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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTION

The Board would like to announce that on 7th September 2009, QZ Pacific, an indirect non wholly-owned subsidiary of the Company, as lessee entered into the Second Lease Agreement with Quanzhou Harbour Co as lessor in relation to the leasing of the Leased Property for a term from 1st September 2009 to 31st March 2010.

As Quanzhou Harbour Co holds a 28.57% equity interest in QZ Pacific, Quanzhou Harbour Co is a connected person of the Company. Accordingly, transaction pursuant to the Second Lease Agreement constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As not all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the annual rental expected to be payable to Quanzhou Harbour Co are less than 0.1%, but all of them are less than 2.5%, transaction pursuant to the Second Lease Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

THE SECOND LEASE AGREEMENT

On 7th September 2009, Quanzhou Harbour Co as lessor and QZ Pacific as lessee entered into the Second Lease Agreement in relation to the leasing of the Leased Property which constitutes continuing connected transaction of the Company. The principal terms governing the lease of the Leased Property pursuant to the Second Lease Agreement are summarized as follows:

Date	:	7th September 2009
Parties	:	Quanzhou Harbour Co as lessor QZ Pacific as lessee
Leased Property	:	Certain berths, trestle bridge, container storage space, terminal structures and ancillary facilities and other properties at the Houzhu Operation Zone

- Term : 1st September 2009 to 31st March 2010
- Rental : The monthly rental payable by QZ Pacific to Quanzhou Harbour Co is RMB690,000 and is payable monthly in arrears.

The Lease Property had been leased by Quanzhou Harbour Co to QZ Pacific under the First Lease Agreement which expired on 31st August 2009. During the term of the Second Lease Agreement, the water area use fee (海域使用費) levied by the relevant authority as regards the use of the water area of Houzhu Operation Zone shall be borne by QZ Pacific. Based on the terms of the First Lease Agreement and the Second Lease Agreement, it is expected that the aggregate amount of rental payable by QZ Pacific to Quanzhou Harbour Co for the leasing of the Leased Property for the year ending 31st December 2009 and for the period from 1st January 2010 to 31st March 2010 will be subject to the cap amounts of RMB7,560,000 (approximately HKD8,629,000) and RMB2,070,000 (approximately HKD2,364,000) respectively.

As not all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules based on the annual rental expected to be payable for the year ending 31st December 2009 as mentioned above are less than 0.1%, but all of them are less than 2.5%, the transaction pursuant to the Second Lease Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

RELATIONSHIP BETWEEN THE COMPANY AND QUANZHOU HARBOUR CO

As Quanzhou Harbour Co holds a 28.57% equity interest in QZ Pacific, Quanzhou Harbour Co is a connected person of the Company. Accordingly, the leasing of the Leased Property pursuant to the Second Lease Agreement constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE TRANSACTION UNDER THE SECOND LEASE AGREEMENT

QZ Pacific is operating its container business at the Shihu Port Zone and the Houzhu Operation Zone, which are both situate in the Quanzhou Port. The container business of QZ Pacific at the Houzhu Operation Zone is intended to be relocated to the Shihu Port Zone. However, as the berth no. 4 and depot no.3 of the Shihu Port Zone, which QZ Pacific owns, are not yet ready for operation, the existing container shipping routes in the Houzhu Operation Zone may not be relocated to the Shihu Port Zone. Therefore, the entering into of the Second Lease Agreement is necessary and beneficial for QZ Pacific to continue its current container business at the Houzhu Operation Zone during the term of the Second Lease Agreement.

The Board, including the independent non-executive directors, believes that the transaction under the Second Lease Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms and that the terms thereunder are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL INFORMATION

The Group is principally engaged in the businesses of managing and operating container terminals, container leasing, management and sale, container manufacturing, logistics and related businesses.

Quanzhou Harbour Co is principally engaged in the businesses of operating container terminals, loading and unloading of break bulk cargoes and provision of storage space.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“Board”	the board of directors of the Company
“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“First Lease Agreement”	the agreement dated 17th January 2007 between Quanzhou Harbour Co as lessor and QZ Pacific as lessee in relation to the leasing of the Leased Property for the initial term from 1st September 2006 to 31st August 2008 and the extended term from 1st September 2008 to 31st August 2009
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Houzhū Operation Zone”	the Quanzhou Houzhū Port Container Operation Zone (泉州後渚港集裝箱作業區) at the Quanzhou Port
“Leased Property”	certain berths, trestle bridge, container storage space, terminal structures and ancillary facilities and other properties at the Houzhū Operation Zone as more particularly described in the Second Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Quanzhou Port”	Quanzhou Port, Fujian Province, the PRC
“Quanzhou Harbour Co”	Quanzhou Harbour Container Co., Ltd.* (泉州港務集裝箱股份有限公司), a company established in the PRC

“QZ Pacific”	Quan Zhou Pacific Container Terminal Co., Ltd. (泉州太平洋集裝箱碼頭有限公司), a sino-foreign equity joint venture established in the PRC and an indirect non wholly-owned subsidiary of the Company
“Second Lease Agreement”	the agreement dated 7th September 2009 between Quanzhou Harbour Co as lessor and QZ Pacific as lessee in relation to the leasing of the Leased Property for a term of seven months from 1st September 2009 to 31st March 2010
“Shihu Port Zone”	the Shihu Port Zone (石湖港區) at the Quanzhou Port
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

For the purposes of this announcement, the exchange rate of HKD1 = RMB0.8761 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

For the purposes of this announcement, the English name with an asterisk () is an unofficial English transliteration or translation and is for identification purposes only.*

By Order of the Board
COSCO Pacific Limited
XU Minjie
Vice Chairman & Managing Director

Hong Kong, 7th September 2009

As at the date of this announcement, the board of directors of the Company comprises Mr. CHEN Hongsheng² (Chairman), Mr. LI Jianhong¹, Mr. XU Lirong², Ms. SUN Yueying¹, Mr. XU Minjie¹ (Vice Chairman & Managing Director), Dr. SUN Jiakang², Mr. HE Jiale¹, Dr. WONG Tin Yau, Kelvin¹, Mr. WANG Zhi¹, Mr. YIN Weiyu¹, Dr. LI Kwok Po, David³, Mr. CHOW Kwong Fai, Edward³, Mr. Timothy George FRESHWATER³ and Dr. FAN HSU Lai Tai, Rita³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director