11 December 2015

COSCO PACIFIC LIMITED
中遠太平洋有限公司

as Seller

AND

CHINA SHIPPING CONTAINER LINES (HONG KONG) CO., LIMITED
中海集裝箱運輸（香港）有限公司

as Purchaser

AGREEMENT

for the sale and purchase of all the issued shares in
Florens Container Holdings Limited
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THIS AGREEMENT (the Agreement) is made on 11 December 2015

BETWEEN

(1) COSCO Pacific Limited 中遠太平洋有限公司, a company incorporated under the laws of Bermuda, whose principal place of business is at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong (the Seller); and

(2) China Shipping Container Lines (Hong Kong) Co., Limited 中海集裝箱運輸（香港）有限公司, a company incorporated under the laws of Hong Kong, whose registered office is at 31/F, Tower 2, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong (the Purchaser).

(each a Party, and collectively the Parties)

WHEREAS

(A) Florens Container Holdings Limited (the Target) is a company incorporated under the laws of the British Virgin Islands, with its registered address at Pasea Estate, Road Town, Tortola, British Virgin Islands.

(B) As of the date hereof, the issued share capital of the Target consists of US$22,014 divided into 22,014 ordinary shares of par value of US$1 each (the Shares), and the Seller is the legal and beneficial owner of 22,014 Shares, representing 100% of the issued share capital of the Target.

(C) The Seller intends to sell to the Purchaser, and the Purchaser intends to purchase from the Seller, the entire 22,014 Shares (the Sale Shares).

(D) The Seller intends to assign to the Purchaser loans of an outstanding amount of US$285,000,000 due from the Target, concurrently with the sale and purchase of the Sale Shares contemplated under this Agreement, in accordance with the Loan Assignment Deeds.

THE PARTIES AGREE AS FOLLOWS:
1. **SALE AND PURCHASE AND ASSIGNMENT OF RELEVANT FLORENS LOANS**

1.1 The Seller shall sell, and the Purchaser shall purchase, the Sale Shares free from Third Party Rights with effect from Closing and with all rights attaching to them including the right to receive all distributions and dividends declared, paid or made in respect of the Sale Shares after Closing. The sale and purchase of the Sale Shares shall be on the terms set out in this Agreement.

1.2 Subject to the terms and conditions of the Loan Assignment Deeds, the Seller shall assign, and the Purchaser shall acquire, the Relevant Florens Loans for the Relevant Florens Loans Consideration at Closing.

2. **PRICE**

2.1 The initial price for the Sale Shares (the *Initial Price*) shall be determined by Clause 2.3. The Initial Price is determined based on, among other things, the valuation of the Target as at 30 September 2015 (the *Valuation*) as stated in the valuation report prepared by China Tong Cheng Assets Appraisal Co., Ltd. (the *Valuation Report*).

2.2 The Seller may, on a date that is at least 10 Business Days prior to the Closing Date, subject to applicable Law, procure the Target to declare and pay a dividend of an amount no greater than the amount of the distributable profits of the Target as at 30 September 2015 (the *Pre-Closing Dividend*). The Pre-Closing Dividend may only be paid once and the Seller must notify the Purchaser of the declaration of the Pre-Closing Dividend on the day on which the Pre-Closing Dividend is declared by the Target. The Seller undertakes that the Pre-Closing Dividend shall only be paid from cash held by the Target as at 30 September 2015 and shall not be funded by the proceeds from any financial indebtedness incurred after 30 September 2015.

2.3 The price payable by the Purchaser for the Sale Shares at Closing (the *Initial Price*) pursuant to Clause 5 and Part B of Schedule 2 shall be:

(a) an amount equal to RMB 7,784,483,300

minus

(b) the RMB equivalent of an amount equal to the Pre-Closing Dividend.

For the purposes of this Clause 2.3, the Renminbi equivalent of an amount in any currency shall be calculated by reference to the exchange rate set by The People’s Bank of China on 30 September 2015.

2.4 The final price for the Sale Shares (the *Final Price*) shall be calculated after Closing in accordance with Schedule 4. The Parties agree to make payments to the other Party in accordance with Part B of Schedule 4.
2.5 If, after the filing of the Valuation Report with the relevant state-owned assets supervision and administration authorities or their authorised bodies, there is any change or adjustment to the Valuation, the Parties agree to negotiate in good faith to agree on adjustments to the Initial Price and any other consequential amendments to the provisions of this Agreement that may be necessary in relation to such change or adjustment to the Valuation.

2.6 The Relevant Florens Loans Consideration shall be payable in United States Dollars on Closing.

3. CONDITIONS TO CLOSING

3.1 Closing shall be conditional on:

(a) the Conditions specified in Clause 3.2 (the Seller Conditions) having been fulfilled or waived in accordance with this Agreement;

(b) the Conditions specified in Clause 3.3 (the Purchaser Conditions) having been fulfilled or waived in accordance with this Agreement; and

(c) the Conditions specified in Clause 3.4 (the Common Conditions) having been fulfilled in accordance with this Agreement.

3.2 The Seller Conditions are as follows:

(a) resolutions of the shareholders of the Seller shall have been passed approving the Proposed Transaction;

(b) resolutions of the shareholders of China COSCO shall have been passed approving the Proposed Transaction;

(c) all necessary third party consents and approvals from the regulatory authorities in respect of the Seller in relation to the Proposed Transaction shall have been granted, and such consents and regulatory approvals shall not have been revoked before the Closing Date;

(d) all necessary third party consents and approvals from the regulatory authorities in respect of China COSCO in relation to the Proposed Transaction shall have been granted, and such consents and regulatory approvals shall not have been revoked before the Closing Date;

(e) each of the Purchaser Warranties shall be true and accurate as of the date hereof and as at the Closing Date;
3.3 The Purchaser Conditions are as follows;

(a) resolutions of the shareholders of CSCL shall have been passed approving the Proposed Transaction;

(b) all necessary third party consents and necessary approvals from the regulatory authorities in respect of CSCL and the Purchaser including but not limited to regulatory approvals from the relevant state-owned assets supervision and administration authorities or their authorised bodies in relation to the Proposed Transaction shall have been granted and such consents and regulatory approvals shall not have been revoked before the Closing Date;

(c) approval from the Anti-Monopoly Bureau of the Ministry of Commerce of the PRC in connection with the Proposed Transaction in respect of CSCL and the Purchaser (where such approval is not subject to any additional condition) shall have been obtained, or if any such approval is subject to any additional conditions, all such conditions required to be fulfilled prior to Closing shall have been fulfilled or satisfied, and in each case, such approval shall not have been revoked before the Closing Date;

(d) each of the Seller Warranties shall be true and accurate as of the date hereof and as at the Closing Date;

(e) the Seller shall have performed or complied with, in all material respects, all of its undertakings and obligations under Clause 4 required to be performed or complied with prior to Closing; and

(f) consents of, and notifications to, third parties required for the Proposed Transaction shall have been obtained and made by the Target Group Companies.

3.4 The Common Conditions are all regulatory approvals and shareholders’ approvals (if any) in respect of the transactions contemplated under each CP Agreement shall have been obtained in accordance with its terms.

3.5 The Seller shall, at its own cost, use all reasonable efforts to ensure that the Conditions set out in Clauses 3.2(a), 3.2(c), 3.3(d) to 3.3(f) and 3.4 (in respect of Clause 3.4, only to the extent that it is a party to the relevant CP Agreement) are fulfilled as soon as possible after the date of this Agreement, and shall notify the Purchaser promptly upon becoming aware that any such Condition has been fulfilled and provide the Purchaser with evidence of such fulfilment as soon as possible.

3.6 The Purchaser shall, at its own cost, use all reasonable efforts to ensure that the Conditions set out in Clauses 3.2(e), 3.3(a) to 3.3(c) and 3.4 (in respect of Clause 3.4, only to the extent that it is a party to the relevant CP Agreement) are fulfilled as soon as possible after the date of this Agreement, and shall notify the Seller promptly upon becoming aware that
any such Condition has been fulfilled and provide the Seller with evidence of such fulfilment as soon as possible.

3.7 The Purchaser shall be entitled, in its absolute discretion, by written notice to the Seller, to waive any of the Purchaser Conditions either in whole or in part, and the Seller shall be entitled, in its absolute discretion, by written notice to the Purchaser, to waive any of the Seller Conditions either in whole or in part.

3.8 The first Business Day on or by which all Conditions have been fulfilled (or waived in accordance with Clauses 3.1 and 3.7) is the Unconditional Date.

3.9 If the Unconditional Date has not occurred on or before 31 December 2016 (the Longstop Date) (or such later date as the Parties may agree in writing), this Agreement shall automatically terminate (other than in respect of the Surviving Provisions). In such event, neither Party (nor any of its Affiliates) shall have any claim under this Agreement of any nature whatsoever against the other Party (or any of its Affiliates) except in respect of any rights and liabilities which have accrued before termination or under any of the Surviving Provisions.

4. PRE-CLOSING UNDERTAKINGS

4.1 Pending Closing, the Seller (to the extent lawfully permitted and that the directors of the Target will not breach their own fiduciary duties) shall use all reasonable efforts to make sure that the business of the Target Group Companies be conducted in the ordinary course of business. The Seller shall use reasonable efforts to preserve the structural integrity of the Target Group Companies and maintain their material existing relationships with customers, suppliers, creditors, business partners and other persons having business contacts with them so that on the Closing Date their business continuity will not be damaged. Without limiting the above, the Seller shall procure that each of the Target Group Companies comply with the remaining provisions of this Clause 4.

4.2 No dividend or other distribution shall be declared, paid or made by any Target Group Company (other than a Pre-Closing Dividend as contemplated under Clause 2.2) without prior written consent of the Purchaser.

4.3 No amendments shall be made to any Constitutional Documents of any Target Group Company without the prior written consent of the Purchaser.

4.4 The Target shall not, and shall procure that none of the Target Group Subsidiaries shall, grant any consent or waiver in relation to any reserved matters that require the consent or approval of any Target Group Company (however described) or exercise any other consent approval or veto right (in each case, however described) pursuant to any shareholders’ agreement, joint venture agreement or articles or association that are applicable to any Target Group Company without prior written consent of the Purchaser.

4.5 No Target Group Company shall enter into any contract (whether in relation to a disposal, acquisition or otherwise) or commitment with a value exceeding Hong Kong Dollars
Seventy Million (HK$70,000,000) (or its equivalent in foreign currency) without prior written consent of the Purchaser. This Clause 4.5 shall not apply to contracts or transactions entered into in the ordinary course of business of the relevant Target Group Company. For this purpose “ordinary course of business” shall exclude any sale or purchase of any equity interests in any company, corporation or entity.

4.6 None of the Target or any Target Group Subsidiary shall increase the emoluments of any employee other than in accordance with the normal practice of the Target without prior written consent of the Purchaser.

4.7 No Target Group Company shall transfer or surrender any asset to, or assume, indemnify or incur any liability, for the benefit of any Seller or any member of the Seller Group without prior written consent of the Purchaser, except for settlement of Inter-Company Debts pursuant to Clause 6.6.

4.8 No Target Group Company shall pass any directors’ resolution or any shareholders’ resolution in relation to any winding-up of any Target Group Company without prior written consent of the Purchaser.

4.9 No Target Group Company shall create, allot or issue any shares, loan capital, securities convertible into shares of that Target Group Company or any option or right to subscribe in respect of any shares of that Target Group Company, loan capital or share option or subscription right related with securities convertible into shares of that Target Group Company without prior written consent of the Purchaser.

4.10 No Target Group Company shall enter into any binding legal agreement in relation to any joint venture in relation to, or any acquisition or disposal of any interest in, any entity that operates or manages any containers, without prior written consent of the Purchaser.

4.11 Except (a) the Proposed Transaction or (b) with the prior written consent of the Purchaser or (c) in the ordinary and usual course of business or consistent with past practices of the Target Group Companies, the Target Group Companies shall not enter into any transaction or take any action or measure that will cause any Material Adverse Effect.

4.12 Notwithstanding any provisions (if any) to the contrary in this Agreement, the Target Group Companies may enter into financing transactions in the ordinary course of business. Nothing in this Clause 4.12 shall be constructed to impose or increase any restriction on the operation of the Target Group Companies or otherwise prejudice the rights of the Seller.

