-175,710,900		200,000,000 (20%)
Mission Success		175,710,900	24,289,100	200,000,000 (20%)
Rillfung		105,710,900	64,289,100	170,000,000 (17%)
CFETTI		70,000,000		70,000,000 (7%)
Fan In			120,000,000	120,000,000 (12%)
COSCO Tianjin			40,000,000	40,000,000 (4%)
Total	751,421,800 (100%)		248,578,200	1,000,000,000 (100%)

Sun Town Company

Pursuant to the sale and purchase agreement dated 25th December 2002 among CRED, Sinochem Jinqiao, Fan In Investment and Fan In Real Estate ("Sun Town Agreement"), CRED and Sinochem Jinqiao agreed to sell and each of Fan In Investment and Fan In Real Estate agreed to purchase 90% and 10% of (i) the issued share capital in and (ii) the rights and benefits of the shareholders' loans as at Completion to Sun Town Company, a 90% subsidiary of CRED respectively, at a total cash consideration of RMB465 million, out of which RMB418.5 million shall be payable to CRED and RMB46.5 million shall be payable to Sinochem Jinqiao. A sum of RMB65 million shall be paid by Fan In Investment and Fan In Real Estate to CRED and Sinochem Jinqiao within 15 days from the date of obtaining of the approval of the share transfer from the relevant government authority of the PRC as part payment of the consideration and the remaining balance is payable within 6 months from the date of the Sun Town Agreement and in any event on or before completion of the Sun Town Agreement. The consideration was arrived at based on the market value of Sun Town Building as at 30th November 2002 as well as the net asset value of Sun Town Company as at the same date. There is no gain or loss on the disposal of Sun Town Company by CRED.

Conditions precedent

The completion of the Share Transfer and Capital Injection Agreement is conditional upon, among other things, the following conditions precedent being fulfilled:

- the valuation of the assets of CRED has been carried out by an independent valuer in the PRC and the result of such valuation has been confirmed by the relevant government assets management department;
- in accordance with the relevant provisions of the Listing Rules, the passing of the resolutions at a special general meeting of the Company approving the Share Transfer and Capital Injection Agreement, the JV Agreement, the principal terms of the Promoters' Agreement, the Sale and Purchase Agreement and the transactions contemplated thereunder;
- Mission Success being satisfied with the result of the due diligence exercise carried out on CRED, including but not limited to, legal, finance and other operational matters;
- the receipt by the JV Partners of a satisfactory legal opinion on the transactions contemplated under the Share Transfer and Capital Injection Agreement and the JV Agreement from the respective legal advisers of the JV Partners as to PRC laws;
- all relevant third party or government consents or approvals having been obtained so that Mission Success has become the shareholder of CRED and the conversion of CRED from a domestic incorporated company into a sino-foreign equity joint venture company; and
- the due completion of the Sun Town Agreement and the receipt by CRED of RMB418.5 million being the total cash consideration for the sale of its 90% interest in Sun Town Company.

In the event that any of the aforesaid conditions precedent not being fulfilled on or before 30th September 2003 or the relevant conditions precedent shall not be waived by Mission Success, the Share Transfer and Capital Injection Agreement shall terminate and become null and void and neither party shall have any claim against the other, save in respect of any antecedent breach.

Principal terms of the Promoters' Agreement

- The registered capital of CRED in the sum of RMB1 billion and the total investment amount in the sum of RMB1.1 billion will remain unchanged upon conversion of CRED into a joint stock limited company;
- Mission Success will not be required to participate in any further capital injection into CRED for the purpose of converting CRED into a joint stock limited company but the equity interest of Mission Success in CRED will remain at 20%;
- Upon the completion of the capital injection by Mission Success into CRED, Mission Success will hold 20% equity interest in CRED and its shares will rank pari passu in all respects inter se and with all other shares in the issued share capital of the Company; and
- The terms of the Promoters' Agreement and the articles of association of CRED (including provisions in connection with the composition of the board of directors) shall be substantially the same as set out in the JV Agreement.

