COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

The Group has been carrying on transactions pursuant to the Existing Master Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the First Batch Existing Master Agreements are subject to the independent shareholders' approval requirements under the Listing Rules, at the special general meeting of the Company held on 7th January 2010, the Company obtained the then Independent Shareholders' approval of the First Batch Existing Master Agreements and the annual caps for transactions under each of the First Batch Existing Master Agreements for the three years ending 31st December 2012. Details of the transactions under the Existing Master Agreements were disclosed in the announcement and, where in respect of the First Batch Existing Master Agreements, also in, the circular of the Company dated 30th November 2009 and 21st December 2009 respectively. The Existing Master Agreements will expire on 31st December 2012, and it is expected that the Group will continue to enter into transactions of a nature similar to the transactions under the Existing Master Agreements from time to time thereafter.

The Group has also carried on transactions in relation to the provision of finance leasing from time to time which constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and separate agreements have been entered into in respect of such transactions. It is expected that the Group will continue to enter into transactions of a similar nature from time to time.

Therefore, on 30th October 2012:

(A) COSCO Ports entered into the Finance Leasing Master Agreement with Florens Capital Management for a term of 3 years from 1st January 2013 to 31st December 2015 which constitutes (i) a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a continuing connected transaction of the Company and is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and

(B) the relevant members of the Group entered into the following master agreements each for a term of 3 years from 1st January 2013 to 31st December 2015 which constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules:

(1) the COSCO Shipping Services and Terminal Services Master Agreement between COSCO Ports, PCT and COSCO;

(2) the China COSCO Shipping Services and Terminal Services Master Agreement between COSCO Ports, PCT, China COSCO and COSCON;

(3) the APM Shipping Services Master Agreement between COSCO Ports, PCT and the Line;

(4) the Florens-APM Container Purchasing and Related Services Master Agreement between Florens and the Line;

(5) the Nansha Container Terminal Services Master Agreement between COSCO Ports, GZ South China and GZ Port Holding; and

(6) the Yangzhou Terminal Services Master Agreement between COSCO Ports, Yangzhou Yuanyang and Yangzhou Port Holding.

A circular containing, amongst other things, further details of the transactions contemplated under the Finance Leasing Master Agreement, the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the APM Shipping Services Master Agreement, the Florens-APM Container Purchasing and Related Services Master Agreement, the Nansha Container Terminal Services Master Agreement and the Yangzhou Terminal Services Master Agreement, a letter from the Independent Board Committee to the Independent Shareholders and a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with a notice of the SGM will be despatched to the Shareholders on or before 5th November 2012.

Moreover, on 30th October 2012, the relevant members of the Group entered into the following master agreements each for a term of 3 years from 1st January 2013 to 31st December 2015 which constitute continuing connected transactions of the Company and are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules:

(1) the COSCON Container Services Master Agreement between Plangreat, COSCO and COSCON;

(2) the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement between Florens, COSCO and COSCON;

(3) the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement between Florens, COSCO and COSCON;

(4) the Nansha Diesel Oil Purchase Master Agreement between COSCO Ports, GZ South China and CM Supply;

(5) the Zhangjiagang Container Terminal Services Master Agreement between COSCO Ports, Zhangjiagang Win Hanverky and Zhangjiagang Port Holding; and

(6) the Xiamen Container Terminal Services Master Agreement between COSCO Ports, Xiamen Ocean Gate and Xiamen Haicang Holding.

BACKGROUND

The Group has been carrying on transactions pursuant to the Existing Master Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the First Batch Existing Master Agreements are subject to the independent shareholders' approval requirements under the Listing Rules, at the special general meeting of the Company held on 7th January 2010, the Company obtained the then Independent Shareholders' approval of the First Batch

Existing Master Agreements and the annual caps for transactions under each of the First Batch Existing Master Agreements for the three years ending 31st December 2012. Details of the transactions under the Existing Master Agreements were disclosed in the announcement and, in respect of the First Batch Existing Master Agreements, also in, the circular of the Company dated 30th November 2009 and 21st December 2009 respectively. The Existing Master Agreements will expire on 31st December 2012, and it is expected that the Group will continue to enter into transactions of a nature similar to the transactions under the Existing Master Agreements from time to time thereafter.