5. CLOSING

5.1 Closing shall take place at the offices of the Purchaser on the 30\textsuperscript{th} Business Day after the Unconditional Date (or at such other place and time as the Parties may mutually agree).

5.2 At Closing, each of the Seller and the Purchaser shall deliver or perform (or ensure that there is delivered or performed) all those documents, items and actions respectively listed in relation to that Party or any of its Affiliates (as the case may be) in Schedule 2.
5.3 If the Seller (on the one hand) or the Purchaser (on the other) fails to comply with any material obligation in Schedule 2, then the Purchaser (in the case of non-compliance by the Seller) or, as the case may be, the Seller (in the case of non-compliance by the Purchaser) shall be entitled (in addition to and without prejudice to other rights and remedies available) by written notice to the Party in default on the date Closing would otherwise have taken place, to:

(a) require Closing to take place so far as practicable having regard to the defaults which have occurred;

(b) notify the Party in default of a new date for Closing (being not more than 10 Business Days after the original date for Closing) in which case the provisions of this Clause 5 (other than this Clause 5.3) and Schedule 2 shall apply to Closing as so deferred but on the basis that such deferral may only occur once; or

(c) terminate this Agreement (other than the Surviving Provisions).

If this Agreement is so terminated, neither Party nor any of its Affiliates shall have any claim under this Agreement of any nature against the other Party or its Affiliates (except in respect of any rights and liabilities which have accrued before termination or under any of the Surviving Provisions). For the purposes of this Clause 5, a material obligation is (i) in respect of the Seller, those obligations set out in paragraphs 1(a), (b), (e) to (h) of Part A of Schedule 2, and (ii) in respect of the Purchaser, those obligations set out in paragraphs 2(a) and (c) of Part B of Schedule 2.

5.4 If the Seller (on the one hand) or the Purchaser (on the other) complies with all its material obligations in Schedule 2, but fails to comply with any obligation in Schedule 2 that is not a material obligation, then the Purchaser (in the case of non-compliance by the Seller) or, as the case may be, the Seller (in the case of non-compliance by the Purchaser) shall be required to proceed to Closing and, to the extent that any such obligation is not complied with at Closing, the defaulting Party shall (without affecting any other rights and remedies available to the other Party) use its reasonable endeavours to ensure that such obligation is fulfilled as soon as practicable following Closing.

5.5 If in accordance with Clause 5.3(b), Closing is deferred and at such deferred Closing the Seller fails to comply with its material obligations in Schedule 2, the Purchaser shall have the right to terminate this Agreement by written notice to the Seller, in which event neither Party nor any of its respective Affiliates shall have any claim under this Agreement of any nature against the other Party or its Affiliates (except in respect of any rights and liabilities which have accrued before termination or under any of the Surviving Provisions).

5.6 If in accordance with Clause 5.3(b), Closing is deferred and at such deferred Closing the Purchaser fails to comply with its material obligations in Schedule 2, the Seller shall have the right to terminate this Agreement by written notice to the Purchaser, in which event neither Party nor any of its respective Affiliates shall have any claim under this Agreement of any nature against the other Party or its Affiliates (except in respect of any rights and
liabilities which have accrued before termination or under any of the Surviving Provisions).

6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

6.1 The Seller represents, warrants and undertakes to the Purchaser in the terms of the Warranties as set out in Part A of Schedule 3 and acknowledges that the Purchaser has entered into this Agreement in reliance upon the Seller Warranties. Each of the Seller Warranties is subject to the Disclosures and shall be qualified and limited accordingly.

6.2 The Purchaser represents, warrants and undertakes to the Seller in terms of the Warranties as set out in Part B of Schedule 3 and acknowledges that the Seller has entered into this Agreement in reliance upon the Purchaser Warranties.

6.3 Each of the Warranties shall be construed as a separate Warranty and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement.

6.4 The Warranties shall be deemed to be repeated immediately before Closing with reference to the facts and circumstances then existing.

6.5 The Seller undertakes to notify the Purchaser in writing promptly if it becomes aware of any circumstance arising after the date of this Agreement which would cause any of the Seller Warranties set out in Part A of Schedule 3 (if the Warranties were repeated with reference to the facts and circumstances then existing) to become untrue or inaccurate or misleading in any respect which is material to the financial condition, trading position or prospects of any of the Target Group Companies.

6.6 The Seller shall procure that, except for the Relevant Florens Loans and the FCMCL Shareholder Loan, all Inter-Company Debts shall be settled (including settlement of all principal, interests, fees and penalties (if applicable)) between the any Target Group Company and each relevant member of the Seller Group prior to the Closing Date.

7. INDEMNITY

7.1 Each Party undertakes that it shall pay in cash to the other Party (each an Indemnified Person) by way of indemnity (the Indemnity) on demand in the case of a breach of any of the Warranties given by it, a sum equal to the aggregate of (i) the amount which, if received by the Indemnified Person, would be necessary to put that Indemnified Person into the financial position which would have existed had there been no breach of the Warranty in question; and (ii) all Costs suffered or incurred by the Indemnified Person, directly or indirectly, as a result of or in connection with such breach of that Warranty.

7.2 The Seller undertakes to pay in cash to the Purchaser (for itself and on trust for each Target Group Company) by way of indemnity on demand, a sum equal to the aggregate of, and to hold the Purchaser (for itself and on trust for each Target Group Company) harmless from, all Costs suffered or incurred by any Target Group Company, directly or indirectly, as a
result of or in connection with any outstanding payments or liabilities in respect of or to any housing provident fund or social security fund that are required to be made by any Target Group Company prior to Closing or in respect of any non-compliance by any Target Group Company prior to Closing with any applicable Law in relation to the PRC’s Social Security Laws 《社会保险法》 or Housing Provident Fund Regulations 《住房公积金管理条例》; and

7.3 The Seller undertakes to pay in cash to the Purchaser by way of indemnity on demand, a sum equal to the aggregate of the following (or, where the relevant Tax or other Costs are suffered or incurred by any Target Group Subsidiary, the Target’s Equity Interest in the relevant Target Group Subsidiary of a sum equal to the following):

(a) any Tax Liability of any Target Group Company which arises as a result of any event, transaction, action, circumstance or omission which occurred on or before the Closing Date;

(b) any Tax Liability of any Target Group Company which arises in respect of or with reference to Income, Profits or Gains which were earned, accrued or received on or before the Closing Date; and

(c) any costs and expenses suffered or incurred by any of the Purchaser or the Target Group Companies in connection with any liability to Tax or any of the matters referred to in the foregoing paragraphs of this Clause 7.3.

7.4 For the purpose of this Clause 7.3, “Tax Liability” means a liability to make payments of, or in respect of, Tax.

8. LIMITATIONS

8.1 Time limit: To make a claim under or in connection with this Agreement (including under the Indemnity) (a Claim), a Party shall issue a written notice to the other Party:

(a) in respect of any Claim under or in connection with Clause 7.2, within five years of the Closing Date, which shall include details then available of the matter giving rise to such Claim;

(b) in respect of any Tax Claim, within seven years of the Closing Date, which shall include details then available of the matter giving rise to such Tax Claim; and

(c) in respect of any other Claim, within one year of the Closing Date, which shall include details then available of the matter giving rise to such Claim.

8.2 Minimum amount of Claim: Except for a Claim for the Initial Price payable under Clause 2, the sums payable under Part B of Schedule 4, a Claim under or in connection with Clause 7.2 or a Tax Claim (in each case, shall not be limited by this Clause 8.2), only when the amount of liabilities under a Claim (for the purposes hereof, several Claims resulting from the same set of facts, events or circumstances may be aggregated and constitute one single
Claim) exceeds 0.1% of the Final Price may a Party make such Claim against the other Party in accordance with Clause 7, in which case the Party making such Claim can claim for the whole amount rather than the mere portion exceeding 0.1% of the Final Price.

8.3 For any Claim in relation to any breach of the Seller Warranties, if and to the extent that the fact, matter, event or circumstance giving rise to such Claim:

(a) has been Disclosed to the Purchaser; or

(b) a specific provision has been made in respect of the fact, matter, event or circumstance giving rise to the Claim (Provision) in the Accounts and such Provision is sufficient to cover the amount otherwise payable by the Seller to the Purchaser in respect of such Claim,

the Seller shall not be liable for such Claim.

8.4 Except for a Claim for the Initial Price payable under Clause 2, the sums payable under Part B of Schedule 4, a Claim under or in connection with Clause 7.2 or a Tax Claim (in each case, shall not be limited by this Clause 8.4), the aggregate amount of the liability of a Party for all Claims shall not exceed 50% of the Final Price.

8.5 None of the limitations contained in Clause 8.1 shall apply to any breach of any Warranty which (or the delay in discovery of which) is the consequence of fraud, dishonest or deliberate misstatement, concealment or other similar conduct by any Party.

9. Payments

9.1 Any payment to be made pursuant to this Agreement by the Purchaser shall be made to the Seller’s Bank Account.

9.2 Payments required to be made under this Agreement shall be in immediately available funds by electronic transfer on the due date for payment. Receipt of the amount due shall be an effective discharge of the relevant payment obligation.

9.3 If any sum due for payment in accordance with this Agreement is not paid on the due date for payment, the person in default shall pay Default Interest on that sum from, but excluding, the due date to, and including, the date of actual payment calculated on a daily basis.

10. Confidentiality

10.1 Each Party shall (and shall ensure that each of its Representatives shall) use its best endeavours to maintain Confidential Information in confidence and not disclose Confidential Information to any person except: (i) as this Clause 10 permits; or (ii) in the case of the Seller, as the Purchase may approve in writing; or (iii) in the case of the Purchaser, as the Seller may approve in writing.
10.2 Clause 10.1 shall not prevent disclosure by a Party or any of its Representatives to the extent it can demonstrate that:

(a) disclosure is required by Law or by any stock exchange or any regulatory, governmental or antitrust body having applicable jurisdiction (provided that, if reasonably practicable, the disclosing Party shall first inform the Seller (in the case the disclosing Party is the Purchaser) or, as the case may be, the Purchaser (in the case the disclosing Party is the Seller) of its intention to disclose such information and take into account the reasonable comments of the Seller or the Purchaser (as the case may be));

(b) disclosure is of Confidential Information which was lawfully in the possession of that Party or any of its Representatives (in either case as evidenced by written records) without any obligation of secrecy before its being received or held by that Party or any of its Representatives;

(c) disclosure is of Confidential Information which has previously become publicly available other than through that Party’s action or failure to act (or that of its Representatives); or

(d) disclosure is required for the purpose of any arbitral or judicial proceedings arising out of this Agreement.

10.3 If this Agreement terminates, each Party shall as soon as practicable on request by the other Party:

(a) return to the requesting Party all written documents and other materials relating to that Party, its Affiliates or this Agreement (including any Confidential Information) which the requesting Party (or its Representatives) have provided to the other Party (or its Representatives) without keeping any copies thereof;

(b) destroy all information or other documents derived from such Confidential Information; and

(c) so far as it is practicable to do so, expunge such Confidential Information from any computer, word processor or other device,

provided that nothing in this Clause 10.3 shall require the Parties (or any of their Representatives) to return or destroy any Confidential Information which they are required to retain under any applicable Law, rule or regulation (including the rules of a professional body).

11. ANNOUNCEMENTS

11.1 Notwithstanding Clause 10, neither the Seller nor the Purchaser (nor any of their respective Affiliates) shall make any announcement or issue any communication to
shareholders in connection with the existence, subject matter or terms of this Agreement without the prior written approval of the other (such approval not to be unreasonably withheld or delayed).

11.2 The restriction in Clause 11.1 shall not apply to the extent that the announcement (or communication to shareholders) is required by Law, by any stock exchange or any regulatory or other supervisory body or authority of competent jurisdiction, whether or not the requirement has the force of law. If this exception applies, the Party making the announcement or issuing the communication to shareholders shall use its reasonable efforts to consult with the other Party in advance as to its form, content and the timing of issue.

