

IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in COSCO International Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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COSCO International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0517)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE ENTIRE 10% EQUITY INTEREST IN SHANGHAI JV

27th September 2006

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DEFINITIONS

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

“Agreement”	the agreement between the Company and the Purchaser in respect of the transfer of the Equity Interest dated 13th September 2006;
“Announcement”	the announcement of the Company dated 13th September 2006 in respect of the Agreement;
“Board” or “Directors”	the board of directors of the Company;
“China” or “PRC”	The People’s Republic of China, for the purposes of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan region;
“Company”	COSCO International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“connected person”	having the meaning ascribed to it under the Listing Rules;
“COSCO”	中國遠洋運輸（集團）總公司 (China Ocean Shipping (Group) Company*), a company incorporated in the PRC and the ultimate holding company of the Company;
“COSCO Hong Kong”	COSCO (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability and the intermediate holding company of the Company;
“Equity Interest”	the entire 10% equity interest in Shanghai JV held by the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	21st September 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	上海塗料有限公司 (Shanghai Coatings Company Limited*), a limited liability company established in the PRC, being interested in 29% of the registered capital of Shanghai JV;
“SFO”	Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong);

DEFINITIONS

“Shanghai JV”	上海國際油漆有限公司 (International Paint of Shanghai Co., Ltd.*), being a sino-foreign equity joint venture established in the PRC;
“Shareholder(s)”	holder(s) of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGD”	Singaporean dollars, the lawful currency of Singapore;
“US\$”	United States dollars, the lawful currency of United States of America; and
“%”	per cent.

** for identification purpose only*

Note: For illustration purpose of this circular, save as otherwise stated herein, exchange rate of RMB1 = HK\$0.9771 and US\$1 = HK\$7.7769 have been used for conversion.

LETTER FROM THE BOARD



COSCO International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0517)

Executive Directors:

Mr. Wei Jiafu (*Chairman*)
Mr. Liu Guoyuan (*Vice Chairman*)
Mr. Li Jianhong
Mr. Jia Lianjun
Mr. Wang Xiaoming
Mr. Liang Yanfeng (*Managing Director*)
Mr. Meng Qinghui
Mr. Chen Xuwen
Mr. Lin Libing
Mr. Wang Xiaodong
Mr. Lin Wenjin

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business:

47th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

Independent Non-executive Directors:

Mr. Chan Cheong Foon, Andrew
Mr. Kwong Che Keung, Gordon
Mr. Tsui Yiu Wa, Alec

27th September 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF THE ENTIRE 10% EQUITY INTEREST IN SHANGHAI JV

INTRODUCTION

The Board announced in the Announcement that on 13th September 2006, the Company entered into an agreement with the Purchaser whereby the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Equity Interest at the consideration of RMB39 million.

As the applicable percentage ratios of the transactions contemplated under the Agreement exceed 5% but are below 25%, the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information on the Agreement and other information of the Company as required by the Listing Rules.

LETTER FROM THE BOARD

THE AGREEMENT

On 13th September 2006, the Company entered into the Agreement with the Purchaser whereby the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Equity Interest. The principal terms of the Agreement are set out below:

- Date:** 13th September 2006
- Vendor:** The Company
- Purchaser:** 上海塗料有限公司 (Shanghai Coatings Company Limited)
- Subject matter:** The entire 10% equity interest in Shanghai JV held by the Company, excluding any unpaid dividends declared on or before 31st December 2005 but including any dividends that may be declared after 31st December 2005. As at 13th September 2006, no dividends have been declared by Shanghai JV since 1st January 2006.
- Consideration:** RMB39 million (equivalent to approximately HK\$38.11 million)
- Terms of Payment:** The consideration shall be payable by the Purchaser to the Company in cash in the following manners: -
- (a) RMB3.9 million, representing 10% of the consideration, shall be payable (and was paid) within five (5) business days after the date of execution of the Agreement as deposit;
 - (b) after obtaining the approval from the relevant PRC approval authority in respect of the transfer of the Equity Interest, RMB33.15 million, representing 85% of the consideration, shall be payable within five (5) business days from the date on which the approval for remittance of funds to a bank account outside the PRC as designated by the Company is granted by the State Administration of Foreign Exchange; and
 - (c) RMB1.95 million, representing the remaining 5% of the consideration, shall be payable within five (5) business days from the date on which the relevant PRC registration authority completes the registration of the change of shareholding of Shanghai JV and issues the new business licence of Shanghai JV in respect of the transfer of the Equity Interest and the approval of the State Administration of Foreign Exchange is granted.
- Conditions Precedent:** Unless the parties agree to waive the conditions precedent in writing to the extent permitted by law, the completion of the Agreement is subject to the following conditions precedent: -
- (a) the transfer of the Equity Interest having been unanimously approved by the board of directors of Shanghai JV;