The Group has been carrying on transactions in relation to the provision of finance leasing from time to time which constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and separate agreements have been entered into in respect of such transactions. It is expected that the Group will continue to enter into transactions of a similar nature from time to time.

THE DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION

On 30th October 2012, COSCO Ports entered into the Finance Leasing Master Agreement with Florens Capital Management which constitutes a discloseable and continuing connected transaction of the Company, the principal terms of which are summarized as follows:

Finance Leasing Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
Florens Capital Management

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approvals of the Independent Shareholders and the independent shareholders of China COSCO.

If the above conditions are not fulfilled on or before 31st December 2012 (or such later date as COSCO Ports may notify Florens Capital Management which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the Finance Leasing Master Agreement shall lapse.

Nature of transaction: Provision of the Finance Leasing by the relevant members of the Florens Capital Management Group to members of the COSCO Ports Group, upon reasonable requests of members of the COSCO Ports Group. With respect to each Finance Leasing, the relevant Lessor and Lessee will enter into separate written contract(s) subject to the provisions of the Finance Leasing Master Agreement.

Terms: *(a)* *Lease method*

The lease method includes sale and leaseback pursuant to which the Lessor shall purchase from the Lessee the Leasing Equipment which will be leased back to the Lessee by the Lessor; finance leasing arrangement involving the execution of an entrusted purchase agreement for the intended purchase of Leasing Equipment by the Lessee and the subsequent provision of finance lease services to the Lessee and the making of lease payments to the Lessor; and finance lease arrangement involving the leasing of Leasing Equipment acquired by the Lessor to the Lessee as per the requirements of the Lessee.

(b) *Lease period*

The lease period for each Finance Leasing will be determined taking into account, inter alia, the useful life of the relevant Leasing Equipment *(Note 1)*, the financial needs of the Lessee and the funding availability of the Lessor, which in general should not exceed the useful life of such Leasing Equipment.

(c) *Lease payments and interest rate*

The lease payments charged by the Lessor will include the purchase price or the value of the Leasing Equipment *(Note 2)* and interest thereon charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate determined by reference to the benchmark lending rates published by PBOC from time to time *(Notes 3 and 7)*, or, if no such rate is available, by reference to, among other factors, the rate charged by the other major financial institutions for the same or similar types of services.

(d) *Pre-lease interests*

In the event that the purchase price of the Leasing Equipment is paid by the Lessor before commencement of the lease period, pre-lease interests on the purchase price may be charged by the Lessor and payable by the Lessee for the period from the date of payment of the purchase price by the Lessor to the date immediately before commencement of the lease period. Pre-lease interests (if charged) will be charged on terms no less favourable to the Lessee than those offered by independent third parties and at a rate determined by reference to the benchmark lending rates published by PBOC from time to time, or, if no such rate is available, by reference to, among other factors, the rate charged by the other major financial institutions for the same or similar types of services.

(e) *Handling fee*

An one-off non-refundable handling fee may be charged on terms no less favourable to the Lessee than those offered by independent third parties by the Lessor and payable by the Lessee when the Finance Leasing Agreement is entered into and at a rate determined by reference to, among others, the rate charged by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of services from time to time, and will be set out in the relevant Finance Leasing Agreement *(Notes 4 and 7)*.

(f) *Title and remedies*

The legal title and all rights of the Leasing Equipment shall vest in the Lessor throughout the lease period.

In the event that the Lessee fails to make any lease payment or fulfill any obligations under the relevant Finance Leasing Agreement and without prejudice to any rights of the Lessor under the relevant law, the Lessor could take the following steps:

1. To demand full repayment of all outstanding lease payments;

2. To recover the relevant Leasing Equipment and to claim all damages arising from the Lessee; and/or

3. To take necessary legal actions according to the relevant Finance Leasing Agreement.

(g) *Purchase option*

Subject to the Lessee having duly and satisfactorily performed all its obligations under, and upon the expiry of the lease period under the Finance Leasing Agreement, the Lessee shall have an option to purchase the relevant Leasing Equipment at a price charged on terms no less favourable to the Lessee than those offered by independent third parties *(Note 5)* and at a rate determined by reference to, among other factors, the methodology and market practice for determining such price by the other major financial institutions in relation to finance leasing of the same or similar types of assets, or if available, the applicable rates published by PBOC for this kind of service from time to time *(Notes 6 and 7)*, which will be agreed between the Lessor and the Lessee at the time of entering into, and will be set out in, the Finance Leasing Agreement.