12. COSTS

12.1 Except as otherwise provided in this Agreement, the Seller and the Purchaser shall each be responsible for its own Costs and charges incurred in connection with the Proposed Transaction.

12.2 Any stamp duty or other transfer taxes payable in respect of the transfer of the Sale Shares shall be borne by the Seller and the Purchaser in equal proportion.

13. ASSIGNMENT

Unless the Seller and the Purchaser specifically agree in writing, no person shall assign, transfer, hold on trust or encumber all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it. Any purported assignment in contravention of this Clause 13 shall be void.

14. FURTHER ASSURANCE

The Seller agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Purchaser may reasonably require, whether on or after Closing, to implement and/or give effect to this Agreement and the Proposed Transaction and for the purpose of vesting in the Purchaser the full benefit of the assets, rights and benefits to be transferred to the Purchaser under this Agreement.

15. NOTICES

15.1 Any notice in connection with this Agreement shall be in writing in English or Chinese and delivered by hand, fax, email, registered post or courier using an internationally recognised courier company. A notice shall be effective upon receipt and shall be deemed to have been received: (i) at the time of delivery, if delivered by hand, registered post or courier; or (ii) at the time of transmission if delivered by fax or email provided that in either case, where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.
15.2 The addresses, emails and fax numbers of the Parties for the purpose of Clause 15.1 are:

**Seller**

For the attention of: Mr. Qiu Jinguang
Address: 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong
Email: quijinguang@coscopac.com.hk
Fax: +852 2907 6088

**Purchaser**

For the attention of: Mr. Kui Chun
Address: 31/F, Tower 2, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong
Email: kui@chinashipping.com.hk
Fax: +852 2180 8753

16. **CONFLICT WITH OTHER AGREEMENTS**

If there is any conflict between the terms of this Agreement and any other agreement, this Agreement shall prevail unless: (i) such other agreement expressly states that it overrides this Agreement in the relevant respect; and (ii) the Seller and the Purchaser are either also parties to that other agreement or otherwise expressly agree in writing that such other agreement shall override this Agreement in that respect.

17. **WHOLE AGREEMENT**

This Agreement sets out the whole agreement between the Parties in respect of the Proposed Transaction and supersedes any prior agreement (whether oral or written) relating to the Proposed Transaction. It is agreed that:

(a) no Party shall have any claim or remedy in respect of any statement, representation, warranty or undertaking made by or on behalf of the other Party (or any of its Connected Persons) in relation to the Proposed Transaction which is not expressly set out in this Agreement;
(b) any terms or conditions implied by law in any jurisdiction in relation to the Proposed Transaction are excluded to the fullest extent permitted by law or, if incapable of exclusion, any right, or remedies in relation to them are irrevocably waived;

(c) the only right or remedy of a Party in relation to any provision of this Agreement shall be for breach of this Agreement; and

(d) except for any liability in respect of a breach of this Agreement, no Party (or any of its Connected Persons) shall owe any duty of care or have any liability in tort or otherwise to the other Party (or its respective Connected Persons) in relation to the Proposed Transaction,

provided that this clause shall not exclude any liability for (or remedy in respect of) fraud or fraudulent misrepresentation. Each Party agrees to the terms of this Clause 17 on its own behalf and as agent for each of its Connected Persons. For the purpose of this clause, Connected Persons means (in relation to a Party) the officers, employees, agents and advisers of that party or any of its Affiliates.

18. **WAIVERS, RIGHTS AND REMEDIES**

Except as expressly provided in this Agreement, no failure or delay by any party in exercising any right or remedy relating to this Agreement shall affect or operate as a waiver or variation of that right or remedy or preclude its exercise at any subsequent time. No single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

19. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by email attachment or telecopy shall be an effective mode of delivery.

20. **VARIATIONS**

No amendment of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the Parties to it.

21. **INVALIDITY**

Each of the provisions of this Agreement is severable. If any such provision is held to be or becomes invalid or unenforceable under the law of any jurisdiction, the Parties shall use all reasonable efforts to replace it with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.
22.   THIRD PARTY ENFORCEMENT RIGHTS

Except as expressly stipulated in this Agreement, this Agreement shall not grant any right to persons who are not a party to this Agreement. To the extent this Agreement expressly grants rights to third parties, the Parties to this Agreement shall be permitted to change or exclude such rights at any time without the consent of the respective third party.

23.   GOVERNING LAW AND JURISDICTION

23.1 This Agreement shall be governed by, and interpreted in accordance with, Hong Kong laws.

23.2 Any dispute, controversy or claim arising out of or relating to this Agreement, including the validity, invalidity, breach or termination thereof and any dispute, controversy or claim in connection with the Proposed Transaction, shall be referred to and finally resolved by arbitration in Hong Kong under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.

23.3 The number of arbitrators shall be three. The arbitration proceedings shall be conducted in the English language.

23.4 The arbitral award shall be final and binding on the parties to the arbitration. The parties to the arbitration agree to be bound by and to act in accordance with the arbitral award. Unless otherwise specified in the arbitral award, the expenses of the arbitration (including witness fees and reasonable legal expenses) shall be borne by the losing party.
IN WITNESS WHEREOF this Agreement has been signed by the duly authorised representatives of the Parties on the date set forth first above.

SIGNED
for and on behalf of
COSCO PACIFIC LIMITED
中遠太平洋有限公司

) SIGNATURE: 

) )

) )

) )

) )

) NAME: QIU Jinguang

In the presence of:

Signature: 

Name: KWAN Lai King Cathy
Title: Deputy General Manager – Legal Department
SIGNED
for and on behalf of
CHINA SHIPPING CONTAINER LINES (HONG KONG) CO., LIMITED
中海集裝箱運輸（香港）有限公司

In the presence of:
Signature: 
Name: 
Title:
SCHEDULE 1
DETAILS OF THE TARGET GROUP COMPANIES

Part A : Target

1. Name: Florens Container Holdings Limited
2. Date of Incorporation: 16 July 1998
3. Place of Incorporation: British Virgin Islands
4. Type of Company: BVI Business Company
5. Registered Number: 287749
6. Registered Office: Pasea Estate, Road Town, Tortola, British Virgin Islands
7. Directors: DENG Huangjun
   PEI Feng
   QIU Jinguang
8. Shareholder: COSCO Pacific Limited
9. Issued Share Capital: US$22,014 divided into 22,014 shares of US$1 each
10. Mortgages and Charges on Sale Shares: NIL

Part B : Target Group Subsidiaries

<table>
<thead>
<tr>
<th>Name</th>
<th>Place of Incorporation</th>
<th>Target's equity interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fairbreeze Shipping Company Limited</td>
<td>Hong Kong</td>
<td>100%</td>
</tr>
<tr>
<td>2. Famous International Limited</td>
<td>British Virgin Islands</td>
<td>100%</td>
</tr>
<tr>
<td>3. Florens (China) Company Limited</td>
<td>PRC</td>
<td>100%</td>
</tr>
<tr>
<td>4. Florens (Tianjin) Finance Leasing Co., Ltd.</td>
<td>PRC</td>
<td>50%</td>
</tr>
<tr>
<td>Name</td>
<td>Place of Incorporation</td>
<td>Target's equity interest</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Finance Leasing Co., Ltd. is held 100% by Florens Capital Management Company Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Florens Capital Management Company Limited</td>
<td>Hong Kong</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Remaining equity interest (50%) is held by COSCO Capital Management Limited</td>
</tr>
<tr>
<td>6. Florens Container (Macao Commercial Offshore) Limited</td>
<td>Macau</td>
<td>100%</td>
</tr>
<tr>
<td>7. Florens Container Corporation S.A.</td>
<td>Panama</td>
<td>100%</td>
</tr>
<tr>
<td>8. Florens Container Inc.</td>
<td>United States of America</td>
<td>100%</td>
</tr>
<tr>
<td>10. Florens Container, Inc. (2002)</td>
<td>United States of America</td>
<td>100%</td>
</tr>
<tr>
<td>11. Florens Container, Inc. (2003)</td>
<td>United States of America</td>
<td>100%</td>
</tr>
<tr>
<td>12. Florens Container Services Company Limited</td>
<td>Hong Kong</td>
<td>100%</td>
</tr>
<tr>
<td>13. Florens Container Services (Australia) Pty Limited</td>
<td>Australia</td>
<td>100%</td>
</tr>
<tr>
<td>14. Florens Container Services (Deutschland) GmbH</td>
<td>Germany</td>
<td>100%</td>
</tr>
<tr>
<td>15. Florens Container Services (Italy) S.R.L.</td>
<td>Italy</td>
<td>100%</td>
</tr>
<tr>
<td>16. Florens Container Services (Shenzhen) Co., Ltd.</td>
<td>PRC</td>
<td>100%</td>
</tr>
<tr>
<td>Name</td>
<td>Place of Incorporation</td>
<td>Target's equity interest</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>17. Florens Container Services (Singapore) Pte. Ltd.</td>
<td>Singapore</td>
<td>100%</td>
</tr>
<tr>
<td>18. Florens Container Services (UK) Limited</td>
<td>United Kingdom</td>
<td>100%</td>
</tr>
<tr>
<td>19. Florens Container Services (USA) Ltd.</td>
<td>United States of America</td>
<td>100%</td>
</tr>
<tr>
<td>20. Florens Management Services (Macao Commercial Offshore) Limited</td>
<td>Macau</td>
<td>100%</td>
</tr>
<tr>
<td>21. Florens Maritime Limited</td>
<td>Bermuda</td>
<td>100%</td>
</tr>
<tr>
<td>22. Florens Shipping Corporation Limited</td>
<td>Bermuda</td>
<td>100%</td>
</tr>
</tbody>
</table>
SCHEDULE 2

CLOSING ARRANGEMENTS

Part A : Seller Obligations

1. At Closing, the Seller shall deliver or ensure that there is delivered to the Purchaser (or made available to the Purchaser’s reasonable satisfaction):

   (a) sold note(s) and instrument(s) of transfer each duly executed by the Seller in favour of the Purchaser (or as it may direct) in respect of the Sale Shares;

   (b) the share certificates or equivalent documents in any applicable jurisdiction relating to all the Sale Shares in respect of which certificates were issued or are required to be issued, in the case of share certificates in respect of the Sale Shares where endorsement of share certificates is required to validly transfer the Sale Shares concerned, such certificates being properly endorsed so as to transfer the Sale Shares to the Purchaser;

   (c) in respect of the Target Group Companies, the certificate of incorporation, common seal (if it exists), share register or ledger and share certificate book (with any unissued share certificates, company chops, business registration certificate) and all minute books and other statutory books (which shall be written up to but not including Closing) or such equivalent items in the relevant jurisdiction as are kept by the Target Group Companies or which the law of the jurisdiction of incorporation of the Target Group Companies requires it to keep. The above items shall be deemed delivered to the Purchaser at Closing for the purpose of this paragraph 1(c) if they are made available to the Purchaser at the respective registered office of the Target Group Companies at Closing;

   (d) a copy (certified by a duly appointed officer as true and correct) of a resolution of the board and/or supervisory board (as necessary to provide valid authorisation) of directors of the Seller (or, if required by the law of its jurisdiction or its Constitutional Documents, of its shareholders) authorising the execution of and the performance by the relevant company of its obligations under this Agreement;

   (e) a copy (certified by a duly appointed officer as true and correct) of a resolution of the board and/or supervisory board (as necessary to provide valid authorisation) of directors of the Target:

      (i) approving the transfer of Sale Shares under this Agreement;

      (ii) the issue of a share certificate in respect of the Sale Shares in favour of the Purchaser; and

      (iii) if requested by the Purchaser, revoking the mandates given by the Target to its bankers or changing such mandates;
(f) a copy (certified by a duly appointed officer as true and correct) of a resolution of the board and/or supervisory board (as necessary to provide valid authorisation) of directors of each of the Target Group Subsidiaries, if requested by the Purchaser, revoking the mandates given by the Target Group Subsidiary to its bankers or changing such mandates;

(g) a certificate in a form reasonably satisfactory to the Purchaser executed by an officer of the Seller that all Inter-Company Debts have been settled in accordance with Clause 6.6; and

(h) the Loan Assignment Deeds duly executed by the Seller and the Target.