LETTER FROM THE BOARD

- (b) the Company having completed the relevant disclosure requirement in relation to the transfer of the Equity Interest and the relevant matters under the Agreement in accordance with the Listing Rules;
- (c) the Purchaser having obtained relevant approvals and documents in respect of the transfer of the Equity Interest pursuant to PRC law and its memorandum and articles of association;
- (d) the Company having obtained the approval of the Board in respect of the transfer of the Equity Interest;
- (e) Shanghai United Assets and Equity Exchange having issued a transaction certificate (交易證明) in respect of the transfer of the Equity Interest pursuant to PRC law;
- (f) the parties to the Agreement and other relevant parties having executed all required contracts, agreements and relevant documents in respect of the transfer of the Equity Interest pursuant to PRC law; and
- (g) the relevant PRC approval authority having issued approval documents and the new certificate of approval of Shanghai JV in respect of the transfer of the Equity Interest.

The conditions precedent shall be satisfied on or before 31st December 2006 or such other later date as the parties may agree. If any one of the conditions precedent shall not be satisfied on the date specified above, the Agreement will terminate automatically.

The terms of the Agreement were arrived at after arm's length negotiations between the parties. The consideration for the Equity Interest is determined by reference to (1) the book value of shareholders' equity of approximately RMB137.25 million (equivalent to approximately HK\$134.11 million) as stated on the audited financial statement of Shanghai JV as at 31st December 2005, as well as (2) the market value (including undistributed profits for the year of 2005) of Shanghai JV as at 31st December 2005 of RMB338 million (equivalent to approximately HK\$330.26 million) based on the valuation report dated 30th June 2006 prepared by an independent valuer appointed by the Company.

INFORMATION OF THE GROUP, SHANGHAI JV AND THE PURCHASER

The Group is principally engaged in ship trading and supplying services and its other business operation includes property investment and development.

Shanghai JV is principally engaged in the sales and manufacturing of marine coatings in the PRC market with its base of manufacturing in Shanghai. Shanghai JV also manufactures other kind of anti-corrosion paint. The Group is interested in 10% of the registered capital of Shanghai JV.

As at the Latest Practicable Date, the Purchaser was interested in 29% of the registered capital of Shanghai JV. The principal activities of the Purchaser consist of sales and manufacturing of industrial coatings, decorative paints and marine coatings in the PRC market.

LETTER FROM THE BOARD

FINANCIAL INFORMATION

The carrying book value of the Equity Interest to the Company was approximately HK\$15.02 million as at 31st December 2005. Based on the PRC audited accounts of Shanghai JV, the net asset value of Shanghai JV was approximately RMB137.25 million (equivalent to approximately HK\$134.11 million) as at 31st December 2005 and the net asset value of Shanghai JV attributable to the Equity Interest was approximately RMB13.73 million (equivalent to approximately HK\$13.42 million) as at 31st December 2005. The net profit before taxation of Shanghai JV attributable to the Equity Interest was approximately RMB8.96 million (equivalent to approximately HK\$8.75 million) and RMB10.07 million (equivalent to approximately HK\$9.84 million) for each of the two financial years ended 31st December 2005. The net profit after taxation of Shanghai JV attributable to the Equity Interest was approximately RMB7.56 million (equivalent to approximately HK\$7.39 million) and approximately RMB8.20 million (equivalent to approximately HK\$8.01 million) for each of the two financial years ended 31st December 2005.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the carrying value of the Equity Interest as at 31st December 2005, the Company will obtain a gain of approximately HK\$23.09 million and a valuation surplus of approximately HK\$7.38 million will be released from investment revaluation reserve and credited in the income statement as a result of the transfer of the Equity Interest pursuant to the Agreement. The Disposal would increase the consolidated net asset value of the Company by approximately HK\$23.09 million upon completion.

