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中 海 集 裝 箱 運 輸 股 份 有 限 公 司

China Shipping Container Lines Company Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 02866)

ANNOUNCEMENT ON DISPOSAL OF CONTAINERS

The Board is pleased to announce that on 17 December 2012, CSCL (Asia) entered into the Container Sale and Purchase Agreement with a third party (as the Purchaser), pursuant to which CSCL (Asia) agreed to sell and a third party (as the Purchaser) agreed to purchase the Containers.

The aggregate consideration payable for the Containers under the Container Sale and Purchase Agreement is approximately US\$117,900,000 (equivalent to approximately RMB742,400,000).

To ensure the Company's orderly production of operational containers, CSCL (Asia) will conduct leasebacks on the Containers according to the Company's Container Preservation Plan.

As the highest applicable percentage ratio set out in the Listing Rules for the Transaction as contemplated under the Container Sale and Purchase Agreement is less than 5%, the Transaction does not constitute a notifiable transaction of the Company under the Listing Rules and is therefore exempt from the reporting, announcement and independent shareholder's approval requirements under Chapter 14 of the Listing Rules. Nevertheless, the Company is required by the applicable PRC rules and regulations to issue an announcement to disclose the Transaction and as such, the Company sets out below details of the Container Sale and Purchase Agreement for the information of potential investors and Shareholders.

A. SUMMARY OF THE TRANSACTION

On 17 December 2012, CSCL (Asia) entered into the Container Sale and Purchase Agreement with a third party (as the Purchaser), pursuant to which CSCL(Asia) agreed to sell and a third party (as the Purchaser) agreed to purchase the Containers.

The aggregate consideration payable for the Containers under the Container Sale and Purchase Agreement is approximately US\$117,900,000 (equivalent to approximately RMB742,400,000).

To ensure the Company's orderly production of operational containers, CSCL (Asia) will conduct leasebacks on the Containers according to the Company's Container Preservation Plan.

The Transaction does not constitute a connected transaction of the Company. The Transaction has been considered and approved at the 27th meeting of the third board of directors convened on 30 October 2012. (14 voted in favour of the Transaction, 0 voted against and 0 abstained from voting).

B. PARTICULARS OF THE OBJECT OF THE TRANSACTION

1. The object of the Transaction: Containers with 6-8 years of fleet age

- (1) Name: Containers
- (2) Type: Fixed assets
- (3) Title: CSCL (Asia) have clear and complete titles over the Containers. The Containers are not mortgaged, pledged or subject to any situation which would limit their transfer. The Containers are not involved in legal procedures such as lawsuit, arbitration, seizure and freezing as well as other situations which would obstruct the transfer of their titles.
- (4) Value of assets: As at 30 June 2012, the reviewed, unaudited net book value was US\$82,700,000 (equivalent to approximately RMB520,700,000) (original book value less accumulated depreciation).

2. Valuation on the Object of the Transaction

The object of the Transaction has been appraised by a valuation institution qualified for engaging in securities and futures business, with details as follows:

- (1) Valuer: China Tong Cheng Assets Appraisal Co., Ltd
- (2) Valuation date: 30 June 2012
- (3) Valuation methodology and basis adopted by valuer: the cost approach. Basic formula for the cost approach: appraised value of the Containers = replacement cost * residue ratio. The replacement cost is determined based on the prevailing market price of various types of containers produced by major container manufacturers as at the valuation date. The residue ratio is determined based on the serviced life and relevant annual depletion rate of the Containers.
- (4) Results of valuation: The appraised value of the Containers on valuation date (i.e. 30 June 2012) to be US\$117,900,000 (equivalent to approximately RMB742,400,000)
- (5) Reasons for increase in appraised value: The assets were purchased 6-8 years ago at a low price, when appraised according to prevailing market prices, a greater increase in appraised value was realized.

C. MAJOR TERMS AND CONDITIONS OF THE CONTRACT OR AGREEMENT AND FULFILLMENT ARRANGEMENTS OF THE TRANSACTION

(1) Container Sale and Purchase Agreement

1. Transaction price: US\$117,900,000 (equivalent to approximately RMB742,400,000)
2. Payment method: Cash
3. Payment deadline: One-off full payment
4. Payment date: The business day before 31 December 2012.
5. Conditions precedent: In order for the Container Sale and Purchase Agreement to be completed, certain documents in relation to the Containers must be delivered to the Purchaser. Such documents include, but are not limited to: executed certificates that are delivered and received and executed bills of sale.
6. Other important terms: The legal and beneficial title to and risk of the Containers will be borne by CSCL (Asia) before the Completion. The legal and beneficial title to and risk of the Containers will be borne by the Purchaser after the Completion.

To ensure the Company's orderly production of operational containers, CSCL (Asia) will conduct leasebacks on the Containers according to the Company's Container Preservation Plan.