**Part B : Purchaser Obligations**

2. At Closing, the Purchaser shall:

(a) execute the bought note(s) and the instrument(s) of transfer in respect of the Sale Shares;

(b) deliver (or ensure that there is delivered to the Seller) a copy of a resolution (certified by a duly appointed officer as true and correct) of the board and/or supervisory board (as necessary to provide valid authorisation) of directors of the Purchaser (or, if required by the law of its jurisdiction or Constitutional Documents, of its shareholders) authorising the execution of and the performance by the relevant company of its obligations under this Agreement; and

(c) pay to the Seller the Initial Price and the Relevant Florens Loans Consideration in United States Dollars in accordance with Clause 2, Clause 9.1 and Clause 9.2 and the Loan Assignment Deeds.

All documents and items delivered at Closing pursuant to this Schedule 2 shall be held by the recipient to the order of the person delivering the same until such time as Closing shall be deemed to have taken place. Upon delivery of all documents and items required to be delivered at Closing in accordance with this Schedule 2 (or waiver of the delivery of it by the person entitled to receive the relevant document or item), the documents and items delivered in accordance with this Schedule 2 shall cease to be held to the order of the person delivering them and Closing shall be deemed to have taken place.
SCHEDULE 3

WARRANTIES

Part A Seller Warranties

1. INFORMATION

1.1 The Seller has delivered to the Purchaser adequate records of matters that are required to be recorded in accordance with all applicable Laws and prudent business practices as well as the relevant information that gives a true and fair view of the daily transactions, assets, liabilities and business of the Target Group Companies. All material information relating to the Target Group Companies provided by the Seller to the Purchaser or its representatives and advisers is true, accurate and not misleading and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

1.2 Save as Disclosed to the Purchaser, there are no other facts or matters which might reasonably be expected to have a Material Adverse Effect.

2. INCORPORATION AND GOOD STANDING

2.1 Each of the Target Group Companies: (a) is a legal entity duly incorporated, validly in existence and duly registered and (where applicable) is in good standing under the laws of its jurisdiction of incorporation; and (b) has all requisite corporate or similar power and authority to own, operate and lease its assets and to carry on its principal business as currently conducted.

3. TARGET AND SALE SHARES

3.1 The information in respect of the Target as set out in Part A of Schedule 1 is true, accurate and not misleading in all respects.

3.2 The information in respect of the Target Group Subsidiaries as set out in Part B of Schedule 1 is true, accurate and not misleading in all respects.

3.3 All of the Sale Shares: (i) are beneficially and legally owned by the Seller and free from any Third Party Rights; (ii) have been duly authorized, validly issued and are fully paid up. The Seller is entitled to transfer the full ownership of the Sale Shares to the Purchaser on the terms set out in this Agreement.

3.4 The Sale Shares comprise all of the issued share capital of the Target.
3.5 There are no outstanding options, warrants, convertible securities or other rights (including preemptive rights) or agreements relating to the Sale Shares or any share capital of any Target Group Company (other than the Target).

3.6 The Sale Shares are not subject to any Third Party Rights.

3.7 The Target has no direct or indirect interest in the equity or share capital of any other company, corporation or entity other than the Target Group Subsidiaries.

3.8 The equity capital and shares issued by each of the Target Group Companies have been duly authorised, validly issued and has been fully and timely paid up.

3.9 No dividend or any other form of distribution has been made by any Target Group Company since 30 September 2015 other than the Pre-Closing Dividend.

3.10 Save as Disclosed to the Purchaser, none of the Target Group Companies are in discussions with any other person in relation to any disposal of any interest in any of the Target Group Companies and there are no plans or proposals contemplated by any of the Target Group Companies in relation to any such disposal.

3.11 Save as Disclosed to the Purchaser, none of the Target Group Companies are in discussions with any other person which are likely to result in any definitive agreement, or have submitted any bids (whether legally binding or not) in relation to any acquisition or disposal of, or joint venture relating to, any interest in any container leasing company.

4. **AUTHORISATION AND BINDING OBLIGATIONS**

4.1 The Seller is a legal entity duly incorporated, validly in existence and duly registered and is in good standing under the laws of its jurisdiction of incorporation.

4.2 The Seller has all necessary corporate or similar power and authority to make, execute and deliver this Agreement and to perform all of the obligations to be performed by it hereunder and to consummate the Proposed Transaction. The execution, delivery and performance by the Seller of this Agreement and the consummation by it of the Proposed Transaction has been duly and validly authorised by all necessary corporate action on the part of the Seller. This Agreement will constitute the legal, valid and binding obligation of the Seller, enforceable against it in accordance with its terms.

4.3 Save as Disclosed to the Purchaser, the execution and delivery by the Seller of this Agreement, and the performance and completion of the Proposed Transaction: (a) will not infringe any applicable Laws; (b) will not result in any breach of the terms of, or constitute a default under, its Constitutional Documents and business license (as applicable) or any instrument, agreement or governmental, regulatory or other judgment, decree or order to which the Seller is a party or by which it or its property is bound; and (c) will not conflict with any of the certificates, licenses or permits of the Seller that enable it to carry on the business or operations now operated by it.
5. **LITIGATION**

5.1 Save as Disclosed to the Purchaser, there is no material litigation pending against any Target Group Company or any assets of the Target Group Companies, in each case that individually or in the aggregate would reasonably be expected to have a material adverse effect on the operations of that Target Group Company. Save as Disclosed to the Purchaser, there are no judgments, injunctions, writs, orders or decrees binding upon any Target Group Company that individually or in the aggregate would reasonably be expected to have a material adverse effect on the relevant Target Group Company.

5.2 Save as Disclosed to the Purchaser, the Seller is not aware of any circumstances which are likely to give rise to any such proceeding, investigation or inquiry as is referred to in paragraph 5.1 above.

6. **FINANCIAL STATEMENTS**

6.1 The Accounts have been derived from the accounting books and records of the Target and have been prepared in accordance with HKFRS. The Accounts give a true and fair view of the state of affairs and of the profit and cash flows of the Target as at, and for the period ended on the Accounts Date, in each case in accordance with HKFRS.

6.2 The books of account and other financial records of each of the Target Group Companies have been maintained in all material respects in accordance with good business and accounting practices and the applicable laws and regulations.

6.3 Without limiting the generality of paragraph 6.1:

(a) the Accounts of the Target either make full provision for or disclose all liabilities (whether actual, contingent or disputed and including financial lease commitments and pension liabilities), all outstanding capital commitments and all bad or doubtful debts of the Target as at the Accounts Date, in each case in accordance with applicable accounting principles;

(b) the Accounts of the Target for each of the periods ended on the Accounts Date were prepared under the historical convention, complied with the requirements of all relevant laws and regulations then in force and with all statements of standard accounting practice (or financial reporting standards) and applicable accounting principles then in force;

(c) the rate of depreciation adopted by the Target in its Accounts for the 12-month period ended on the Accounts Date was sufficient for each of the fixed assets of the Target to be written down in accordance with the Target’s accounting practices;

(d) except as stated in its Accounts, no changes in the accounting policies were made by the Target in the 12-month period ended on the Accounts Date;
the results shown by the Accounts of the Target for the 12-month period ended on the Accounts Dates were not (except as therein disclosed) affected by any extraordinary or exceptional item or by any other factor rendering such results for all or any of such periods unusually high or low.

7. **POSITION SINCE THE ACCOUNTS DATE**

7.1 Save as Disclosed to the Purchaser, since the Accounts Date and compared to the Accounts, there has been no material adverse change to the financial condition, business operations, trading position, assets, liabilities (including contingent liabilities), real property interests of each of the Target Group Companies.

8. **MATERIAL CONTRACTS, ASSETS AND POWERS OF ATTORNEY**

8.1 True and complete copies of each joint venture agreement or shareholders’ agreement applicable to any Target Group Company have been provided to the Purchaser.

8.2 Save as Disclosed to the Purchaser, the execution and delivery of, and the performance of the Seller of its obligations under this Agreement will not, result in any other person having a right to terminate or amend any material agreement with or material rights of any Target Group Company, result in any obligation on any Target Group Company to sell any interest in any other Target Group Company to its other shareholders or trigger any other change of control right or pre-emption right exercisable by any other third party.

8.3 The Disclosure Letter sets out a true and complete summary of all powers of attorney given by the Target or any Target Group Subsidiary.

8.4 Save as Disclosed to the Purchaser, no Target Group Company has given any guarantee or indemnity in respect of any obligation or liability of the Seller Group.

8.5 Save as Disclosed to the Purchaser, all assets used by each Target Group Company in the course of its business or which are necessary for the continuation of its business as it is now carried (other than assets disposed in the ordinary course of business or which are the subject matter of operating or finance or capital leases) is:

(a) legally and beneficially owned by the relevant Target Group Company, free from any Third Party Rights (other than retention of title claims or liens arising in the ordinary course of business); and

(b) where capable of possession, in the possession or under the control of the relevant Target Group Company.

8.6 Save as Disclosed to the Purchaser and to the best knowledge of the Seller, each Target Group Company has good and marketable title to all real properties used or owned by it that is material to its business (including, in the case of any Target Group Company in the PRC, all land use right certificates and building ownership certificates), in each case free and clear of any Third Party Rights.
8.7 Each Target Group Company has obtained insurance policies in respect of its assets, business, employees and operations that are in-line with the usual practice of the industry in which it operates in, in each case, in the jurisdiction applicable to the relevant Target Group Company.

8.8 Save as Disclosed to the Purchaser, there are no material claims or actions outstanding, pending or anticipated or threatened against any Target Group Company in respect of any of its insurance policies.

9. **REGULATORY MATTERS**

9.1 Save as Disclosed to the Purchaser, each Target Group Company has obtained all licences, approvals, permissions, authorisations and consents required for carrying on its business effectively in the places and in the manner in which such business is now carried on, except where it will not have any material adverse effect on the relevant Target Group Company.

9.2 Save as Disclosed to the Purchaser, the licenses, approvals, permissions, authorisations and consents referred to in paragraph 9.1 are in full force and effect, not expired or subject to any unusual or onerous conditions and have been complied with in all respects.

9.3 Save as Disclosed to the Purchaser, to the best knowledge of the Seller, there are no circumstances which indicate that any of the licenses, permissions, authorisations or consents referred to in paragraph 9.1 will or are likely to be revoked or not renewed, in whole or in part, whether as a result of the acquisition of the Sale Shares by the Purchaser or for any other reason.

9.4 Save as Disclosed to the Purchaser, each Target Group Company has conducted its business and corporate affairs in accordance with its business license and with all applicable laws and regulations (whether of the PRC, Hong Kong or any other jurisdiction), except where it will not have any material adverse effect on the relevant Target Group Company.

9.5 Save as Disclosed to the Purchaser, no Target Group Company has received notification that any investigation or inquiry is being or has been conducted by any Governmental Authority in respect of the affairs of the relevant Target Group Company.

9.6 Save as Disclosed to the Purchaser, no Target Group Company has committed or is liable for any criminal, illegal, unlawful or unauthorised act or breach of any obligation or duty whether imposed by or pursuant to statute or a Governmental Authority, except where it will not have any material adverse effect on the relevant Target Group Company.
10. **Taxes**

10.1 Save as Disclosed to the Purchaser, each of the Target Group Companies has complied with all statutory provisions, rules, regulations, orders and directions concerning profits or corporate Tax, value-added Tax, land value-added Tax, business Tax, stamp duty, withholding Tax and all other Tax in their respective jurisdictions, except where it will not have any material adverse effect on the relevant Target Group Company.

10.2 Save as Disclosed to the Purchaser, each of the Target Group Companies has duly, within appropriate time limits, made all returns and supplied information required to be supplied to the relevant Tax authorities. Such information was when provided complete and accurate and was made on a proper basis, except where it will not have any material adverse effect on the relevant Target Group Company.

10.3 Save as Disclosed to the Purchaser, no Target Group Company has been subject to any penalty by any Tax authority and no Target Group Company is involved in any dispute or investigation with any Tax authority.

10.4 Save as Disclosed to the Purchaser, no Target Group Company has been a party to or otherwise involved in any transaction, agreement or arrangement which is not or was not on an arms’ length basis.