THE JV AGREEMENT

Date : 24th January 2003

Parties : COSCO
SINOCEM
Mission Success
Rillfung
CFETTI
Fan In
COSCO Tianjin

Pursuant to the JV Agreement, CRED will be converted from a domestic company into a sino-foreign equity joint venture company for a period of 30 years, owned as to 20% by each of Mission Success, COSCO and SINOCEM, 17% by Rillfung, 7% by CFETTI, 12% by Fan In and 4% by COSCO Tianjin.

Principal terms:

The scope of business of CRED include, among other things, property development and investment, decoration, trading of construction materials and provision of property consultancy services in the PRC.

- The total investment amount and the registered capital for CRED will be RMB1.1 billion and RMB1 billion respectively. The outstanding investment amount will be funded by bank borrowings. The responsibilities and profit sharing in CRED will be based on the respective equity interest of the parties in CRED.
- The board of directors of CRED will comprise of 10 directors, 1 of whom will be the general manager of CRED, 2 of whom will be nominated by COSCO, 2 by SINOCEM and 2 by Mission Success, and 1 by each of Rillfung, CFETTI and Fan In respectively.

The JV Partners intends to convert CRED, the then sino-foreign equity joint venture company into a joint stock limited company in the future, which will involve, amongst other things, the signing of the Promoters' Agreement and other ancillary documents.

THE SALE AND PURCHASE AGREEMENT

Date : 24th January 2003

Parties : Market Smart as the vendor
Yuan Kun as the purchaser
Tian Lin as the subject company

Assets to be disposed of

49% equity interest in the capital of Tian Lin and the cancellation of the Market Smart Loan Agreements

Consideration

- A cash consideration of RMB62.63 million (approximately HK\$59 million) for the 49% equity interest in Tian Lin; and
- Yuan Kun to procure Tian Lin to repay the shareholder's loan due by Tian Lin to Market Smart RMB216 million (approximately HK\$203 million) together with the handling fee in the sum of RMB10.76 million (approximately HK\$10 million).

The consideration for the Disposal was arrived at after arm's length negotiations between the parties with reference to the unaudited adjusted net asset value of Tian Lin as at 30th November 2002 of approximately RMB127.80 million based on the valuation report prepared by the Independent Valuer as at the same date and the face value of the shareholders' loan due by Tian Lin to Market Smart as at the date of the Sale and Purchase Agreement. The aggregate consideration shall be payable in cash by Yuan Kun and Tian Lin respectively to Market Smart upon completion of the Sale and Purchase Agreement.

Conditions precedent

The completion of the Sale and Purchase Agreement is conditional upon, among other things, the following conditions precedent being fulfilled:

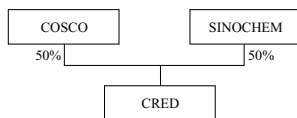
- in accordance with the relevant provisions of the Listing Rules, the passing of the resolutions at a special general meeting of the Company approving the Sale and Purchase Agreement and the transactions contemplated thereunder;
- the prior or simultaneous completion of the Share Transfer and Capital Injection Agreement; and
- all relevant government consents or approvals having been obtained.

Completion of the Sale and Purchase Agreement shall take place on the third business day after all the aforesaid are fulfilled. In the event that any of the aforesaid precedent are not fulfilled on or before 30th September 2003, the Sale and Purchase Agreement shall become null and void and none of the parties shall have claim against the others, save in respect of any antecedent breach.