REASONS AND BENEFITS FOR THE DISPOSAL

In recent years, the Company has been repositioning itself on ship trading and supplying business and has achieved a remarkable progress. After a series of acquisitions in establishing a coating supply platform, the Company currently holds 63.07% equity interest in each of 上海中遠關西塗料化工有限公司 (Shanghai COSCO Kansai Paint & Chemicals Co., Ltd.) and 天津中遠關西塗料化工有限公司 (Tianjin COSCO Kansai Paint & Chemicals Co., Ltd.), 64.71% equity interest in 珠海中遠關西塗料化工有限公司 (Zhuhai COSCO Kansai Paint & Chemicals Co., Ltd.) (collectively, "COSCO Kansai Companies") and 50% equity interest in 中遠佐敦船舶塗料(香港)有限公司 (Jotun COSCO Marine Coatings (HK) Limited) ("JCMC"). Under this platform, COSCO Kansai Companies are mainly responsible for the production and sales of container coatings and industrial anti-corrosion coatings, JCMC is mainly in charge of production and sales of marine coating products, whilst Shanghai JV is also engaged in marine coatings business. The Group expects that the ship building and repairing business in the PRC will continue to flourish in the years to come.

Although the Group believes that the performance of coatings business of Shanghai JV is satisfactory so far, it is difficult to align its interest in Shanghai JV with the Group's business strategy on the grounds that (1) there is direct competition between JCMC and Shanghai JV and (2) the Group does not have a majority interest and control in the board of directors of Shanghai JV.

The Board believes that the disposal of the Equity Interest will enable the Group to focus and strengthen its coatings business operated by COSCO Kansai Companies and JCMC in its coating supply platform.

The net proceeds are currently intended to be used by the Group for general working capital purpose.

LETTER FROM THE BOARD

The Directors consider that the terms of the Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

The Equity Interest represents 10% of the registered capital of Shanghai JV held by the Group. The Equity Interest was acquired by the Group pursuant to a sale and purchase agreement dated 14th August 2003 at the consideration of RMB17.138 million (equivalent to approximately HK\$16.75 million). The acquisition of the Equity Interest by the Group was completed on 30th June 2004.

After completion of the Agreement, the Company will cease to have any equity interest in Shanghai JV.

GENERAL

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save and except that the Purchaser is a joint venture investor of Shanghai JV, the Purchaser and its ultimate beneficial owner(s) are independent third parties of the Company and its connected persons.

Your attention is also drawn to the additional information as set out in the appendix to this circular.

By Order of the Board
COSCO International Holdings Limited
Liang Yanfeng
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(i) Directors' interest in share options granted by the Company

Name of Director	Exercise price (HK\$)	Number of share options as at 1st January 2006	Number of share options as at the Latest Practicable Date	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date	Notes
Mr. Wei Jiafu	0.57	1,800,000	1,800,000	0.125%	(1), (3), (4)
	1.37	1,200,000	1,200,000	0.083%	(2), (3), (4)
Mr. Liu Guoyuan	0.57	1,800,000	1,800,000	0.125%	(1), (3), (4)
	1.37	1,200,000	1,200,000	0.083%	(2), (3), (4)
Mr. Li Jianhong	0.57	1,800,000	1,800,000	0.125%	(1), (3), (4)
	1.37	1,200,000	1,200,000	0.083%	(2), (3), (4)
Mr. Liang Yanfeng	0.57	1,200,000 #	1,200,000	0.083%	(1), (3), (4)
Mr. Meng Qinghui	0.57	1,200,000	1,200,000	0.083%	(1), (3), (4)
	1.37	800,000	800,000	0.055%	(2), (3), (4)
Mr. Lin Libing	0.57	1,200,000	1,200,000	0.083%	(1), (3), (4)
	1.37	800,000	800,000	0.055%	(2), (3), (4)
Mr. Wang Xiaodong	0.57	1,200,000 ##	1,000,000	0.069%	(1), (3), (4)
	1.37	800,000	800,000	0.055%	(2), (3), (4)
Mr. Lin Wenjin	0.57	800,000 #	800,000	0.055%	(1), (3), (4)
	1.37	500,000	500,000	0.035%	(2), (3), (4)

Appointed as Executive Director on 9th August 2006. As at 9th August 2006, he had the entitlement of the share options.