10.5 Save as Disclosed to the Purchaser, all documents which are required to be stamped or are subject to a registration or transfer Tax and which are in the possession of a Target Group Company or by virtue of which a Target Group Company has any right, have been duly stamped or such registration or transfer Tax has been paid in respect of such documents.

11. **Insolvency**

11.1 Save as Disclosed to the Purchaser, no order has been made, petition presented or meeting convened for the purpose of considering a resolution for the winding up of any Target Group Company or for the appointment of any provisional liquidator. No petition has been presented for an administration order to be made in relation to any Target Group Company, and no receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of any Target Group Company.

11.2 Save as Disclosed to the Purchaser, no composition in satisfaction of the debts of any Target Group Company, or scheme of arrangement of its affairs, or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members, has been proposed, sanctioned or approved.

11.3 Save as Disclosed to the Purchaser, no distress, distraint, charging order, garnishee order, execution or other process has been levied or applied for in respect of the
whole or any part of any of the property, assets and/or undertaking of any Target Group Company, except where it will not have any material adverse effect on the relevant Target Group Company.

12. **EMPLOYEES**

12.1 The Disclosure Letter contains a full and complete summary of all employees of the Target Group Companies (other than the name of the relevant employees), including grade, period of continuous employment and general terms of employment.

12.2 Save as Disclosed to the Purchaser, there are no outstanding claims or liabilities or obligations owing to any current or former employees of the Target Group Companies and, to the best knowledge of the Seller, no such claims liabilities or obligations have been threatened by any current or former employees of the Target Group Companies, except where it will not have any material adverse effect on the relevant Target Group Company.

12.3 Save as Disclosed to the Purchaser, each Target Group Company has complied with all applicable employment, pension (including, where relevant, mandatory provident fund) and social security Laws, except where it will not have any material adverse effect on the relevant Target Group Company.

12.4 Save as Disclosed to the Purchaser, each Target Group Company has complied with the provisions of any agreement or arrangement with any trade union, works council, staff association or other body representing any of its employees and, no fact or circumstances exists which might give rise to a dispute with any trade union, works council, staff association or other body representing any of its employees.

12.5 Save as Disclosed to the Purchaser, no industrial action, official or unofficial, is now occurring or threatened against any Target Group Company.

12.6 Save as Disclosed to the Purchaser, there are no material outstanding liability owing by any Target Group Company in respect of any employee provident fund or employee pension fund.

13. **ANTI-BRIBERY AND ECONOMIC SANCTIONS**

13.1 None of the Target Group Companies have breached or contravened any anti-bribery Law, any anti-money laundering Law or anti-corruption Law applicable to it.

13.2 None of the Seller or the Target Group Companies is:

(a) a Sanctioned Person or owned or controlled by a Sanctioned Person; or

(b) in breach of any applicable Economic Sanctions Law.
Part B Purchaser Warranties

1. The Purchaser is a legal entity duly incorporated, validly in existence and duly registered and is in good standing under the laws of its jurisdiction of incorporation;

2. The Purchaser has all necessary corporate or similar power and authority to make, execute and deliver this Agreement and to perform all of the obligations to be performed by it hereunder and to consummate the Proposed Transaction. This Agreement will constitute the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms;

3. The execution and delivery by the Purchaser of this Agreement, and the performance and completion of the Proposed Transaction: (a) will not infringe any applicable Laws; and (b) will not result in any breach of the terms of, or constitute a default under, its Constitutional Documents and business license (as applicable) or any instrument, agreement or governmental, regulatory or other judgment, decree or order to which the Purchaser is a party or by which it or its property is bound.
SCHEDULE 4
POST-CLOSING FINANCIAL ADJUSTMENTS

Part A: Preliminary

1. Preparation of Completion Accounts

The Purchaser shall procure that the Firm conduct and complete an audit of the accounts of the Target, prepared in accordance with the accounting standards and policies set out in Part C of this Schedule 4 as at the Completion Accounts Date, and prepare and issue the audited initial completion accounts (the *Initial Completion Accounts*), which shall:

(a) present the adjusted net asset value of the Target as at the Completion Accounts Date;

(b) be presented in United States Dollars; and

(c) be in the form set out in Part D of this Schedule 4.

The Initial Completion Accounts shall be provided by the Firm to the Parties within 60 Business Days (or such longer period of time as agreed by the Parties) after Closing. The Parties shall review the Initial Completion Accounts and notify the other Party in writing of its agreement, or if any Party does not agree with the Initial Completion Accounts, notify the other Party of its grounds of disagreement to the Initial Completion Accounts within 14 days of receipt of the Initial Completion Accounts. If any Party does not agree with the Initial Completion Accounts and has served a notice in writing to the other Party notifying its ground of disagreement (the *Notice*), the Parties shall negotiate in good faith to reach agreement on the matters set out in the Notice within 14 days (or such longer period of time as agreed by the Parties) of the receipt of that Notice, failing which, the procedures set out in paragraph 5 below shall apply. Only one Notice may be issued by a Party.

If the Parties reach agreement on the Initial Completion Accounts, the Initial Completion Accounts (as amended by agreement between the Parties (if any)) shall constitute the Completion Accounts for the purposes of this Agreement.

2. Access to Books and Records

Each Party shall co-operate with the Firm (and the Second Firm, if applicable) and comply with its reasonable requests made in connection with the carrying out of its duties under this Schedule 4, in particular, without limitation, the Parties shall make available to the Firm (and the Second Firm, if applicable) the books and records relating to the Target Group Companies as the Firm (and the Second Firm, if applicable) may require.
3. **Costs and Expenses**

The costs and expenses payable to the Firm (and the Second Firm if applicable) in relation to its work and duties under this Schedule 4 shall be borne by the Seller and the Purchaser equally.

4. **Capacity of the Firm**

In preparing the Initial Completion Accounts and the Completion Accounts, the Firm (and the Second Firm, if applicable) shall act as an expert and not as an arbitrator.

5. **Determination by the Second Firm**

   (a) If no agreement is reached between the Parties on the Initial Completion Accounts in accordance with paragraph 1 above, the Parties shall use all reasonable endeavours to reach agreement regarding the identity of the firm to be appointed as the Second Firm and to agree terms of appointment with the Second Firm within 21 days of the receipt of the last Notice (failing which either Party shall be entitled to request the President for the time being of the Hong Kong Institute of Certified Public Accountants to appoint the Second Firm and to agree its terms of appointment on behalf of the Parties.)

   (b) Except for any procedural matters, or as otherwise expressly provided in this Schedule, the scope of the Second Firm’s determination shall be limited to:

      (A) the matters under the relevant Notices that are subject to disagreement between the Parties; and

      (B) any consequential adjustments, corrections or modifications to the Initial Completion Accounts as a result of the Second Firm’s determination under (A) above.

   (c) Unless otherwise agreed by the Parties, the Second Firm shall be required to make its determination in writing (including reasons for its determination) and to provide a copy to each Party as soon as reasonably practicable and in any event within 30 days of its appointment.

   (d) Save in the event of manifest error or fraud:

      (A) the Second Firm’s determination of any matters referred to it under this Schedule shall be final and binding on the Parties; and

      (B) the Initial Completion Accounts, subject to any adjustments, corrections or modifications that are necessary to give effect to the Second Firm's determination, shall constitute the Completion Accounts for the purpose of this Agreement.
Part B : Adjustments to Initial Price

1. When the Completion Accounts are agreed between the Parties or otherwise determined or constituted in accordance with this Schedule 4:

   (a) if the Final Net Asset Value exceeds the Initial Net Asset Value (the amount of such excess being the *Excess*), the Purchaser shall instruct its bank to wire an amount equal to the Excess in United States Dollars in immediately available funds within 15 Business Days after the Adjustment Confirmation Date to the Seller’s Bank Account and provide a copy of such payment instruction to the Seller. Upon receipt of the funds by the Seller, the Seller shall issue a receipt for the amount received to the Purchaser; and

   (b) if the Final Net Asset Value falls short of the Initial Net Asset Value (the amount of such shortfall being the *Shortfall*), the Seller shall instruct its bank to wire an amount equal to the Shortfall in United States Dollars in immediately available funds within 15 Business Days after the Adjustment Confirmation Date to a bank account designated by the Purchaser. Upon receipt of the funds by the Purchaser, the Purchaser shall issue a receipt for the amount received to the Seller.

2. The Final Price shall be an amount equal to the Initial Price plus the Renminbi equivalent of an amount equal to the Final Net Asset Value minus the Renminbi equivalent of an amount equal to the Initial Net Asset Value.

For the purposes of this Part B of Schedule 4, the Renminbi equivalent of an amount in United States Dollars shall be calculated by reference to the exchange rate set by The People’s Bank of China on 30 September 2015.
Part C: Accounting policies and standards for preparing the Completion Accounts

1. Basis of preparation

The Completion Accounts of the Company shall be prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The Completion Accounts shall be prepared under the historical cost convention except that, investment properties are carried at fair value and certain buildings are carried at valuation as at 31 December 1994 less accumulated depreciation and impairment losses.

Adoption of HKFRS amendments and interpretation

The following amendments and interpretation issued by the HKICPA are applicable:

- **HKAS 32 Amendment** Financial Instruments: Presentation-Offsetting Financial Assets and Financial Liabilities
- **HKAS 36 Amendment** Recoverable Amount Disclosures for Non-Financial Assets
- **HKAS 39 Amendment** Novation of Derivatives and Continuation of Hedge Accounting
- **HKFRS 10, HKFRS12 and HKAS 27 (2011) Amendment** Investment Entities
- **HK(IFRIC)-Int 21** Levies

The following HKFRS standards, amendments and improvements to existing standards are also applicable:

<table>
<thead>
<tr>
<th>Standards and amendments</th>
<th>Effective for accounting periods beginning on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKFRS 9</td>
<td>1 January 2018</td>
</tr>
<tr>
<td>HKFRS 10 and HKAS 28</td>
<td>1 January 2016</td>
</tr>
<tr>
<td>HKFRS 11 Amendment</td>
<td>1 January 2016</td>
</tr>
<tr>
<td>HKFRS 14</td>
<td>1 January 2016</td>
</tr>
<tr>
<td>HKFRS 15</td>
<td>1 January 2017</td>
</tr>
</tbody>
</table>

2 Significant accounting policies

The significant accounting policies to be applied in the preparation of these Completion Accounts are set out below.

2.1 Group accounting

(a) Business combination
The Target Group Companies shall apply the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary should be the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Target Group Companies. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Target Group Companies shall recognise any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation shall be measured at either fair value or the present ownership interests’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs shall be expensed as incurred.

Goodwill shall be measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference shall be recognised in the consolidated income statement.

(b) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Target Group Companies has control. The Target Group Companies control an entity when the Target Group Companies are exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries shall be fully consolidated from the date on which control is transferred to the Target Group Companies. They shall be deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies shall be eliminated. Unrealised losses shall also be eliminated. When necessary, amounts reported by subsidiaries shall have been adjusted to conform with the Target Group Companies’ accounting policies.

In the Company’s balance sheet, investments in subsidiaries shall be accounted for at cost less impairment. Cost shall also include direct
attributable costs of investment. The results of subsidiaries shall be accounted for by the Company on the basis of dividend income received and receivable.

Impairment testing of the investments in subsidiaries shall be required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Completion Accounts of the investee’s net assets including goodwill.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control shall be accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary shall be recorded in equity. Gains or losses on disposals to non-controlling interests shall also be recorded in equity.

(d) Disposal of subsidiaries

When the Target Group Companies cease to have control, any retained interest in the entity shall be remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in consolidated income statement. The fair value shall be the initial carrying amount for the purposes of subsequently accounting for the retained interest as joint ventures, associates or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity shall be accounted for as if the Target Group Companies had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income have been reclassified to the consolidated income statement.

(e) Balances with subsidiaries

Balances with subsidiaries shall be split into its financial assets/liabilities and equity components at initial recognition. The financial asset/liability component shall be initially stated at fair value and subsequently carried at amortised cost. The equity component is recognised at cost.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Target Group Companies’ entities shall be measured using the currency of the primary
economic environment in which the entity operates (the “functional
currency”). The Completion Accounts shall be presented in United States
dollar (“US dollar”), which shall be the Company’s functional and
presentation currency.

