



COSCO International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 0517)

VERY SUBSTANTIAL DISPOSAL, CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

The Board wishes to announce that the Vendor, a wholly-owned subsidiary of the Company, had on 30th May 2005 entered into an agreement with the Purchaser being a wholly-owned subsidiary of COSCO Hong Kong and a connected person of the Company in relation to the Disposal. The Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Agreement also constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

Completion is conditional upon obtaining the approval of the transactions contemplated under the Agreement by the Independent Shareholders at the SGM on or before the Long Stop Date. Upon Completion, COSCO Hong Kong, through the Purchaser being its wholly-owned subsidiary, will own the entire issued share capital of and loan to Modern Capital and Modern Capital will cease to be a wholly-owned subsidiary of the Company.

The Consideration for the sale and purchase of (i) the entire issued share capital of Modern Capital is HK\$7.8; and (ii) the loan to Modern Capital as at the Completion Date is HK\$1,402,000,000 which have been arrived at after arm's length negotiations between the parties with reference to an agreed value of the Properties based on the DTZ Valuation Report.

Modern Capital indirectly owns the Properties through the Target Subsidiaries and will continue to own the Properties after Completion. Pursuant to the terms of the Agreement, the following new tenancy agreements will be entered into at Completion:

- (i) a tenancy agreement between the Company (as tenant) and Tian Lee (as landlord) in respect of the whole of 47th Floor of COSCO Tower; and
- (ii) a tenancy agreement between COSCO Ship Trading (as tenant), a non-wholly owned subsidiary of the Company and Velu Exports in respect of Unit 4802 of COSCO Tower.

Since Tian Lee and Velu Exports (as the landlords), being two of the Target Subsidiaries will become indirect wholly-owned subsidiaries of COSCO Hong Kong after Completion, and will therefore become connected persons of the Company, the Tenancy Agreements also constitute continuing connected transactions of the Company, and is subject to reporting and disclosure requirements under the Listing Rules.

The Agreement (which contains the terms of the Tenancy Agreements) requires disclosure by way of a press announcement, the despatch of a circular to the Shareholders and the prior approval by the Independent Shareholders by a majority vote in the SGM under the Listing Rules. COSCO Hong Kong and its associates will abstain from voting in respect of any resolution(s) relating to the Agreement at the SGM. Any vote of the Independent Shareholders at the SGM shall be taken on a poll.

A circular containing, among other things, further details of the Agreement (including the Tenancy Agreements), a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the recommendations of the Independent Board Committee to the Independent Shareholders and the DTZ Valuation Report, together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

THE AGREEMENT

Date

30th May 2005

Parties:

Purchaser : Wealthocean Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of COSCO Hong Kong (the substantial shareholder and an indirect holding company of the Company which indirectly owns approximately 58.53% of the issued share capital of the Company as at the date of this announcement) and thus a connected person of the Company

Vendor : Monoland Assets Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company

Assets to be disposed of

The Vendor shall sell to the Purchaser the entire issued share capital of and loan to Modern Capital owing by Modern Capital to the Vendor as at the Completion Date. As at 30th April 2005, such loan by the Vendor to Modern Capital amounted to approximately HK\$1,549,696,000.

Upon Completion, the Purchaser will own the entire issued share capital of Modern Capital, and through Modern Capital indirectly owns all the Target Subsidiaries. Modern Capital and the Target Subsidiaries will upon Completion cease to be wholly-owned subsidiaries of the Company.

Consideration

The Consideration for the sale and purchase of (i) the entire issued share capital of Modern Capital is HK\$7.8; and (ii) the loan to Modern Capital as at the Completion Date is HK\$1,402,000,000. The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to an agreed value of the Properties based on the DTZ Valuation Report. The Consideration payable to the Vendor will be satisfied by the Purchaser in cash by way of internal resources.