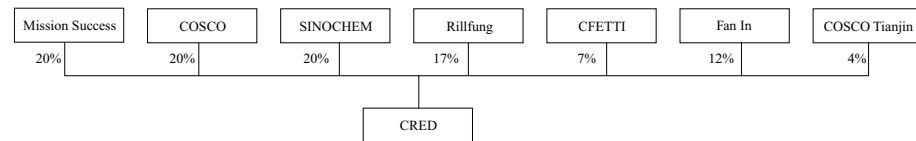
INFORMATION ON CRED

CRED is a company incorporated under the laws of the PRC on 12th June 1993 with registered capital of RMB751.42 million immediately before Completion. CRED is principally engaged in property development and investment, decoration, trading of construction materials and provision of property consultancy services in the PRC. Immediately before Completion, CRED is beneficially owned as to 50% by COSCO and 50% by SINOCEM, respectively. As a result of the Capital Injection, an aggregate amount of approximately RMB248 million will be injected into CRED registered capital, thus resulting in the increase in CRED's registered capital of CRED from approximately RMB751.42 million to approximately RMB1 billion upon Completion. The proceeds from the Capital Injection will be used for the development of the land banks of CRED. CRED will then become a sino-foreign equity joint venture owned as to 20% by each of Mission Success, COSCO and SINOCEM, 17% by Rillfung, 7% by CFETTI, 12% by Fan In and 4% by COSCO Tianjin. The following chart illustrates the change in shareholding in CRED before and after Completion.

Immediately before Completion



Upon Completion



Based on the financial statements of CRED, which were prepared in accordance with accounting principles generally accepted in the PRC, the audited/unaudited consolidated profit before taxation, profit after taxation for the year ended 31st December 2000, 2001 and the 11 months ended 30th November 2002 are set out in the following table:

	(Audited) Year ended 31st December 2000 RMB million	(Audited) Year ended 31st December 2001 RMB million	(Unaudited) 11 months ended 30th November 2002 RMB million
Profit before taxation	67.63	47.40	116.16
Profit after taxation	37.53	5.03	50.46

The adjusted net asset value of CRED as at 30th November 2002, before and after the Capital Injection amounted to approximately RMB858.93 million and approximately RMB1,130 million respectively. The principal assets of CRED are its attributable interests in various PRC properties and interests in associated companies engaged in, among others, property investment and trading of construction materials.

The principal property interests held by CRED include the followings:

Ocean Plaza (遠洋大廈)

CRED has an attributable interest of 70% in Ocean Plaza, COSCO has indirect interest of 28% and the remaining 2% is owned by an independent third party not connected with any director, chief executive or substantial shareholder of the Company or its subsidiaries or any of their respective associates. Ocean Plaza, completed in October 1999, is located at west of Chang'an Avenue, Beijing and comprises one block of top graded intelligent office building of 17 storeys with a total gross floor area of approximately 102,682 sq. m. of which approximately 50,369 sq.m. has been sold whilst the occupancy rate of the remaining area was approximately 90% with monthly rental income amounted to approximately RMB4.23 million.

Shenghuayuan Phase II (聖華原二期)

CRED has an attributable interest of 51% in Shenghuayuan Phase II and the Company has interest of the remaining 49%. Shenghuayuan Phase II is a real estate development project in respect of a piece of land situated at the junction of Dong Sihuan Lu and Chaoyang Lu, Beijing, the PRC, with a site area of approximately 21,600 sq. m. Upon completion of the development, it will comprise eleven blocks of residential buildings with related facilities. Upon completion of the Disposal, CRED will have 100% attributable interest in Shenghuayuan Phase II.

Ocean Paradise (遠洋天地)

CRED has 100% attributable interest in the Zone I and Zone II of Ocean Paradise. Ocean Paradise situated in the southeast corner of the junction of Dongsihuan and Chaoyang Lu, Beijing. Zone I has been completed in 2002 and comprises of residential area of approximately 110,000 sq. m. as well as carparks and other common facilities. About 79% of the residential area has been sold. Zone II has commenced pre-sale and will be completed in mid 2003 comprising of approximately 190,000 sq. m. of residential area.

Ocean Prospect (遠洋風景)

CRED has an attributable interest of 51% in Ocean Prospect and the Company has interest of the remaining 49%. Ocean Prospect is located in Hai Dian District, Beijing, the PRC. It comprises nine blocks of residential buildings with total gross floor area of approximately 98,000 sq. m. and common facilities and carpark. As of to date, approximately 59% of residential and commercial area has been sold. Upon completion of the Disposal, CRED will have 100% attributable interest in Ocean Prospect.