(b) Transactions and balances

Foreign currency transactions shall be translated into the functional currency
using the exchange rates prevailing at the dates of the transactions or
valuation where items are re-measured. Foreign exchange gains and losses
resulting from the settlement of such transactions and from the translation at
year end exchange rates of monetary assets and liabilities denominated in
foreign currencies shall be recognised in the consolidated income statement,
except when deferred in equity as qualifying cash flow hedges or qualifying
net investment hedges.

(c) Group companies

The results and financial position of all the Target Group Companies entities
(none of which has the currency of a hyperinflationary economy) that have a
functional currency different from the presentation currency shall be
translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented shall be
translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement shall be translated at
average exchange rates (unless this average is not a reasonable
approximation of the cumulative effect of the rates prevailing on the
transaction dates, in which case income and expenses are translated at
the dates of the transactions); and

(iii) all resulting exchange differences shall be recognised in other
comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Target Group
Companies’ entire interest in a foreign operation, or a disposal involving loss
of control over a subsidiary that includes a foreign operation), all of the
exchange differences accumulated in equity in respect of that operation
attributable to the equity holders of the Company shall be reclassified to the
consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign
entity shall be treated as assets and liabilities of the foreign entity and
translated at the closing rate. Related exchange differences shall be
recognised in other comprehensive income.
2.3 **Property, plant and equipment**

Property, plant and equipment shall be stated at cost or 1994 valuation less accumulated depreciation and impairment losses. Cost shall include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs shall be included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group Companies and the cost of the item can be measured reliably. All other repairs and maintenance shall be charged to the consolidated income statement during the financial period in which they are incurred.

No revaluations of the Target Group Companies’ land and buildings shall be carried out. The Target Group Companies shall place reliance on paragraph 80A of HKAS 16 “Property, Plant and Equipment” issued by the HKICPA, which provides exemption from the need to make regular revaluations for such assets.

Leasehold land classified as finance lease shall commence depreciation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land classified as finance lease and depreciation on other property, plant and equipment shall be calculated using the straight-line method to allocate cost or revalued amounts to the residual values of respective property, plant and equipment over their estimated useful lives, as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containers</td>
<td>15 years</td>
</tr>
<tr>
<td>Generator sets</td>
<td>12 years</td>
</tr>
<tr>
<td>Leasehold land classified as finance lease</td>
<td>Remaining period of the lease</td>
</tr>
<tr>
<td>Buildings</td>
<td>25 to 50 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>5 years or the remaining period of the lease, whichever is shorter</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

The assets’ residual values and useful lives shall be reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount shall be written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of property, plant and equipment shall be the difference between the net sale proceeds and the carrying amount of the relevant asset, and shall be recognised in the consolidated income statement.

When the containers cease to be rented and are held for sales, these containers shall be transferred to inventories at their carrying amount.

2.4 **Land use rights**

Sch 4-8
Land use rights classified as operating lease shall represent prepaid operating lease payments for land less accumulated amortisation and any impairment losses. Amortisation shall be calculated using the straight-line method to allocate the prepaid operating lease payments for land over the remaining lease term.

2.5 Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that being not occupied by the companies of the Target Group Companies, shall be classified as investment property.

Investment property shall comprise leasehold land and buildings. Land held under operating leases shall be classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease shall be accounted for as if it were a finance lease.

Investment properties shall be measured initially at cost, including related transaction costs. After initial recognition, investment properties shall be carried at fair value representing open market value determined at each reporting date by external valuers. Fair value shall be based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Target Group Companies shall use alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Change in fair value shall be recognised in the consolidated income statement. The fair value of investment properties shall reflect, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure shall be charged to the asset’s carrying amount only when it is probable that future economic benefits associated with the item will flow to the Target Group Companies and the cost of the item can be measured reliably. All other repair and maintenance costs shall be expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it shall be reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer shall be recognised in other comprehensive income as properties revaluation reserve under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain shall be recognised in the consolidated income statement. Properties revaluation reserve, including any previously recognised, shall remain and be transferred to retained profits upon disposal of properties.
2.6 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs shall be amortised over the estimated useful lives of 5 years on a straight-line basis.

Costs associated with developing or maintaining computer software programmes which do not generate economic benefits exceeding costs beyond one year shall be recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Target Group Companies, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs shall include the software development employee costs and an appropriate portion of relevant overheads.

Computer systems under development are transferred to computer software upon the completion of the respective development and amortisation shall then be commenced accordingly over the estimated useful lives of 5 years on a straight-line basis.

2.7 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life or are not subject to depreciation or amortisation shall be tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. All other non-financial assets shall be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss shall be recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount shall be the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets shall be grouped at the lowest levels for which there are largely independent cash flows (cash generating units). Prior impairments of non-financial assets (other than goodwill) shall be reviewed for possible reversal at each reporting date.

2.8 Impairment of financial assets

Assets carried at amortised cost

The Target Group Companies assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there shall be objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
Evidence of impairment may include indications that the debtors or a group of debtors being experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss shall be measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset shall be reduced and the amount of the loss shall be recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss shall be the current effective interest rate determined under the contract. As a practical expedient, the Target Group Companies may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss shall be recognised in the consolidated income statement.

2.9 Inventories

Inventories shall include resaleable containers. Inventories shall be stated at the lower of cost and net realisable value. Costs shall be calculated on weighted average basis. Net realisable value shall be determined on the basis of anticipated sales proceeds less estimated selling expenses.

2.10 Trade and other receivables

Trade receivables shall be amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they shall be classified as current assets. If not, they shall be presented as non-current assets.

Trade and other receivables shall be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Cash and cash equivalents
Cash and cash equivalents shall include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

2.12 Assets under leases

Leases in which a significant portion of the risks and rewards of ownership of assets remain with the lessors shall be accounted for as operating leases. Leases that substantially transfer to the lessees all the risks and rewards of ownership of assets shall be accounted for as finance leases, including leases which transfer ownership of the asset to the lessee at the end of lease term.

(a) Leases - where the Target Group Companies is the lessee

Payments made under operating leases (net of any incentives received from the lessor) shall be expensed in the consolidated income statement on a straight-line basis over the lease periods.

(b) Leases - where the Target Group Companies is the lessor

When the Target Group Companies leases out assets under operating leases, the assets shall be included in the balance sheet according to their nature and where applicable, are depreciated in accordance with the Target Group Companies’ depreciation policies, as set out in note 2.3 above. Revenue arising from assets leased out under operating leases shall be recognised in accordance with the Target Group Companies’ revenue recognition policies, as set out in notes 2.19(a) and 2.19(c) below.

When assets are leased out under finance leases, the present value of the minimum lease payments shall be recognised as a receivable. Revenue on assets leased out under finance leases shall be recognised in accordance with the Target Group Companies’ revenue recognition policies, as set out in note 2.19(e) below.

2.13 Provisions

Provisions shall be recognised when the Target Group Companies have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions shall not be recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement shall be determined by considering the class of obligations as a whole. A provision shall be recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
Provisions shall be measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time shall be recognised as interest expense.

2.14 Trade and other payables

Trade payables shall be obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables shall be classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they shall be presented as non-current liabilities.

Trade and other payables shall be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Financial guarantee contracts

Financial guarantee contracts shall be contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurred because a specified debtor failed to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts shall be initially recognised at their fair value, and subsequently measured at the higher of (i) the amount initially recognised less accumulated amortisation; and (ii) the amount required to be settled by the guarantor in respect of the financial guarantee contracts at the balance sheet date.

2.16 Borrowings

Borrowings shall be recognised initially at fair value, net of transaction costs incurred. Borrowings shall be subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value shall be recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings shall be classified as current liabilities unless the Target Group Companies has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.17 Current and deferred income tax

The tax expense for the year shall comprise current and deferred income tax. Tax shall be recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In
this case, the tax shall also be recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge shall be calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Target Group Companies operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation shall be subject to interpretation. It shall establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax shall be recognised (provided), using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Completion Accounts. However, deferred income tax liabilities shall not be recognised if they arise from the initial recognition of goodwill; deferred income tax shall not be accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax shall be determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and shall be expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets shall be recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax shall be provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Target Group Companies and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities shall be offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity
or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.18 Employee benefits

(a) **Retirement benefit costs**

The Target Group Companies shall contribute to defined contribution retirement schemes. The assets of the schemes shall be held separately from those of the Target Group Companies in independently administered funds.

Pursuant to the relevant regulations of the government authorities in different territories where the Target Group Companies has employees, the Target Group Companies shall participate in respective government benefit schemes whereby the Target Group Companies shall be required to contribute to the schemes for the retirement benefits of eligible employees. The government authorities of the respective countries shall be responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Target Group Companies with respect to the schemes shall be to pay the ongoing contributions required by the schemes.

Contributions made to the schemes shall be calculated either based on certain percentages of the applicable payroll costs or fixed sums that are determined with reference to salary scale as stipulated under the requirements of the respective countries.

The Target Group Companies’ contributions to the aforesaid defined contribution retirement schemes shall be charged to the consolidated income statement as incurred.

(b) **Employee leave entitlements**

Employee entitlements to annual leave and long service leave shall be recognised when they accrue to employees. A provision shall be made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave shall not be recognised until the time of leave.

(c) **Bonus entitlements**

The expected cost of bonus payments shall be recognised as a liability when the Target Group Companies have a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.
Liabilities for bonus shall be expected to be settled within 12 months and
are measured at the amounts expected to be paid when they are settled.

(d) Share-based compensation

The Company’s immediate holding company shall operate an equity-settled,
share-based compensation plan and shall provide equity compensation
benefits, in the form of share options, to the directors of the Company and
employees of the Target Group Companies. The fair value of the employee
services received in exchange for the grant of the options shall be recognised
as an expense. The total amount to be expensed over the vesting period shall
be determined by reference to the fair value of the options granted, excluding
the impact of any non-market vesting conditions. Non-market vesting
conditions shall be included in assumptions about the number of options that
are expected to become vested. At each balance sheet date, the Company’s
immediate holding company shall revise its estimates of the number of
options that are expected to become vested. It shall recognise the impact of
the revision of original estimates, if any, in the consolidated income
statement, with a corresponding adjustment to equity over the remaining
vesting period.

The proceeds received net of any directly attributable transaction costs shall
be credited to share capital (nominal value) and share premium when the
options are exercised.

2.19 Recognition of revenue and income

The Target Group Companies shall recognise revenue and income on the following
bases:

(a) Revenue from leasing of containers, generator sets and car racks

Rental income from leasing of containers, generator sets and car racks under
operating leases is recognised on a straight-line basis over the period of each
lease.

(b) Revenue from container management

Revenue from container management is recognised when the related
management and administrative services are rendered.

(c) Operating lease rental income from investment properties

Operating lease rental income from investment properties shall be recognised
on a straight-line basis over the period of each lease and shall be recognised
in the consolidated income statement within other operating income.
(d) Revenue from sale of resaleable containers included in inventories

Revenue from sale of resaleable containers shall be recognised on the transfer of risks and rewards on ownership, which generally shall coincide with the time when the containers are delivered to customers and title has passed.

(e) Revenue from finance leases

Revenue on containers, terminal equipment and vessels leased out under finance leases shall be allocated to accounting period to give a constant periodic rate of return on the net investment in the lease in each period.

(f) Pre-lease interest income

Pre-lease interest income shall be recognised on a time proportion basis using the floating interest rates agreed in finance lease agreements.

(g) Interest income

Interest income shall be recognised on a time proportion basis using the effective interest method.

2.20 Dividend distribution

Dividend distribution to the Company’s shareholders shall be recognised as a liability in the Target Group Companies’ and Company’s financial statements in the period in which the dividends shall be approved by the Company’s shareholders/directors.