The Consideration will be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$600,000,000 to be paid upon signing of the Agreement in cash towards part payment of the Consideration;
- (b) the balance of the Consideration in the sum of HK\$802,000,007.8 to be paid at Completion.

The Vendor and the Purchaser further agree and acknowledge that (i) any surplus cash in the Modern Capital Group can be used to repay the loan owing by Modern Capital to the Vendor as mentioned above, at any time prior to Completion in such manner as the Vendor and the Modern Capital Group think fit; and (ii) any such repayment of the loan shall not reduce the amount of the Consideration payable by the Purchaser to the Vendor under the Agreement.

Condition Precedent

Completion is conditional upon obtaining the approval of the transactions contemplated by the Agreement by the Independent Shareholders at the SGM on or before the Long Stop Date.

If the condition precedent has not been fulfilled by the Vendor on or before the Long Stop Date, the Agreement shall from such date have no effect and no party shall have any claims against the other party under the Agreement (without prejudice to the rights of any party to the Agreement in respect of antecedent breaches), except that the HK\$600,000,000 already paid by the Purchaser to the Vendor as mentioned above will be refunded to the Purchaser without interest.

Completion

Upon compliance with or fulfillment of the condition precedent, Completion shall take place on the Completion Date.

INFORMATION ON MODERN CAPITAL

Modern Capital is an investment holding company incorporated in the BVI on 8th August 1997. Modern Capital owns the entire issued share capital of each of Cash In Hand, Gwee Brothers, Malayan, Tian Lee, Velu Exports, Wing Thye, Year Of The Rat and 99 Prove Finance, all principally engaged in the business of property letting and are owners of 39th, 40th, 42nd, 47th, 48th, 49th, 50th and 51st Floors of COSCO Tower respectively. As at the date of this announcement, the whole of 39th, 40th and 42nd Floors are leased to independent third parties not connected with the Group; the whole of 47th Floor and Unit 4802 of 48th Floor are being used by the Group; and other units in 48th Floor and the whole of 49th, 50th and 51st Floors are leased to COSCO Hong Kong and its subsidiaries.

The unaudited consolidated net liabilities of Modern Capital Group as at 31st December 2004 amounted to approximately HK\$442,000,000. The original acquisition cost of the entire issued share capital of Modern Capital was HK\$7.8. The table below sets out the unaudited consolidated net profits/losses before and after taxation of Modern Capital for the two years ended 31st December 2003 and 2004 respectively:

	Year ended	
Modern Capital Group	31st December 2003	31st December 2004
	HK\$	HK\$
Unaudited consolidated net profit/(loss) before taxation	(56,620,482)	163,570,671
Unaudited consolidated net profit/(loss) after taxation	(56,620,482)	163,570,671

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE AGREEMENT

Throughout these years, the Company has been implementing its stated business objective in expanding the scope of the Group's ship trading and supplying services, by acquiring interests in marine paint and coatings manufacturers as well as the acquisition of the marine insurance brokerage arm and the largest marine equipment and spare parts trading company within the COSCO Group, the Group has gradually underpinned success to become one of the leading ship trading and supplying services providers in the PRC.

The Group acquired the Properties in 1998 and the original acquisition costs was approximately HK\$1.66 billion. The book value of the Properties as at 31st December 2004 was approximately HK\$1.1 billion. The Bank Loan which is secured by, among other things, mortgages on the Properties was approximately HK\$591,000,000 as at the date of the Agreement representing approximately 54% of the book value of the Properties as mentioned above. After the disposal of the Properties through the Disposal at the Consideration which was determined with reference to the market value of the Properties, and upon full repayment of the Bank Loan with the use of part of the Disposal proceeds, the Group would have available to it additional funds of approximately HK\$811,000,000, such sum of HK\$811,000,000 will provide further resources for the Group's businesses in particular, the ship trading and supplying services businesses. After Completion, the debt ratio of the Group is expected to drop from approximately 56% to approximately 40%. The Company estimates that the expected gain on the Disposal to the Group based on the financial information of Modern Capital Group as at 31st December 2004 is approximately HK\$290,000,000, which is subject to adjustments at Completion. Further, the Group's property portfolio would be substantially reduced as a result of the Disposal enabling the Group to concentrate on its ship trading and supplying services businesses.