Appointed as Executive Director on 25th January 2006. As at 25th January 2006, he had the entitlement of the share options.

Notes:

- (1) Pursuant to the share option scheme of the Company adopted on 17th May 2002 (the “Share Option Scheme”), these share options were granted on 26th November 2003 and are exercisable at HK\$0.57 per share at any time between 23rd December 2003 and 22nd December 2008.
- (2) These share options were granted on 2nd December 2004 pursuant to the Share Option Scheme and are exercisable at HK\$1.37 per share at any time between 29th December 2004 and 28th December 2014.
- (3) These share options represent personal interest held by the relevant participant as beneficial owner.
- (4) From 1st January 2006 to the Latest Practicable Date, none of the share options of the above Directors were cancelled or lapsed.

(ii) Long positions in shares of associated corporations

Name of Director	Name of associated corporations	Nature of interest and capacity	Total number of shares held as at the Latest Practicable Date	Approximate percentage of issued share capital of the associated corporation as at the Latest Practicable Date
Mr. Wei Jiafu	COSCO Corporation (Singapore) Limited (“COSCO SGP”)	Beneficial owner	1,900,000	0.086% Note
Mr. Li Jianhong	COSCO SGP	Beneficial owner	1,300,000	0.059% Note
Mr. Liang Yanfeng	COSCO Pacific Limited (“COSCO Pacific”)	Beneficial owner	10,000 ☆	0.003%
Mr. Kwong Che Keung, Gordon	COSCO Pacific	Beneficial owner	250,000	0.011%

☆ *Appointed as Executive Director on 9th August 2006. As at 9th August 2006, he held the 10,000 shares.*

Note: Adjustment was made as a result of the approval of the sub-division of every 1 ordinary share of SGD0.2 each divided into 2 ordinary shares of SGD0.1 each by shareholders of COSCO SGP at the extraordinary general meeting held on 17th January 2006.

(iii) Directors' interest in share options granted by associated corporations

Name of Director	Name of associated corporations	Exercise price	Number of share options as at 1st January 2006	Number of share options as at the Latest Practicable Date	Approximate percentage of issued share capital of the associated corporation as at the Latest Practicable Date	Exercisable period	Notes
Mr. Wei Jiafu	COSCO Pacific	HK\$9.54	500,000	400,000	0.018%	30.10.2003-29.10.2013	(1),(5),(6)
	COSCO Pacific	HK\$13.75	1,000,000	1,000,000	0.045%	03.12.2004-02.12.2014	(2),(5),(6)
	COSCO SGP	SGD0.807	900,000	–	–	06.04.2006-05.04.2010	(3),(5),(6)
	COSCO SGP	SGD1.23	–	1,100,000	0.050%	21.02.2007-20.02.2011	(4),(5),(6)
Mr. Liu Guoyuan	COSCO Pacific	HK\$13.75	1,000,000	500,000	0.023%	29.11.2004-28.11.2014	(2),(5),(6)
Mr. Li Jianhong	COSCO Pacific	HK\$9.54	400,000	300,000	0.014%	29.10.2003-28.10.2013	(1),(5),(6)
	COSCO Pacific	HK\$13.75	1,000,000	1,000,000	0.045%	02.12.2004-01.12.2014	(2),(5),(6)
	COSCO SGP	SGD0.807	600,000	–	–	06.04.2006-05.04.2010	(3),(5),(6)
	COSCO SGP	SGD1.23	–	700,000	0.032%	21.02.2007-20.02.2011	(4),(5),(6)
Mr. Meng Qinghui	COSCO Pacific	HK\$13.75	1,000,000	700,000	0.032%	29.11.2004-28.11.2014	(2),(5),(6)
Mr. Lin Wenjin	COSCO Pacific	HK\$13.75	150,000 @	150,000	0.007%	01.12.2004-30.11.2014	(2),(5),(6)

@ Appointed as Executive Director on 9th August 2006. As at 9th August 2006, he had the entitlement of 150,000 share options.