2.21 Contingent liabilities and contingent assets

A contingent liability shall be a possible obligation that arise from past events and whose existence shall only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Target Group Companies. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities other than those acquired from business combination shall not be recognised but shall be disclosed in the notes to the Completion Accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset shall be a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Target Group Companies.
Contingent assets shall not be recognised but are disclosed in the notes to the Completion Accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.
**Part D : Form of the Completion Accounts**

As at Completion Accounts Date  
US$’000

**ASSETS**

Non-current assets
- Property, plant and equipment  
- Investment properties  
- Land use rights  
- Intangible assets  
- Finance lease receivables  
- Other non-current assets  

Current assets
- Inventories  
- Trade and other receivables  
- Cash and cash equivalents  

Total assets  

**EQUITY**

Capital and reserves attributable to the equity holder of the Company
- Share capital  
- Reserves  

Non-controlling interest  

Total equity  

**LIABILITIES**

Non-current liabilities
- Long term bank loans  
- Deferred income tax liabilities  
- Other long term liabilities  
- Loan from a non-controlling shareholder  

---
Current liabilities
  Trade and other payables [●]
  Amount due to immediate holding company [●]
  Current income tax liabilities [●]
  Current portion of long term bank loans [●]
  Loan from immediate holding company [●]

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[●]

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Total liabilities [●]

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Total equity and liabilities [●]

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## SCHEDULE 5

### CP AGREEMENTS

<table>
<thead>
<tr>
<th>Contract reference number</th>
<th>The seller / the lessor / the shareholders</th>
<th>The purchaser / the lessee / the contributing party</th>
<th>Subject</th>
<th>Date of agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1-1-1</td>
<td>China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司)</td>
<td>China COSCO Holdings Company Limited (中國遠洋控股股份有限公司)</td>
<td>The sale and purchase of equity interest in various agency companies between China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司) as seller and China COSCO Holdings Company Limited (中國遠洋控股股份有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A1-1-2</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司)</td>
<td>(i) COSCO Container Lines Company Limited (中遠集裝箱運輸有限公司) (ii) Shanghai Pan Asia Shipping Company Limited (上海泛亞航運有限公司)</td>
<td>The sale and purchase of (i) 100% equity interest in 中海集裝箱運輸代理(深圳)有限公司 between China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司) as seller and COSCO Container Lines Company Limited (中遠集裝箱運輸有限公司) as purchaser; and (ii) 100% equity interest in 深圳中海五洲物流有限公司 between China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司) as seller and Shanghai Pan Asia Shipping Company Limited (上海泛亞航運有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>Contract reference number</td>
<td>The seller / the lessor / the shareholders</td>
<td>The purchaser / the lessee / the contributing party</td>
<td>Subject</td>
<td>Date of agreement</td>
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<tr>
<td>A1-2</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司)</td>
<td>COSCO Container Lines (Hong Kong) Co., Limited (中遠集運(香港)有限公司)</td>
<td>The sale and purchase of 100% equity interest in China Shipping Container Lines (Hong Kong) Agency Co., Limited (中海集裝箱運輸(香港)代理有限公司)</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A1-3</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司)</td>
<td>Shanghai Pan Asia Shipping Company Limited (上海泛亞航運有限公司)</td>
<td>The sale and purchase of 100% equity interest in Universal Shipping (Asia) Company Limited (五洲航運有限公司)</td>
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<td>A1-4</td>
<td>China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司)</td>
<td>COSCO Container Lines Company Limited (中遠集裝箱運輸有限公司)</td>
<td>The sale and purchase of 51% equity interest in Golden Sea Shipping Pte. Ltd. (鑫海航運有限公司)</td>
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<td>A1-5</td>
<td>China Shipping Container Lines Company Limited (中海集裝箱運輸(香港)有限公司)</td>
<td>China Shipping Regional Holdings Pte. Ltd. (鑫海航運有限公司)</td>
<td>The sale and purchase of 9% equity interest in Golden Sea Shipping Pte. Ltd. (鑫海航運有限公司)</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>Contract reference number</td>
<td>The seller / the lessor / the shareholders</td>
<td>The purchaser / the lessee / the contributing party</td>
<td>Subject</td>
<td>Date of agreement</td>
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</tr>
<tr>
<td>A1-6</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中國海運(香港)有限公司)</td>
<td>China Shipping Regional Holdings Pte. Ltd. (中國海運 (東南亞)控股有限公司)</td>
<td>The sale and purchase of 91% equity interest in China Shipping (Singapore) Petroleum Pte. Ltd. (中國海運(新加坡)石油有限公司) between China Shipping Container Lines (Hong Kong) Co., Limited (中國海運(香港)有限公司) as seller and China Shipping Regional Holdings Pte. Ltd. (中國海運(東南亞)控股有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
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<td>A1-7</td>
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<td>N/A</td>
<td>N/A</td>
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<tr>
<td>A1-8</td>
<td>(i) China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司) (ii) China Shipping Container Lines Company Limited (中國海運箱運輸(香港)有限公司)</td>
<td>COSCO Pacific Limited (中國遠洋運輸(香港)有限公司)</td>
<td>The sale and purchase of all issued shares in China Shipping Ports Development Co., Limited (中國遠洋運輸(香港)控股有限公司) between (i) China Shipping (Hong Kong) Holdings Co., Limited (中國遠洋運輸(香港)控股有限公司); and (ii) China Shipping Container Lines Company Limited (中國海運箱運輸(香港)有限公司) as sellers and COSCO Pacific Limited (中國遠洋運輸(香港)有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A1-9</td>
<td>China COSCO Holdings Company Limited (中國遠洋控股股份有限公司)</td>
<td>China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司)</td>
<td>The sale and purchase of 100% equity interest in China COSCO Bulk Shipping (Group) Co., Ltd. (中國遠洋散貨運輸(集團)有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>Contract reference number</td>
<td>The seller / the lessor / the shareholders</td>
<td>The purchaser / the lessee / the contributing party</td>
<td>Subject</td>
<td>Date of agreement</td>
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</tr>
<tr>
<td>A1-10</td>
<td>China Shipping Container Lines Company Limited (中海集装箱运输股份有限公司)</td>
<td>China COSCO Holdings Company Limited (中國遠洋控股股份有限公司)</td>
<td>The lease of certain vessels from China Shipping Container Lines Company Limited (中海集装箱运输股份有限公司) as lessor to China COSCO Holdings Company Limited (中國遠洋控股股份有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A3-1</td>
<td>(i) China Shipping (Group) Company (中國海運（集團）總公司); (ii) Guangzhou Maritime Transport (Group) Co., Ltd (廣州海運（集團）有限公司); (iii) Shanghai Shipping (Group) Co., Ltd (上海海運（集團）有限公司)</td>
<td>China Shipping Container Lines Company Limited (中海集装箱运输股份有限公司)</td>
<td>The sale and purchase of 100% of the issued share capital of China Shipping Investment Co., Ltd (中海集团投资有限公司) between (i) China Shipping (Group) Company (中國海運（集團）總公司); (ii) Guangzhou Maritime Transport (Group) Co., Ltd (廣州海運（集團）有限公司); and (iii) Shanghai Shipping (Group) Co., Ltd (上海海運（集團）有限公司) as sellers and China Shipping Container Lines Company Limited (中海集装箱运输股份有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A3-2</td>
<td>China Shipping (Group) Company (中國海運（集團）總公司)</td>
<td>China Shipping Container Lines Company Limited (中海集装箱运输股份有限公司)</td>
<td>The sale and purchase of 100% of the issued share capital of China Shipping (Group) Leasing Co., Ltd (中海集团租赁有限公司) between China Shipping (Group) Company (中國海運（集團）總公司) as seller and China Shipping Container Lines Company Limited (中海集装箱运输股份有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>Contract reference number</td>
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<td>The purchaser / the lessee / the contributing party</td>
<td>Subject</td>
<td>Date of agreement</td>
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</tr>
<tr>
<td>A3-3</td>
<td>(i) China Shipping (Group) Company (中國海運（集團）總公司) (ii) Guangzhou Maritime Transport (Group) Co., Ltd (廣州海運（集團）有限公司)</td>
<td>China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司)</td>
<td>The sale and purchase of 40% of the issued share capital of China Shipping Finance Co., Ltd. (中海集團財務有限責任公司) between (i) China Shipping (Group) Company (中國海運（集團）總公司) and (ii) Guangzhou Maritime Transport (Group) Co., Ltd (廣州海運（集團）有限公司) as sellers and China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A3-4-1</td>
<td>China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司)</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司)</td>
<td>The sale and purchase of 100% of the issued share capital of China Shipping Nauticgreen Holdings Company Limited (中海綠舟控股有限公司) and Helen Insurance Brokers Limited (海寧保險經紀有限公司) between China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司) as seller and China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>A3-4-2</td>
<td>China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司)</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司)</td>
<td>The sale and purchase of 100% of the issued share capital of Dong Fang International Investment Limited (東方國際投資有限公司) between China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司) as seller and China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸(香港)有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>Contract reference number</td>
<td>The seller / the lessor / the shareholders</td>
<td>The purchaser / the lessee / the contributing party</td>
<td>Subject</td>
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<tr>
<td>A3-5</td>
<td>China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司)</td>
<td>China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司)</td>
<td>The sale and purchase of 13.67% of the issued share capital of China Bohai Bank Co., Ltd. (渤海銀行股份有限公司) between China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司) as seller and China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
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<tr>
<td>A3-6</td>
<td>COSCO (Hong Kong) Group Limited (中遠(香港)集團有限公司)</td>
<td>China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸 (香港)有限公司)</td>
<td>The sale and purchase of 100% of the issued share capital of Long Honour Investments Limited (長譽投資有限公司) between COSCO (Hong Kong) Group Limited (中遠(香港)集團有限公司) as seller and China Shipping Container Lines (Hong Kong) Co., Limited (中海集裝箱運輸 (香港)有限公司) as purchaser</td>
<td>On or about the date of this Agreement</td>
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<tr>
<td>A3-7</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>A3-8</td>
<td>(i) China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), (ii) COSCO Container Lines Co., Ltd (中遠集裝箱運輸有限公司), (iii) COSCO Bulk Carrier Co., Ltd (中遠散貨運輸有限公司), (iv) Qingdao Ocean Shipping Co., Ltd. (青島遠洋運輸有限公司), (v) COSCO Shipping Co., Ltd (中遠航運股份有限公司)</td>
<td>China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司)</td>
<td>Capital contribution by China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司) to China Shipping Finance Co., Ltd. (中遠財務有限責任公司) resulting in China Shipping Container Lines Company Limited (中海集裝箱運輸股份有限公司) holding 17.53% equity interest in COSCO Finance Co., Ltd. (中遠財務有限責任公司) immediately after the capital increase</td>
<td>On or about the date of this Agreement</td>
</tr>
<tr>
<td>Contract reference number</td>
<td>The seller / the lessor / the shareholders</td>
<td>The purchaser / the lessee / the contributing party</td>
<td>Subject</td>
<td>Date of agreement</td>
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<tr>
<td>(vi) Guangzhou Ocean Shipping Co., Ltd. (廣州遠洋運輸有限公司), (vii) Dalian Ocean Shipping Co., Ltd. (大連遠洋運輸公司), (viii) Xiamen Ocean Shipping Co., Ltd. (廈門遠洋運輸公司), (ix) COSCO International Freight Co., Ltd (中遠國際貨運有限公司), (x) China Ocean Shipping Agency Co., Ltd. (PENAVICO) (中國外輪代理有限公司), (xi) China Ocean Shipping Tally Co., Ltd. (中國外輪理貨總公司), (xii) COSCO Shipbuilding Industry Co., Ltd. (中遠造船工業公司), (xiii) COSCO Shipyard Group Co., Ltd. (中遠船業工程集團有限公司) and (xiv) China Marine Bunker (PetroChina) Co., Ltd (中國船舶燃料有限責任公司)</td>
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## SCHEDULE 6