Ocean City Scope (都市網景)

CRED has an attributable interest of approximately 96.4% and the remaining approximately 3.6% is owned by a wholly owned subsidiary of COSCO. Ocean City Scope is located in the core area of Zhongguancun, Beijing, with total gross floor area of approximately 89,896 sq.m. Ocean City Scope comprises three 24-storey residential buildings on a 3-storey commercial podium. Ocean City Scope was completed in June 2000 and above 90% of the residential and commercial area has been sold.

Sun Town Building (信通大廈)

Sun Town Building which was constructed on a piece of allocated land (劃撥地) of which the relevant long-term land use right certificate (出讓土地使用証) in respect of the Sun Town Building has not yet been obtained, is owned by Sun Town Company, a 90% subsidiary of CRED, and the remaining 10% interest in Sun Town Company is owned by a subsidiary of SINOCEM. Sun Town Building is a commercial development project located at the eastern street of the Beijing Railway Station with a site area of approximately 9,043 sq. m. It is a composite building which consists of offices and restaurants. Nonetheless, Sun Town Company has been contracted for disposal and completion of such disposal is scheduled to take place prior to Completion.

REASONS FOR THE CONNECTED TRANSACTIONS

The Group is principally engaged in property investment and development, building construction and civil engineering, infrastructure investment, ship trading and supplying services and high technology and environmental protection.

The Acquisition and the Capital Injection

As set out in the 2001 annual report and 2002 interim report of the Company, the Group will focus on property development as its core business. With the experience gained from the development of Fragrant Garden in Shanghai and Ocean Prospect in Beijing, the Group is well positioned to further explore and develop promising high quality residential and commercial projects in the PRC. CRED has sizable land banks, such as Ocean Yuquan Garden, Project on the West Chan'an Avenue, and CBD Public Building, and other property interests in Beijing and the Directors consider that the Acquisition provides a good opportunity for the Company to further expand its presence in the PRC property market and that the Acquisition also fits into the development strategy of the Group. Together with the Capital Injection, the Company is able to equity account for its 20% in CRED.

The Disposal

The Company acquired from COSCO the 49% equity interest in Tian Lin (the remaining 51% equity interest in Tian Lin is held by CRED) in August 2001 for a consideration of approximately RMB19.34 million. Together with the subsequent capital injection and shareholders' loan advanced to Tian Lin of approximately HK\$203.79 million, the aggregate book cost of investment in Tian Lin amounted to approximately RMB273 million (approximately HK\$257 million) as at the date of the Sale and Purchase Agreement. Tian Lin is a single purpose company set up to engage in the property development work of Shenghuayuan Phase II and Ocean Prospect projects. Based on the financial statements of Tian Lin, which were prepared in accordance with accounting principles generally accepted in the PRC, the audited/unaudited consolidated profit/(loss) before taxation, profit/(loss) after taxation for the year ended 31st December 2000, 2001 and the 11 months ended 30th November 2002 are set out in the following table:

	(Audited) Year ended 31st December 2000 RMB million	(Audited) Year ended 31st December 2001 RMB million	(Unaudited) 11 months ended 30th November 2002 RMB million
Profit/(loss) before taxation	(0.833)	0.19	48.05
Profit/(loss) after taxation	(0.833)	0.19	32.54

The unaudited net asset value of Tian Lin (adjusted for property valuation of all the properties owned by Tian Lin and its subsidiaries) as at 30th November 2002 amounted to approximately RMB127.80 million (approximately HK\$120 million).

Given the Acquisition, in order to simplify the shareholding structure of the Company in CRED, the Directors consider it in the interests of the Company to effect the Disposal, particularly given the estimated gain on the Disposal will amount to approximately RMB17 million (approximately HK\$16 million). The proceeds of the Disposal will be used for working capital of the Group.

GENERAL

The Acquisition, the Capital Injection, the execution of the JV Agreement and the Disposal constitute discloseable transactions for the Company under the Listing Rules. As COSCO, the ultimate controlling shareholder of the Company and COSCO Tianjin being a subsidiary of COSCO, and CRED, being an associate of COSCO, are connected persons of the Company, the Acquisition, the Capital Injection, the execution of the JV Agreement and the Disposal and the transactions contemplated thereunder constitute connected transactions for the Company under the Listing Rules.