The Directors consider that the Disposal is on normal commercial terms and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole are concerned.

INTENDED USE OF PROCEEDS

The Board intends to use the proceeds from the Disposal partly for prepayment of the Bank Loan in full and the remaining amount of approximately HK\$811,000,000 (before expenses) as general working capital and/or financial resources for further investments relating to its ship trading and supplying services business. The Group has not committed to engaging in any particular investment that requires the use of such remaining amount of proceeds.

PRINCIPAL ACTIVITIES OF THE GROUP AND THE PURCHASER

The Group is principally engaged in the businesses of ship trading and supplying services, property investment and development, infrastructure investment and building construction.

The Purchaser is a wholly-owned subsidiary of COSCO Hong Kong which is an investment holding company. The principal activities of COSCO Hong Kong and its subsidiaries include the businesses of bulk transportation, container leasing, container terminals, manufacturing industries, property and infrastructure investment, building construction, logistics, information technology, metal material processing, ship trading, supply of fuel and various types of marine, ship agency and freight services, as well as finance, insurance brokerage, hotel and travel agency business.

GENERAL

As COSCO Hong Kong owns 58.53% of the issued share capital of the Company, it is a substantial shareholder of the Company. The Purchaser is a wholly-owned subsidiary of COSCO Hong Kong and thus is a connected person of the Company under the Listing Rules. Accordingly, the Agreement constitutes a connected transaction for the Company under the Listing Rules. As the consideration ratio calculated pursuant to 14.07(4) of the Listing Rules exceeds 75%, the Disposal under the Agreement also constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. As a result, the Agreement requires disclosure by way of press announcement, the despatch of a circular to the Shareholders and the prior approval by the Independent Shareholders by a majority vote at the SGM. COSCO Hong Kong and its associates will abstain from voting in respect of the Agreement at the SGM. Any vote of the Independent Shareholders at the SGM shall be taken on a poll.

An Independent Board Committee has been formed to advise the Independent Shareholders in relation to the Disposal and the Agreement and, an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the Disposal and the Agreement.

A circular containing, among other things, further details of the Disposal and the Agreement (including the Tenancy Agreements mentioned below), a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders and the recommendations of the Independent Board Committee to the Independent Shareholders and the DTZ Valuation Report, together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable after the publication of this announcement.

DETAILS OF THE 1ST TENANCY AGREEMENT

Date	:	Completion Date
Parties	:	the Company (as tenant)
Premises	:	Tian Lee, which will become an indirect wholly-owned subsidiary of COSCO Hong Kong upon Completion and a connected person of the Company (as landlord) The whole of 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong
Term	:	Initial term of 3 years commencing on the Completion Date and expiring on the third anniversary date after the Completion Date (both days inclusive)
Rent	:	HK\$532,000 per month (exclusive of Government rates, air-conditioning and management charges and all other outgoings of a non-capital and recurring nature but inclusive of Government rent) during the initial term of 3 years
Management fee (including air conditioning charges)	:	HK\$72,734.50 per month (subject to review in accordance with the provisions of the 1st Tenancy Agreement) The rent and other charges will be financed by internal resources of the tenant. The aggregate annual rental and other charges payable by the tenant to the landlord for each of the financial years ending 31st December 2005, 2006 and 2007 will be subject to the cap amounts of HK\$3,700,000, HK\$7,300,000 and HK\$7,300,000 respectively. The cap amounts are determined with reference to the annual basic rent and other charges including air-conditioning and management charges payable to the landlord.
Rent-free period	:	No rent-free period since the Company and the relevant subsidiaries are already using this premises. <i>(Please refer to the paragraph "Reasons for and Benefits of the Continuing Connected Transactions" below.)</i>
Option to renew	:	An option exercisable by the tenant by giving to the landlord a written notice not less than six months before the expiry of the initial term of 3 years to renew the lease for a further term of 3 years upon the same terms as are contained in the 1st Tenancy Agreement, save and except (1) this clause for renewal and the right to any decoration or rent-free period and (2) at the prevailing open market rent to be agreed between the parties or as determined by a chartered surveyor to be appointed by agreement between the parties. The Company will comply with the relevant provisions under the Listing Rules in relation to continuing connected transactions when the tenancy is renewed as mentioned above.
Right to sub-let	:	The tenant shall be entitled to sublet, grant licence, part with possession of or share the premises or any part thereof with any third party irrespective of whether any rent or consideration is given therefor and on such terms and conditions as the tenant may in its absolute discretion deem fit without having to obtain any approval or consent from the landlord.