### RELEVANT FLORENS LOANS

<table>
<thead>
<tr>
<th>Date of the loan agreement</th>
<th>Lender</th>
<th>Borrower</th>
<th>Outstanding amount (United States Dollars)</th>
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<tbody>
<tr>
<td>1 4 October 2013</td>
<td>Seller</td>
<td>Target</td>
<td>120,000,000</td>
</tr>
<tr>
<td>2 19 November 2013</td>
<td>Seller</td>
<td>Target</td>
<td>70,000,000</td>
</tr>
<tr>
<td>3 6 July 2015</td>
<td>Seller</td>
<td>Target</td>
<td>95,000,000</td>
</tr>
</tbody>
</table>
SCHEDULE 7

DEFINITIONS AND INTERPRETATION

1. Definitions. In this Agreement, the following words and expressions shall have the following meanings:

**Accounts** means in relation to the Target, prepared in accordance with the HKFRS:

(a) the audited consolidated balance sheet of the Target as of the Accounts Date in respect of that financial period; and

(b) the audited consolidated statements of income, owner’s equity and cash flows of the Target for the 12 months ended on the Accounts Date,

together with any notes, reports or statements included in or annexed to them;

**Accounts Date** means 31 December 2014;

**Adjustment Confirmation Date** means the date on which the Completion Accounts are agreed between the Parties or otherwise determined or constituted in accordance with Schedule 4;

**Affiliate** means, in relation to a person (a relevant person):

(a) any person directly or indirectly controlled by the relevant person;

(b) any person directly or indirectly controlling the relevant person;

(c) any person directly or indirectly controlled by any person controlling the relevant person;

**Business Day** means a day (other than a Saturday or Sunday or public holiday in the PRC or Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9.00am and 5.00pm) on which banks are open in the PRC and Hong Kong for general commercial business;

**China COSCO** means China COSCO Holdings Company Limited 中國遠洋控股股份有限公司, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601919) and the direct holding company of the Seller;

**Claim** has the meaning given to it in Clause 8.1;

**Closing** means completion of (i) the sale and purchase of the Sale Shares in accordance with the provisions of this Agreement and (ii) the assignment of the Relevant Florens Loans under the Loan Assignment Deeds;
Closing Date means the date on which Closing occurs;

Common Conditions has the meaning given to it in Clause 3.1(c);

Completion Accounts means the completion accounts determined or constituted in accordance with Schedule 4;

Completion Accounts Date means the last day of the previous month where the Closing Date falls on or before the 15th day of a month or, as the case may be, the last day of that month where the Closing Date falls after the 15th day of a month;

Conditions means the conditions to Closing set out in Clauses 3.1 to 3.4, and Condition means any of them;

Confidential Information means the non-public information disclosed by a Party, whether in writing, orally or otherwise, directly or indirectly, to the other Party, including any information on operations, assets, financial conditions, trade secrets, market opportunities as well as businesses of a Party, and information relating to the provisions of, and negotiations leading to, this Agreement and/or the Loan Assignment Deeds;

Constitutional Documents means, with respect to an entity, its memorandum and articles of association, by-laws or equivalent constitutional documents;

Control means, with respect to any person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise, and the terms controlled by and controlling shall be construed accordingly;

Costs means liabilities, losses, damages, actions, claims, costs (including legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

CP Agreements means each of the agreements set out in Schedule 5;

CSCL means China Shipping Container Lines Company Limited 中海集装箱运输股份有限公司, a company incorporated under the laws of the PRC, whose registered office is at Room A-538, International Trade Center, China (Shanghai) Pilot Free Trade Zone, the PRC;

Default Interest means interest at LIBOR plus two per cent.;

Disclosed means fairly disclosed in or under the Disclosure Letter and the term Disclosure shall be construed accordingly;

Disclosure Letter means the letter dated the date of this Agreement from the Seller to the Purchaser;
Economic Sanctions Law means any economic or financial sanctions administered by the Office of Foreign Asset Controls, the US State Department, the United Nations, the European Union or any member state thereof, or any other national economic sanctions authority;

FCMCL Shareholder Loan means the loan granted by COSCO Capital Management Limited (a 50% shareholder of Florens Capital Management Company Limited) to Florens Capital Management Company Limited pursuant to a loan agreement between them dated 22 December 2011;

Final Net Asset Value means an amount in United States Dollars equal to the consolidated net assets of the Target as stated in the Completion Accounts under the line item “Net assets”;

Final Price has the meaning given to it in Clause 2.4;

Firm means such “Big-Four” accountancy firm to be selected by the Purchaser for the purpose of preparing the Initial Completion Accounts;

Governmental Authority means:

(a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof, including any entity directly or indirectly owned (in whole or in part) or controlled thereby;

(b) any public international organisation or supranational body (including without limitation the European Union) and its institutions, departments, agencies and instrumentalities; and

(c) any quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, Tax, importing or other governmental or quasi-governmental authority;

HKFRS means Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Hong Kong Dollars or HK$ means the lawful currency of Hong Kong;

Income, Profits or Gains shall mean revenue profits, chargeable gains and any similar measure by reference to which Tax is chargeable or assessed;

Indemnity has the meaning given to it in Clause 7.1;

Initial Completion Accounts has the meaning given to it in Paragraph 1 of Part A of Schedule 4;
**Initial Net Asset Value** means US$1,171,051,000;

**Initial Price** has the meaning given to it in Clause 2.1 and Clause 2.3;

**Inter-Company Debts** means all loans and any other financial indebtedness owed by the Target or any other Target Group Company to any member of the Seller Group and all loans and any other financial indebtedness owed by any member of the Seller Group to the Target or any other Target Group Company;

**Law** means any statute, law, rule, regulation, guideline, ordinance, code, policy or rule of common law issued, administered or enforced by any Governmental Authority, or any judicial or administrative interpretation thereof;

**LIBOR** means the applicable Screen Rate as of 11:00 a.m. on the due date of the relevant payment for United States Dollars and for an interest period of 3 months and, if any such rate is below zero, LIBOR will be deemed to be zero;

**Loan Assignment Deeds** means the assignment deed(s) to be entered into at Closing in relation to the Relevant Florens Loans;

**Longstop Date** has the meaning given to it in Clause 3.9;

**Material Adverse Effect** means a material adverse effect on the results of operations or financial condition of the Target Group Companies (taken as a whole), other than any effect arising out of or resulting from:

(a) changes in conditions in the global economy, capital, financial or credit markets;

(b) changes in the general political or business conditions that, in each case, generally affect the geographic regions or industry in which the Target Group Companies conduct their business;

(c) any changes or foreseen changes in applicable law after the date hereof;

(d) act of war, armed hostilities, sabotage or terrorism or any escalation or worsening of any such acts of war, armed hostilities, sabotage or terrorism; or

(e) earthquakes, hurricanes or other effects of weather or meteorological events,

except in the case of the foregoing paragraphs (a) to (e) if such effect has a disproportionate impact on the Target Group Companies, taken as a whole, relative to other similarly situated companies in the industry in which the Target Group Companies operate;

**PRC** means the People’s Republic of China (excluding Hong Kong, Macau Special Administrative Region and Taiwan);

**Pre-Closing Dividend** has the meaning given to it in Clause 2.2;
**Proposed Transaction** means the transaction contemplated by this Agreement;

**Purchaser Conditions** has the meaning given to it in Clause 3.1(b);

**Purchaser Warranties** means the representations and warranties given by the Purchaser pursuant to Clause 6.2 and set out in Part B of Schedule 3;

**Relevant Florens Loans** means the loans outstanding under the loan agreements set out in Schedule 6 immediately before Closing;

**Relevant Florens Loans Consideration** means United States Dollars Two Hundred and Eighty Five Million (US$285,000,000);

**Representatives** means, in relation to a Party, its Affiliates and the directors, officers, employees, agents, advisers, accountants and consultants of that Party and/or of its Affiliates;

**RMB or Renminbi** means Renminbi, the lawful currency of the PRC;

**Sale Shares** has the meaning set out in Recital (C);

**Sanctioned Person** means any person or organisation:

(a) designated on the list of Specially Designated Nationals and Blocked Persons maintained by Office of Foreign Asset Controls, the Consolidated List of Financial Sanctions Targets or list of Investment Ban Targets, the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions maintained by the European Commission, or any other list of targeted persons, entities, groups or bodies issued by the United Nations, United States, European Union, United Kingdom (or any other member state of the European Union);

(b) that is, or is part of, a government of a Sanctioned Territory;

(c) owned or controlled by, or acting on behalf of, any of the foregoing;

(d) incorporated or located within or operating from a Sanctioned Territory; or

(e) otherwise targeted under any Economic Sanctions Law;

**Sanctioned Territory** means any country or other territory subject to a general export, import, financial or investment embargo under any Economic Sanctions Law;

**Screen Rate** means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters;
**Second Firm** means such "Big-Four" accountancy firm to be engaged by the Parties in accordance with paragraph 5 of Part A of Schedule 4;

**Seller’s Bank Account** means the Seller’s bank accounts as notified by the Seller to the Purchaser at least 10 Business Days prior to Closing;

**Seller Conditions** has the meaning given to it in Clause 3.1(a);

**Seller Group** means each of the Seller and its Affiliates (excluding the Target Group Companies);

**Seller Warranties** means the representations and warranties given by the Seller pursuant to Clause 6.1 and set out in Part A of Schedule 3;

**Seller** means COSCO Pacific Limited;

**Shares** has the meaning set out in Recital (B);

**Surviving Provisions** means Clause 7, Clause 8 and Clauses 10 to 23 and the applicable definitions set out in Schedule 7;

**Target** has the meaning set out in Recital (A);

**Target Group Companies** means the Target and the Target Group Subsidiaries;

**Target Group Subsidiaries** means each of the subsidiaries of the Target, further details of which are set out in Part B of Schedule 1;

**Target’s Equity Interest** means in respect of any Target Group Subsidiary, the percentage set out in the column headed “Target's equity interest” in respect of the relevant Target Group Subsidiary in Part B of Schedule 1;

**Tax or Taxation** means all taxes, levies, duties, imposts and any charges, deductions or withholdings in the nature of tax including taxes on gross or net Income, Profits or Gains and taxes on receipts, sales, use, occupation, development, franchise, employment, value added and personal property, together with all penalties, charges and interest relating to any of them or to any failure to file any return required for the purposes of any of them, regardless of whether any such taxes, levies, duties, imposts, charges, deductions, withholdings, penalties and interest are chargeable directly or primarily against or attributable directly or primarily to a Target Group Company or any other person and whether any amount in respect of any of them is recoverable from any other person;

**Tax Claim** means any Claim under or in connection to Clause 7.3 or any Tax Warranty;

**Tax Warranty** means the Seller Warranties set out in paragraph 10 of Part A of Schedule 3;

**Third Party Rights** means any third party rights of any nature whatsoever including, without limitation, any mortgage, charge, pledge, lien, assignment by way of security or other
encumbrance, options, equities, claims or rights of pre-emption, together with all rights attaching to them;

**Unconditional Date** has the meaning given in Clause 3.8;

**United States Dollars or US$** means the lawful currency of the United States of America;

**Valuation** has the meaning given to it in Clause 2.1;

**Valuation Report** has the meaning given to it in Clause 2.1;

**Warranties** means the Seller Warranties and Purchaser Warranties set out in Schedule 3;

**Working Hours** means 9.30 a.m. to 5.30 p.m. on a Business Day in the place of receipt of a notice.

2. **Interpretation.** In this Agreement, unless the context otherwise requires:

   (a) references to a *person* include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);

   (b) references to a paragraph, clause or Schedule shall refer to those of this Agreement unless stated otherwise;

   (c) headings do not affect the interpretation of this Agreement; the singular shall include the plural and vice versa; and references to one gender include all genders;

   (d) any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

   (e) references to the knowledge, information, belief or awareness of the Seller shall be treated as including any knowledge, information, belief or awareness of the Target’s management and officers, which such person would have if he or she has made all usual and reasonable enquires of the officers of the Target Group Companies; and

   (f) references to times of day are to Hong Kong time (unless otherwise specified).

3. **Schedules.** The Schedules comprise schedules to this Agreement and form part of this Agreement.

   **Inconsistencies.** Where there is any inconsistency between the definitions set out in this Schedule 7 and the definitions set out in any clause or any other Schedule, then, for the purposes of construing such clause or Schedule, the definitions set out in such clause or Schedule shall prevail.