(h) *General*

The transactions shall be conducted on normal commercial terms. The total consideration payable by the relevant members of the COSCO Ports Group for the provision of the Finance Leasing by members of the Florens Capital Management Group shall be at rates no less favourable to the relevant members of the COSCO Ports Group than those available from other independent third party for the relevant Finance Leasing.

Notes (which are for illustration purpose only and do not form part of the Finance Leasing Master Agreement):

1. The useful life of the Leasing Equipment will be assessed by reference to the Group's assets management policy, industry practice, the past experience in using the Leasing Equipment and information obtained from internal engineering department staff who has technical knowledge on the use of the Leasing Equipment.

2. In respect of the Finance Leasing involving sale and leaseback, the basis of determining the value of the Leasing Equipment is the fair market value of such Leasing Equipment and the Lessor will also make reference to the net carrying amount of such Leasing Equipment and ensure that the amount to be leased will not exceed the lower of the fair market value and the net carrying amount of the Leasing Equipment in any event.

In respect of the Finance Leasing involving entrusted purchase, the lease amount will be determined based on the total purchase cost of the relevant Leasing Equipment and subject to the negotiation between the Lessor and the Lessee. The Lessor will also take into account other factors including the risk profile of the Lessee and the type of the Leasing Equipment in determining the appropriate lease amount.

3. The existing interest rates for RMB loans published by PBOC are as follows:

(i) 5.60% for loans with terms not more than 6 months;
(ii) 6.00% for loans with terms over 6 months but not more than 1 year;
(iii) 6.15% for loans with terms over 1 year but not more than 3 years;
(iv) 6.40% for loans with terms over 3 years but not more than 5 years; and
(v) 6.55% for loans with terms over 5 years.

4. There is currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the Finance Leasing Master Agreement, the Lessor and Lessee will determine the handling fee by reference to such rate, which will be given priority over the rates adopted by other major financial institutions, accordingly.

5. The price for exercising the purchase option will be determined taking into account, inter alia, the lease payment structure, which will be given priority in the assessment, and the expected market value of the Leasing Equipment at the end of the lease period.

In general, taking into account the lease payment structure (which is determined based on factors including the needs of the Lessee, the lease period, the useful life of the Leasing Equipment), the purchase option price is the difference between the Lessor's purchase price of the Leasing Equipment and the amount of lease payments (excluding the portion of interests). For example, if 95% of the purchase price of the Leasing Equipment has been covered by the total amount of lease payments (excluding the portion of interests) payable by the Lessee for the entire lease term, the purchase option price will be the remaining 5% of the Lessor's purchase price, which may not be close to the residual value of the Leasing Equipment, unless the lease period ends on a date close to the end of the useful life of the Leasing Equipment, in which case, as the purchase price of the Leasing Equipment should have been substantially (if not fully) covered by the amount of lease payments (excluding the portion of interests) already made by the Lessee, the open market residual amount of the Leasing Equipment may be taken into account in determining the purchase option price.

6. *There are currently no available rate published by PBOC in this respect and in the event that PBOC publishes any such rate in the future during the term of the Finance Leasing Master Agreement, the Lessor and Lessee will determine the price for the purchase option by reference to such rate, which will be given priority over the methodology and market practice adopted by other major financial institutions, accordingly.*

7. *In determining the interest rate or amounts of the handling fee and purchase option, the Lessor will conduct an overall return assessment after considering, inter alia, the prevailing rates of PBOC or the major financial institutions, as the case may be, so as to meet its own return requirements and the credit risk assessment to the relevant Finance Leasing. Therefore, the pricing with respect to such aspects of each Finance Leasing will be determined on a case by case basis.*

Historical amounts:

The historical amount of the transactions between the Florens Capital Management Group and the COSCO Ports Group which is of a nature similar to the transactions under the Finance Leasing Master Agreement in respect of each of the years ended 31st December 2010 and 31st December 2011 and the period from 1st January 2012 to 30th September 2012 were nil, RMB186,036,000 (approximately HKD226,874,000) and RMB173,089,000 (approximately HKD211,085,000) respectively[1].