An independent board committee of the Company has been formed to advise the Independent Shareholders in respect of the Connected Transactions. DBS Asia Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of the Company regarding the Connected Transactions. COSCO, True Smart and COSCO Investments and their respective associates will abstain from voting in relation to the resolutions approving the Connected Transactions.

A circular containing, among other things, further details of the Connected Transactions, a letter from DBS Asia Capital Limited containing its advice to the independent board committee of the Company, the recommendations of the independent board committee of the Company and a property valuation report, together with a notice convening a special general meeting of the Company will be despatched to the Shareholders as soon as practicable.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of 23.4% equity interest in CRED (before the Capital Injection) by Mission Success from COSCO, which is equivalent to 17.6% equity interest in CRED on a fully diluted basis upon completion of the Capital Injection
"Adjusted NAV"	the unaudited adjusted consolidated net asset value of CRED as at 30th November 2002 as adjusted by: (i) the property valuation of all the properties owned by CRED and its subsidiaries prepared by the Independent Valuer as at 30th November 2002; (ii) the disposal of Sun Town Company assuming completion took place as at the same date; and (iii) completion of the Capital Injection
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Capital Injection"	the capital injection made by each of Mission Success, Rillfung, Fan In and, COSCO Tianjin to the registered capital of CRED in the proceeds of RMB26.5 million, RMB70.16 million, RMB131 million, and RMB43.7 million respectively
"CFETTI"	中國對外經濟貿易信託投資公司 (China Foreign Economy and Trade Trust and Investment Company, Limited), a company incorporated in the PRC and a subsidiary of SINOCEM;
"Company"	COSCO International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Completion"	the completion of the Share Transfer and Capital Injection Agreement and the JV Agreement
"COSCO"	中國遠洋運輸(集團)總公司 (China Ocean Shipping (Group) Company), a company incorporated in the PRC and is the ultimate beneficial owner holding approximately 59.48% equity interest in the Company
"COSCO Investments"	COSCO Investments Limited, a company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of COSCO, which holds approximately 21.68% of the issued share capital of the Company
"COSCO Tianjin"	天津遠洋運輸公司 (Tianjin Ocean Shipping Company), a company incorporated in the PRC and a wholly owned subsidiary of COSCO
"CRED"	中遠房地產開發有限公司 (COSCO Real Estate Development Co., Ltd.), a company incorporated in the PRC
"Connected Transactions"	the entering into of the Share Transfer and Capital Injection Agreement, the JV Agreement, and the Sale and Purchase Agreement and other ancillary documents and the transactions contemplated thereunder
"Directors"	the directors of the Company
"Disposal"	the sale of 49% equity interest by Market Smart to Yuan Kun
"Fan In"	Fan In Holdings Company Limited, a company incorporated in Hong Kong, an independent third party not connected to the Company, the Directors, the substantial Shareholders or any of their respective associates
"Fan In Investment"	繁榮投資有限公司 (Fan In Investment Limited*), a company incorporated under the laws of the PRC with limited liability and is a subsidiary of Fan In and is an independent third party not connected to the Company, the Directors, the substantial Shareholders or any of their respective associates
"Fan In Real Estate"	繁榮房地產有限公司 (Fan In Real Estate Limited*), a company incorporated under the laws of the PRC with limited liability and is a subsidiary of Fan In and is an independent third party not connected to the Company, the Directors, the substantial Shareholders or any of their respective associates
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Shareholder(s)"	Shareholder(s) other than True Smart and COSCO Investments and any of their respective associates
"Independent Valuer"	Vigers Hong Kong Ltd., a professional valuer
"JV Agreement"	the conditional agreement dated 24th January 2003 entered into between COSCO, SINOCEM, Mission Success, Rillfung, CFETTI, Fan In and COSCO Tianjin for the establishment of CRED as a sino-foreign joint venture company
