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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

ANNOUNCEMENT

CONNECTED TRANSACTION

FINANCE LEASE ARRANGEMENT WITH FLORENS TIANJIN

Florens Tianjin, a non-wholly owned subsidiary of the Company, is developing its finance leasing business and financing platform. The board of Directors is pleased to announce that on 30th October 2012, Yangzhou Yuanyang, a non-wholly owned subsidiary of the Company, entered into a finance lease agreement with Florens Tianjin pursuant to which Florens Tianjin has agreed to purchase eight rubber-tired container gantry cranes and three packaged substations from Yangzhou Yuanyang and to lease back the cranes and substations to Yangzhou Yuanyang for a term of 8 years commencing from the date when Florens Tianjin makes the payment for the purchase of the cranes and substations.

Florens Tianjin is indirectly owned as to 50% by each of the Company and COSCO and is a non-wholly owned subsidiary of the Company. As COSCO is the ultimate controlling shareholder of the Company and Florens Tianjin is an associate of COSCO, Florens Tianjin is a connected person of the Company. Accordingly, the entering into of the Agreement constitutes a connected transaction of the Company. As the applicable percentage ratios in respect of the transaction contemplated under the Agreement calculated in accordance with Chapter 14 of the Listing Rules exceed 0.1% but are less than 5%, the Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

THE FINANCE LEASE ARRANGEMENT

The Agreement

Date : 30th October 2012

Parties : Florens Tianjin (as the lessor)
Yangzhou Yuanyang (as the lessee)

Subject matter : Florens Tianjin has agreed to purchase from Yangzhou Yuanyang eight rubber-tired container gantry cranes and three packaged substations and Yangzhou Yuanyang has agreed to lease back the cranes and substations from Florens Tianjin subject to the terms and conditions of the Agreement.

Consideration : The consideration payable by Florens Tianjin to Yangzhou Yuanyang for purchase of the cranes and substations under the Agreement is RMB49,004,405.82.

The consideration shall be paid by Florens Tianjin subject to the conditions that Yangzhou Yuanyang has provided to Florens Tianjin all documents of titles of the cranes and substations and all other documentation which Florens Tianjin reasonably considers necessary and Yangzhou Yuanyang has insured against the cranes and substations, if any, pursuant to the Agreement.

Lease period : The lease period of the cranes and substations is 8 years, commencing from the date when Florens Tianjin makes the payment for the purchase of the cranes and substations.

Lease payments and other fees : The lease amount is RMB49,004,405.82, which is the same as the purchase consideration for the cranes and substations to be paid by Florens Tianjin.

The reference annual interest rate for the purpose of the Agreement is the annual RMB benchmark lending rate for over 5-year loan published by the People's Bank of China, which was 6.55% as at the date of the Agreement.

The total lease payments payable under the Agreement shall be RMB63,350,926.72 and will be paid in equal quarterly instalments during the lease period but the said total lease payments are subject to adjustments in the event that the annual RMB benchmark lending rate mentioned above changes. If the said annual RMB benchmark lending rate changes, the interest rate under the Agreement will increase or decrease accordingly to the same extent. Following the change in the amount of the total lease payments, if any, the outstanding quarterly lease payments will be adjusted accordingly.

A one-off non-refundable handling fee equal to 1% of the purchase consideration for the cranes and substations, shall be payable by Yangzhou Yuanyang to Florens Tianjin 2 days before the commencement of the lease period.

The payments to be made under the Agreement were determined after arm's length negotiation between the lessor and lessee with reference to the prevailing market rate for finance leases of comparable machines.

Ownership : The legal titles of the cranes and substations under the Agreement shall vest in Florens Tianjin throughout the lease period.

Buyback option : Upon expiry of the Agreement, Yangzhou Yuanyang shall have the option to purchase the cranes and substations from Florens Tianjin at an agreed nominal amount of not more than RMB10,000.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

By entering into finance lease arrangement under the Agreement, Florens Tianjin can further develop its finance leasing business and financing platform. At the same time, it will provide an alternative source of financing available to the terminal companies of the Group.

None of the Directors has a material interest in the transaction contemplated under the Agreement but Dr. FAN HSU Lai Tai, Rita, an independent non-executive director of the Company, has voluntarily abstained from voting on the relevant board resolutions approving the Agreement for the reason that she is also an independent non-executive director of China COSCO Holdings Company Limited, a subsidiary of COSCO. The Directors (including other independent non-executive Directors) consider that the entering into of the Agreement is in the interests of the Company and its shareholders as a whole, and the terms of the Agreement are on normal commercial terms and fair and reasonable.

LISTING RULES IMPLICATIONS

Florens Tianjin is indirectly owned as to 50% by each of the Company and COSCO and is a non-wholly owned subsidiary of the Company. As COSCO is the ultimate controlling shareholder of the Company and Florens Tianjin is an associate of COSCO, Florens Tianjin is a connected person of the Company. Accordingly, the entering into of the Agreement constitutes a connected transaction of the Company. As the applicable percentage ratios in respect of the transaction contemplated under the Agreement calculated in accordance with Chapter 14 of the Listing Rules exceed 0.1% but are less than 5%, the Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

GENERAL

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

The principal business of Yangzhou Yuanyang is the operation of terminal.

Florens Tianjin is principally engaged in the business of finance leasing.

DEFINITIONS

“Agreement” a conditional finance lease agreement entered into between Yangzhou Yuanyang and Florens Tianjin on 30th October 2012 for lease of eight rubber-tired container gantry cranes and three packaged substations, the terms of which are summarised in this Announcement

“associate” has the meaning ascribed thereto in the Listing Rules

“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(s)”	has the meaning ascribed thereto in the Listing Rules
“COSCO”	China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), a company incorporated in the PRC with limited liability and the ultimate controlling shareholder of the Company
“Directors”	the directors of the Company
“Florens Tianjin”	Florens (Tianjin) Finance Leasing Co., Ltd. (佛羅倫(天津)融資租賃有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company which is indirectly owned as to 50% by each of the Company and COSCO
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Yangzhou Yuanyang”	Yangzhou Yuanyang International Ports Co. Ltd. (揚州遠揚國際碼頭有限公司), a company incorporated in the PRC with limited liability and owned as to 55.59% by the Company
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
COSCO Pacific Limited
WANG Xingru
Vice Chairman & Managing Director

Hong Kong, 30th October 2012

As at the date of this announcement, the board of Directors of the Company comprises Mr. LI Yunpeng² (Chairman), Dr. WANG Xingru¹ (Vice Chairman and Managing Director), Mr. WAN Min², Mr. HE Jiale¹, Mr. FENG Jinhua¹, Mr. FENG Bo¹, Mr. WANG Haimin², Mr. WANG Wei², Dr. WONG Tin Yau, Kelvin¹, Mr. YIN Weiyu¹, Mr. CHOW Kwong Fai, Edward³, Mr. Timothy George FRESHWATER³, Dr. FAN HSU Lai Tai, Rita³ and Mr. Adrian David LI Man Kiu³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director