Notes:

- (1) Pursuant to the share option scheme of COSCO Pacific (“Share Option Scheme of COSCO Pacific”), an associated corporation of the Company, adopted on 23rd May 2003, these share options were granted during the period from 28th October 2003 to 6th November 2003 and are exercisable at HK\$9.54 per share at any time within ten years from their respective date on which an offer is accepted or deemed to be accepted.
- (2) These share options were granted pursuant to the Share Option Scheme of COSCO Pacific, during the period from 25th November 2004 to 16th December 2004 and are exercisable at HK\$13.75 per share at any time within ten years from their respective date on which an offer is accepted or deemed to be accepted.
- (3) These share options were granted by COSCO SGP on 6th April 2005. Adjustment was made as a result of the approval of the sub-division of every 1 ordinary share of SGD0.2 each divided into 2 ordinary shares of SGD0.1 each by shareholders of COSCO SGP at the extraordinary general meeting held on 17th January 2006.
- (4) These share options were granted by COSCO SGP on 21st February 2006.
- (5) These share options represent personal interest held by the relevant participant as beneficial owner.

- (6) From 1st January 2006 to the Latest Practicable Date, none of the share options of the above Directors were cancelled or lapsed.

(iv) Directors' interest in share appreciation rights granted by associated corporation

Name of Director	Name of associated corporation	Exercise price (HK\$)	Number of units as at 1st January 2006	Number of units as at the Latest Practicable Date	Percentage of total issued share capital as at the Latest Practicable Date	Notes
Mr. Wei Jiafu	China COSCO Holdings Company Limited ("China COSCO")	3.195	900,000	900,000	0.040%	(1), (2), (3)
Mr. Liu Guoyuan	China COSCO	3.195	600,000	600,000	0.027%	(1), (2), (3)
Mr. Li Jianhong	China COSCO	3.195	600,000	600,000	0.027%	(1), (2), (3)
Mr. Jia Lianjun	China COSCO	3.195	75,000 Δ	75,000	0.003%	(1), (2), (3)

Δ *Appointed as Executive Director on 25th January 2006. As at 25th January 2006, he had the entitlement of 75,000 units.*

Notes:

- (1) These share appreciation rights were granted by China COSCO ("Share Appreciation Rights") in units with each unit representing one H share of China COSCO, on 16th December 2005 pursuant to the share appreciation rights plan adopted by China COSCO (the "Plan"). Under the Plan, no shares will be issued. The Share Appreciation Rights can be exercised at HK\$3.195 per unit at any time between 16th December 2007 and 15th December 2015.
- (2) These Share Appreciation Rights represent personal interest held by the relevant participant as beneficial owner.
- (3) From 1st January 2006 to the Latest Practicable Date, none of the Share Appreciation Rights of the above Directors were cancelled or lapsed.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

- (i) As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or the chief executive of the Company)

had an interest or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(a) Long positions in shares of the Company

Company Name	Capacity	Number of shares	Percentage of issued share capital of the Company as at the Latest Practicable Date
COSCO	Controlled corporation ^(Note)	829,360,511	57.46%
COSCO Hong Kong	Controlled corporation ^(Note)	829,360,511	57.46%
True Smart International Limited (“True Smart”)	Beneficial owner ^(Note)	829,360,511	57.46%

Note: Since True Smart is a wholly-owned subsidiary of COSCO Hong Kong which is in turn a wholly-owned subsidiary of COSCO, the interests of True Smart is deemed to be the interests of COSCO Hong Kong and in turn the interests of COSCO Hong Kong are deemed to be the interests of COSCO under the SFO. Mr. Wei Jiafu, Mr. Liu Guoyuan, Mr. Jia Lianjun and Mr. Wang Xiaoming, Directors of the Company, are also directors of COSCO Hong Kong.