"JV Partners"	COSCO, SINOCEM, Mission Success, Rillfung, CFETTI, Fan In and COSCO Tianjin
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Market Smart"	Market Smart Limited, a company incorporated under the laws of Hong Kong, is a wholly-owned subsidiary of the Company
"Market Smart Loan Agreements"	two agreements both dated 13th September 2001 between Market Smart and Tian Lin governing the terms of the advancement of loans from Market Smart to Tian Lin, which were made pro-rata to Market Smart's equity interest in Tian Lin, for two of Tian Lin's projects
"Mission Success"	Mission Success Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company
"Ocean City Scope (都市網景)"	a residential and commercial complex located in the core area of Zhongguancun, Beijing with total gross floor area of approximately 89,896 sq.m.
"Ocean Paradise (遠洋天地)"	it comprises of Zone I and Zone II. Zone I has been completed in 2002 with approximately 110,000 sq.m. of residential area. Zone II has commenced pre-sale with approximately 190,000 sq. m. of residential area.
"Ocean Plaza (遠洋大廈)"	an intelligent top grade office building of 17 storeys with total gross floor of approximately 102,682 sq.m. located at west of Chang'an Avenue, Beijing
"Ocean Prospect (遠洋風景)"	a residential real estate development project situated in Hai Dian District, Beijing, the PRC, with a site area of approximately 29,795 sq. m.
"PRC"	the People's Republic of China which for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Promoters' Agreement"	a promoters' agreement to be entered into by the JV Partners in connection with the conversion of CRED into a joint stock limited company
"RMB"	Renminbi, the lawful currency of the PRC
"Rillfung"	Rillfung Company Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of SINOCEM
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 24th January 2003 entered into between Market Smart, Yuan Kun and Tian Lin relating to the Disposal
"Shareholder(s)"	the holder(s) of the share(s) of the Company
"Share Transfer"	the transfer of equity interests in CRED by COSCO to Mission Success and by SINOCEM to Rillfung and CFETTI respectively
"Share Transfer and Capital Injection Agreement"	the conditional agreement dated 24th January 2003 entered into by Mission Success with, among others, COSCO relating to the transfer of interest in CRED between Mission Success and COSCO and the capital injection in CRED by Mission Success and other JV Partners
"Shenghuayuan Phase II (聖華原二期)"	a real estate development project in respect of a piece of land situated at the junction of Sihuan Dong Lu and Chaoyang Lu, Beijing, the PRC with a site area of approximately 21,600 sq.m.
"SINOCEM"	中國化工進出口總公司(China National Chemicals Import and Export Corporation), a corporation incorporated in the PRC and is an independent third party not connected to the Company, the Directors, the substantial Shareholders or any of their respective associates
"Sinochem Jinqiao"	中化金橋國際貿易公司 (Sinochem Jinqiao International Trading Company*), a company incorporated in the PRC and is an independent third party not connected to the Company, the Directors, the substantial Shareholders or any of their respective associates
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sun Town Building (信通大廈)"	a composite development project located at the eastern street of the Beijing Railway station with a site area of approximately 9,043 sq.m., owned by Sun Town Company
"Sun Town Company"	北京市信通聯合商貿公司 (Sun Town Company*), a company incorporated under the laws of the PRC, a 90% owned subsidiary of CRED which was contracted to be disposed of
"Tian Lin"	北京市天麟房地產開發有限公司(Beijing Tian Lin Property Development Co. Ltd.), a company incorporated under the laws of the PRC, is a non-wholly owned subsidiary of CRED
"True Smart"	True Smart International Limited, a company incorporated under the laws of British Virgin Islands and a wholly owned subsidiary of COSCO, which holds 37.80% equity interest in the Company
"Yuan Kun"	北京遠坤房地產開發公司(Yuan Kun Property Development Co.), a non-wholly owned subsidiary of CRED

* For identification purpose only

Exchange rate: HK\$1 to RMB1.0644

Hong Kong, 24th January 2003

By Order of the Board
COSCO International Holdings Limited
LIU Hanbo
Managing Director