DETAILS OF THE 2ND TENANCY AGREEMENT

Date	:	Completion Date
Parties	:	COSCO Ship Trading, a non wholly-owned subsidiary of the Company (as tenant). Velu Exports, which will become an indirect wholly-owned subsidiary of COSCO Hong Kong upon Completion and a connected person of the Company (as landlord)
Premises	:	Unit 4802, 48th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong
Term	:	Initial term of 3 years commencing on the Completion Date and expiring on the third anniversary date after the Completion Date (both days inclusive)
Rent	:	HK\$165,825 per month (exclusive of Government rates, air-conditioning and management charges and all other outgoings of a non-capital and recurring nature but inclusive of Government rent) during the initial term of 3 years
Management fee (including air conditioning charges)	:	HK\$22,671.50 per month (subject to review in accordance with the provisions of the 2nd Tenancy Agreement) The rent and other charges will be financed by internal resources of the tenant. The aggregate annual rental and other charges payable by the tenant to the landlord for each of the financial years ending 31st December 2005, 2006 and 2007 will be subject to the cap amounts of HK\$1,200,000, HK\$2,300,000 and HK\$2,300,000 respectively. The cap amounts are determined with reference to the annual basic rent and other charges including air-conditioning and management charges payable to the landlord.

Rent-free period	:	No rent-free period since COSCO Ship Trading is already using this premises. <i>(Please refer to the paragraph "Reasons for and Benefits of the Continuing Connected Transactions" below.)</i>
Option to renew	:	An option exercisable by COSCO Ship Trading by giving to the landlord a written notice not less than six months before the expiry of the initial term of 3 years to renew the lease for a further term of 3 years upon the same terms as are contained in the 2nd Tenancy Agreement, save and except (1) this clause for renewal and the right to any decoration or rent-free period and (2) at the prevailing open market rent to be agreed between the parties or as determined by a chartered surveyor to be appointed by agreement between the parties. The Company will comply with the relevant provisions under the Listing Rules in relation to continuing connected transactions when the tenancy is renewed as mentioned above.
Right to sub-let	:	The tenant shall be entitled to sublet, grant licence, part with possession of or share the premises or any part thereof with any third party irrespective of whether any rent or consideration is given therefor and on such terms and conditions as the tenant may in its absolute discretion deem fit without having to obtain any approval or consent from the landlord.

The total monthly rent of HK\$697,825 (exclusive of Government rates, air-conditioning and management charges and all other outgoings of a non-capital and recurring nature but inclusive of Government rent) for the premises under the 1st Tenancy Agreement and the 2nd Tenancy Agreement was determined with reference to the DTZ Valuation Report as at 30 April 2005 which reveals market rent for those premises of an aggregate of HK\$700,000.

