



COSCO International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0517)

SUPPLEMENTAL AGREEMENT TO A CONTINUING CONNECTED TRANSACTION

A tenancy agreement was entered into between the Company as tenant and Tian Lee as landlord in respect of the Premises on 3rd August 2005. The Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules and was disclosed in an announcement and a circular of the Company dated 30th May 2005 and 21st June 2005 respectively. On 5th January 2006, the Supplemental Agreement was entered into between the Company and Tian Lee to amend certain terms of the Tenancy Agreement to exclude the Excluded Unit from the Tenancy Agreement.

INTRODUCTION

Reference is made to an announcement and a circular of the Company dated 30th May 2005 and 21st June 2005 respectively in relation to, inter alia, the Tenancy Agreement which was entered into between the Company as tenant and Tian Lee as landlord in respect of the Premises on 3rd August 2005. As Tian Lee is an indirect wholly owned subsidiary of COSCO Hong Kong, a substantial shareholder of the Company, the Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules. On 5th January 2006, the Supplemental Agreement was entered into between the Company and Tian Lee to amend certain terms of the Tenancy Agreement to exclude the Excluded Unit from the Tenancy Agreement.

SUPPLEMENTAL AGREEMENT

Tian Lee proposed that the Excluded Unit be excluded from the Tenancy Agreement so that the Excluded Unit would be used by the group and affiliated companies of Tian Lee. After arm's length negotiations between the parties, the Supplemental Agreement was entered into between the Company and Tian Lee on 5th January 2006 to exclude the Excluded Unit from the Tenancy Agreement and proportionally reduce the rental, Government rates, air conditioning charges and management charges payable by the Company thereunder.

Pursuant to the Supplemental Agreement, certain terms of the Tenancy Agreement have been amended with effect from the date of the Supplemental Agreement as follows :-

1. the subject premises of the tenancy has been changed from the whole of 47th Floor, COSCO Tower, Grand Millennium Plaza, Hong Kong (with a total gross floor area of approximately 21,280 sq. ft.) to Units 4701-3 and 4706 of the 47th Floor of COSCO Tower, Grand Millennium Plaza, Hong Kong (with a total gross floor area of approximately 16,060 sq.ft.) by excluding the Excluded Unit;
2. the monthly rental (exclusive of air-conditioning and management charges, Government rates and all other outgoings of a recurring and non-capital nature but inclusive of Government rent) payable by the Company to Tian Lee has been reduced proportionally from HK\$532,000 to HK\$401,500 by reference to the size of the Excluded Unit and the Premises;
3. the monthly management fee (including air-conditioning charges) has been reduced proportionally from HK\$72,734.50 to HK\$54,892.67 by reference to the size of the Excluded Unit and the Premises; and
4. a compensation in the amount of HK\$771,591 shall be payable by Tian Lee to the Company within 14 days from the date of the Supplemental Agreement.

GENERAL

The Directors are of the view that the Supplemental Agreement is fair and reasonable and on normal commercial terms and that the entering into of the Supplemental Agreement is in the interest of the Company and the shareholders of the Company as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Company”	COSCO International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“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;
“Director(s)”	director(s) of the Company;
“Excluded Unit”	Unit 4705 of the 47th Floor of COSCO Tower, Grand Millennium Plaza, Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People's Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Premises”	the whole of 47th Floor, COSCO Tower, Grand Millennium Plaza, Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement to the Tenancy Agreement entered into between the Company and Tian Lee dated 5th January 2006;
“Tenancy Agreement”	the tenancy agreement entered into between the Company as tenant and Tian Lee as landlord in respect of the Premises dated 3rd August 2005;
“Tian Lee”	Tian Lee Property Limited, a company incorporated in the British Virgin Islands with limited liability, being an indirect wholly owned subsidiary of COSCO Hong Kong, and the owner of the whole of the Premises;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“sq.ft.”	square feet.

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

Hong Kong, 5th January 2006

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; and Mr. Chan Cheong Foon, Andrew, Mr. Kwong Che Keung, Gordon and Mr. Tsui Yiu Wa, Alec are independent non-executive Directors.