(b) Long positions in shares of the subsidiaries of the Company

Name of subsidiary of the Company	Name of substantial shareholder	Interest in share capital/equity interest	Percentage of issued share capital of the subsidiary of the Company
Cash Rich Enterprises Limited	Dragon Eagle Investments Limited	1,415 ordinary shares	14.15%
COSCO International Ship Trading Company Limited	中遠國際貿易公司 (COSCO International Trading Company*)	200,000 ordinary shares	40.00%
New Central International Enterprises Co., Ltd.	COSCO (H.K.) Industry & Trade Holdings Ltd.	100,000 ordinary shares	10.00%
Shanghai COSCO Honour Property Development Limited	Dragon Eagle Investments Limited	<i>(Note)</i>	14.00%

APPENDIX
GENERAL INFORMATION

Name of subsidiary of the Company	Name of substantial shareholder	Interest in share capital/equity interest	Percentage of issued share capital of the subsidiary of the Company
Shenyang COSCO Yihe Property Development Co., Ltd.	廣州遠洋建設實業公司 (COSCO Guangzhou Construction Industry Company*)	registered capital of RMB29,000,000 (equivalent to approximately HK\$28,336,000)	29.00%
Shenyang COSCO Yihe Property Development Co., Ltd.	廣州頤和投資發展有限公司 (Guangzhou Yihe Investment & Development Co., Ltd.*)	registered capital of RMB20,000,000 (equivalent to approximately HK\$19,542,000)	20.00%
Shanghai COSCO Kansai Paint & Chemicals Co., Ltd.	Kansai Paint Co., Ltd.	registered capital of US\$2,470,300 (equivalent to approximately HK\$19,211,000)	35.29%
Tianjin COSCO Kansai Paint & Chemicals Co., Ltd.	Kansai Paint Co., Ltd.	registered capital of US\$1,764,500 (equivalent to approximately HK\$13,722,000)	35.29%
珠海中遠關西塗料化工有限公司 (Zhuhai COSCO Kansai Paint & Chemicals Co., Ltd.*)	Kansai Paint Co., Ltd.	registered capital of US\$2,011,530 (equivalent to approximately HK\$15,643,000)	35.29%
深圳中遠保險經紀有限公司 Shenzhen COSCO Insurance Brokers Limited*	深圳遠洋運輸股份有限公司 (Shenzhen Ocean Shipping Co., Ltd.*)	registered capital of RMB2,250,000 (equivalent to approximately HK\$2,198,000)	45.00%

* *for identification purpose only*

Note: Dragon Eagle Investments Limited was indirectly interested in approximately 14% equity interest of Shanghai COSCO Honour Property Development Limited through its 14.15% interest in Cash Rich Enterprises Limited, which owns 99% equity interest in Shanghai COSCO Honour Property Development Limited.

Save as disclosed herein, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no persons (other than a director or the chief executive of the Company) has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following Directors (including their respective associates) are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, particulars of which are set out below:

Name of Director	Name of the entities which are considered to compete or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of Director's interest in the entity
Mr. Wei Jiafu	Companies controlled by COSCO	- Property investment and development - Ship trading and supplying services	Director
Mr. Liu Guoyuan	COSCO Hong Kong and its associated companies	- Property investment and development - Ship trading and supplying services	Director
Mr. Li Jianhong	Companies controlled by COSCO	- Property investment and development - Ship trading and supplying services	Director
Mr. Jia Lianjun	Companies controlled by COSCO	- Property investment and development - Ship trading and supplying services	Director
Mr. Wang Xiaoming	COSCO Hong Kong and its associated companies	- Property investment and development - Ship trading and supplying services	Director
Mr. Meng Qinghui	Soundwill Holdings Limited	- Property investment and development	Non-executive Director
Mr. Chen Xuewen	Companies controlled by COSCO Hong Kong	- Property investment and development - Ship trading and supplying services	Director

As the Board is independent from the board of directors of the aforesaid companies, and as none of the above Directors control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of these companies.

Save as disclosed herein, none of the Directors and their respective associates had any interest in a business which competes or may compete with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in a litigation or arbitration proceedings of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any member of the Group.

7. GENERAL

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Hong Kong head office and principal place of business of the Company is situated at 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong.
- (b) The Company's branch share registrar in Hong Kong is Abacus Share Registrars Limited situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Ms. Chiu Shui Suet, a qualified solicitor in Hong Kong and an associate member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.
- (d) The qualified accountant of the Company is Mr. Lo Siu Leung Tony, a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.