The monthly management charges for the premises under each of the 1st Tenancy Agreement and 2nd Tenancy Agreement were determined based on existing rate of management charges which has been charged by the relevant management company.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

47th Floor of COSCO Tower, being the leased premises under the 1st Tenancy Agreement, is a property owned by the Group prior to the Disposal and has been used as the head office of the Group since 1997 and certain members within the Group are also located in the same premises. Unit 4802 of COSCO Tower, being the leased premises under the 2nd Tenancy Agreement, is also a property owned by the Group prior to the Disposal and has been used as the office of COSCO Ship Trading since 1997. Since both 47th Floor and Unit 4802 of COSCO Tower (collectively, the "Premises") will no longer be owned by the Group after Completion, the Group will have to lease back the Premises so that the Group and certain of its members including COSCO Ship Trading may continue to use the Premises without any disruptions to the operations of the Group. Since the terms of the Tenancy Agreements were determined after arm's length negotiations between the parties and the rent for the respective initial term of 3 years was determined with reference to an agreed market valuation of rentals based on the DTZ Valuation Report, the Directors consider it to be in the interest of the Company to enter into the Tenancy Agreements.

The Directors are of the opinion that the Tenancy Agreements, if entered into, are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm's length negotiations between the parties; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

As Tian Lee and Velu Exports, being the respective landlords under the 1st Tenancy Agreement and the 2nd Tenancy Agreement will, upon Completion, become indirect wholly-owned subsidiaries of COSCO Hong Kong, a substantial shareholder of the Company. Tian Lee and Velu Exports will therefore become connected persons of the Company under the Listing Rules and the entering into of the 1st Tenancy Agreement and the 2nd Tenancy Agreement constitutes continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules. The principal activity of each of Tian Lee and Velu Exports is property holding.

The Tenancy Agreements will constitute continuing connected transactions of the Company under Rule 14A.34 of the Listing Rules and details of the Tenancy Agreements will be subject to disclosure in an announcement and inclusion in the next published annual report and accounts of the Company under Rules 14A.45 to 14A.47 of the Listing Rules. As the Tenancy Agreements, on an annual aggregate basis, do not exceed 2.5% of each of the applicable percentage ratios under the Listing Rules, no shareholders' approval is required, but the Tenancy Agreements will only be entered into upon Completion after the Independent Shareholders have approved the Agreement at the SGM. Upon the exercise of the option to renew the lease term under each of the 1st Tenancy Agreement and the 2nd Tenancy Agreement by their respective tenants, the Company will comply with the relevant provisions in respect of continuing connected transactions in accordance with the Listing Rules.

DEFINITIONS

"1st Tenancy Agreement"	a tenancy agreement to be entered into between Tian Lee and the Company on the Completion Date
"2nd Tenancy Agreement"	a tenancy agreement to be entered into between Velu Exports and COSCO Ship Trading on the Completion Date
"Agreement"	the agreement dated 30th May 2005 for the sale and purchase of the entire issued share capital of and loan to Modern Capital
"associate"	has the meaning ascribed to it under the Listing Rules
"Bank Loan"	means a term loan owing by the Company to Bank of China (Hong Kong) Limited under a facility agreement dated 28 August 1998 (as amended), the indebtedness under which amounts to HK\$591,000,000 as at the date of the Agreement, and the Company's obligations thereunder are secured by, inter alia, mortgages on the Properties;
"Board"	the board of Directors
"business day"	a day on which licensed banks in Hong Kong are generally open for business (excluding Saturday, Sunday and public holiday)
"BVI"	the British Virgin Islands
"Cash In Hand"	Cash In Hand Inc., a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of the whole of 39th Floor of COSCO Tower
"Company"	COSCO International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
"Completion"	the completion of the transaction contemplated under the Agreement
"Completion Date"	ten business days after fulfillment of all the condition or such other date as may be agreed between the Vendor and the Purchaser
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the aggregate consideration of HK\$1,402,000,007.8 for the Disposal
"COSCO Group"	China Ocean Shipping (Group) Company, the ultimate holding company of the Company, and its subsidiaries collectively