(2) Lease Agreement

1. CSCL (Asia) has entered into a Lease Agreement with a third party ("the Lessor") for the Containers disposed of by CSCL (Asia) in the Container Sale and Purchase Agreement. The average tenancy period is 3.2 years, aggregate rent is approximately US\$59,000,000 (equivalent to approximately RMB371,500,000).
2. Major terms: During the tenancy period, CSCL (Asia) shall follow the practices of container leasing and shipping operations, utilizing the rented containers in a reasonable and proper manner and pay rent in timely fashion to the Lessor according to the method agreed upon in the Lease Agreement. During the tenancy period, CSCL (Asia) shall carry out proper maintenance on the rented containers and arrange insurance according to industry practices. During the tenancy period, the Lessor possesses ownership of the containers under the Lease Agreement. The Lessor shall not interfere with CSCL (Asia)'s usage rights of the containers under the Lease Agreement.

D. OTHER ARRANGEMENTS IN RESPECT OF THE TRANSACTION

The proceeds of the disposal of the assets would be used mainly to replenish the working capital of the Company.

E. THE PRIMARY BASIS FOR THE COMPANY TO IDENTIFY THE LEASEBACK OF CONTAINERS AS OPERATIONAL LEASES

1. As at 30 June 2012, the proportion of self-owned containers has a reviewed, unaudited net book value of US\$82,700,000 (equivalent to approximately RMB520,700,000) (original book value less accumulated depreciation), appraised value of US\$117,900,000 (equivalent to approximately RMB742,400,000) and sales price of US\$117,900,000 (equivalent to approximately RMB742,400,000).
2. CSCL (Asia) will conduct leasebacks on the Containers disposed of in this transaction according to the Company's Container Preservation Plan. The average tenancy period is 3.2 years and the aggregate rent is approximately US\$59,000,000 (equivalent to approximately RMB371,500,000).

F. THE PURPOSE OF THE TRANSACTION AND THE IMPACT ON THE COMPANY

It is intended to increase the cash flow, optimize the financial structure of the Company and to reduce operation and financial risk. The expected net profit from transaction is US\$35,000,000 (equivalent to approximately RMB220,400,000).

G. THE COMPANY GUARANTEES THERE ARE NO OTHER DISCLOSEABLE MATTERS

H. LISTING RULES APPLICATION

As the highest applicable percentage ratio set out in the Listing Rules for the Transaction as contemplated under the Container Sale and Purchase Agreement is less than 5%, the Transaction does not constitute a notifiable transaction of the Company under the Listing Rules and is therefore exempt from the reporting, announcement and independent shareholder's approval requirements under Chapter 14 of the Listing Rules. Nevertheless, the Company is required by the applicable PRC rules and regulations to issue an announcement to disclose the Transaction and as such, the Company sets out below details of the Container Sale and Purchase Agreement for the information of potential investors and Shareholders.

I. DEFINITIONS

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

“A Shares”	the domestic invested shares of the Company, with a nominal value of RMB1.00 each
“Board”	the board of Directors

“Company”	China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司), a joint stock limited company established in the PRC, of which 3,751,000,000 H Shares are listed on the Stock Exchange and 7,932,125,000 A Shares are listed on the Shanghai Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Containers”	57,386 self-owned containers with an aggregate capacity of approximately 85,000 TEUs (with 6-8 years of fleet age)
“Container Sale and Purchase Agreement”	a container sale and purchase agreement entered into between CSCL (Asia) and a third party (as the Purchaser) on 17 December 2012, pursuant to which CSCL (Asia) agreed to sell, and a third party (as the Purchaser) agreed to purchase the Containers
“CSCL (Asia) ”	China Shipping Container Lines (Asia) Co., Limited*, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of CSCL (HK)
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Shares”	overseas listed foreign shares of the Company, with a nominal value of RMB1.00 each
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company, including holders of H Shares and holders of A Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEU”	twenty-foot equivalent units, a standard unit of measurement of the volume of a container with a length of 20 feet, height of 8 feet and 6 inches and width of 8 feet
“Transaction”	the disposal of the Containers by CSCL (Asia) to a third party (as the purchaser) pursuant to the Containers Sale and Purchase Agreement
“US\$”	United States Dollar, the lawful currency of the United States of America

By order of the Board
China Shipping Container Lines Company Limited
Ye Yumang
Company Secretary

Shanghai, the PRC
18 December 2012

The Board as at the date of this announcement comprises of Mr. Li Shaode, Mr. Xu Lirong, Mr. Huang Xiaowen, Mr. Zhang Guofa and Mr. Zhao Hongzhou, being executive Directors, Mr. Zhang Jianhua, Mr. Wang Daxiong, Mr. Ding Nong, Mr. Zhang Rongbiao and Mr. Xu Hui, being non-executive Directors, and Mr. Shen Kangchen, Mr. Jim Poon (also known as Pan Zhanyuan), Mr. Shen Zhongying, Mr. Wu Daqi and Ms. Zhang Nan, being independent non-executive Directors.

The exchange rate adopted in this announcement for illustration purposes only is US\$1.00 = RMB6.2966.

* *The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and under the English name “China Shipping Container Lines Company Limited”.*