“COSCO Hong Kong”	COSCO (Hong Kong) Group Limited, a company incorporated in Hong Kong with limited liability which indirectly owns 58.53% of the issued share capital of the Company
“COSCO Ship Trading”	COSCO International Ship Trading Company Limited, a company incorporated in Hong Kong with limited liability and a 60% non-wholly owned subsidiary of the Company
“COSCO Tower”	COSCO Tower, 183 Queen’s Road Central, Hong Kong
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire issued share capital of and loan to Modern Capital by the Vendor to the Purchaser
“DTZ Valuation Report”	a valuation report on the value of the Properties at HK\$1,402,000,000 as at 30th April 2005 to be prepared by DTZ Debenham Tie Leung Ltd.
“Gwee Brothers”	Gwee Brothers Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of the whole of 40th Floor, COSCO Tower
“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 Company comprising the Independent Directors, appointed to consider and make recommendations to the Independent Shareholders in relation to the Disposal (and the Agreement)
“Independent Directors”	Mr. Chan Cheong Foon, Andrew, Mr. Kwong Che Keung, Gordon and Mr. Tsui Yiu Wa, Alec, being the independent non-executive Directors
“Independent Shareholders”	the Shareholder(s) other than COSCO Hong Kong and its associates
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31st August 2005, or such later date as the Vendor and the Purchaser may agree in writing
“Malayan”	Malayan Corporations Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of 42nd Floor, COSCO Tower
“Modern Capital”	Modern Capital Investment Limited, a company incorporated in the BVI with limited liability which is wholly-owned by the Vendor prior to Completion
“Modern Capital Group”	Modern Capital and the Target Subsidiaries
“PRC”	The People’s Republic of China (for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan Province)
“Properties”	the whole of 39th, 40th, 42nd, 47th, 48th, 49th, 50th and 51st Floors, COSCO Tower
“Purchaser”	Wealthocean Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of COSCO Hong Kong
“SGM”	the special general meeting of the Company to be held to approve the transactions contemplated under the Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Subsidiaries”	Cash In Hand, Gwee Brothers, Malayan, Tian Lee, Velu Exports, Wing Thye, Year Of The Rat and 99 Prove Finance, being 8 wholly-owned subsidiaries of Modern Capital
“Tenancy Agreements”	the 1st Tenancy Agreement and the 2nd Tenancy Agreement collectively
“Tian Lee”	Tian Lee Property Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of the whole of 47th Floor, COSCO Tower
“Velu Exports”	Velu Exports Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of the whole of 48th Floor, COSCO Tower
“Vendor”	Monoland Assets Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Wing Thye”	Wing Thye Holdings Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of 49th Floor, COSCO Tower
“Year Of The Rat”	Year Of The Rat Corp., a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of the whole of 50th Floor, COSCO Tower
“99 Prove Finance”	99 Prove Finance Ltd., a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of Modern Capital and the owner of the whole of 51st Floor, COSCO Tower
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of The United States of America
“%”	per cent.

Unless otherwise specified, the conversion of US dollars into Hong Kong dollars is based on the exchange rate of US\$1.00:HK\$7.8. No representation is made that the amounts in question have been, could have been or could be converted at the above rate.

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

Hong Kong, 30th May 2005

As at the date hereof, the Board comprises fourteen Directors of which Mr. Wei Jiafu (Chairman), Mr. Liu Guoyuan (Vice-chairman), Mr. Li Jianhong, Mr. Zhou Liancheng, Mr. Liu Hanbo (Managing Director), Mr. He Jiale, Mr. Guo Huawei, Mr. Chen Pisen, Mr. Meng Qinghui, Mr. Zhao Kaiji and Mr. Lin Libing are executive Directors; Mr. Chan Cheong Foon, Andrew, Mr. Kwong Che Keung, Gordon and Mr. Tsui Yiu Wa, Alec are independent non-executive Directors.