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Finance Leasing Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

	Annual cap for the year ending 31st December			**Basis of determination for the annual cap**
	2013	**2014**	**2015**	
Aggregate amount payable by the COSCO Ports Group to the Florens Capital Management Group for the provision of Finance Leasing by the Florens Capital Management Group	USD200,000,000 (approximately HKD1,551,000,000)	USD250,000,000 (approximately HKD1,938,750,000)	USD300,000,000 (approximately HKD2,326,500,000)	Based on the past experience of the Company and the current financing market conditions and with reference to, inter alia, the expected nature and amount of assets of the COSCO Ports Group to be arranged with finance lease and the historical transaction amounts and terms of the existing finance lease arrangements between members of the Florens Capital Management Group and

[1] Members of the Florens Capital Management Group became connected persons of the Company on 22nd December 2011.

members of the COSCO Ports Group. Each annual cap represents the estimated aggregate amount of all payments payable throughout the lease period (including all lease payments, pre-lease interests, handling fee and price for exercising the purchase option) under the Finance Leasing Agreements to be entered into during the year.

Reasons for the transaction:

By entering into the Finance Leasing Master Agreement, the Florens Capital Management Group can further develop its finance leasing business and financing platform and, at the same time, an alternative source of financing will be available to the members of the COSCO Ports Group for its operation.

Connected relationship:

Florens Capital Management is owned as to 50% by COSCO, which is the ultimate controlling Shareholder. Accordingly, the Florens Capital Management Group (including Florens Capital Management) are connected persons of the Company.

Listing Rules implication:

Since the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by the COSCO Ports Group pursuant to the transactions under the Finance Leasing Master Agreement exceed 5% but are below 25%, the Finance Leasing Master Agreement constitutes a discloseable transaction and a non-exempt continuing connected transaction of the Company. Accordingly, the Finance Leasing Master Agreement is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules; and is also subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE CONTINUING CONNECTED TRANSACTIONS

A. Transactions subject to independent shareholders' approval requirement

On 30th October 2012, the relevant members of the Group entered into the following agreements which constitute continuing connected transactions of the Company subject to independent shareholders' approval requirement, the principal terms of which are summarized as follows:

(1) COSCO Shipping Services and Terminal Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
PCT
COSCO

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approval of the Independent Shareholders.

If the above condition is not fulfilled on or before 31st December 2012 (or such later date as COSCO Ports and PCT may notify COSCO which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the COSCO Shipping Services and Terminal Services Master Agreement shall lapse.

Nature of transaction:

(a) Provision of shipping related services by members of the COSCO Ports Group and PCT to members of the COSCO Group, including but not limited to the handling, storage, stevedoring, transshipment and maintenance of cargoes, and provision of container storage space and terminal premises.

(b) Provision of terminal related services by members of the COSCO Group to members of the COSCO Ports Group, including but not limited to the provision of manpower services, cargo handling services, logistics services, purchase of materials and subsidy on port construction fee.

The services as mentioned in (a) above are mainly provided by the subsidiaries of COSCO Ports (not being Plangreat and its subsidiaries) in the PRC and by PCT in Greece; and are of different nature than those pursuant to the COSCON Container Services Master Agreement, of which are containers related services.

Terms and fees:

The transactions shall be conducted on normal commercial terms, and (i) the service fees payable by the relevant members of the COSCO Group shall be at rates no less favourable to the relevant members of the COSCO Ports Group or to PCT (as the case may be) than those at which the relevant members of the COSCO Ports Group or PCT charges other independent third party customers for the relevant services; and (ii) the service fees payable by the relevant members of COSCO Ports Group shall be at rates no less favourable to the relevant members of the COSCO Ports Group than those at which the relevant members of the COSCO Group charge other independent third party customers for the relevant services.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the COSCO Shipping Services and Terminal Services Master Agreement are as follows:

	Historical transaction amounts		
	For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a) Aggregate amount received by the COSCO Ports Group and PCT from the COSCO Group	RMB306,000 (approximately HKD374,000)	RMB354,000 (approximately HKD432,000)	RMB381,000 (approximately HKD465,000)
(b) Aggregate amount paid by the COSCO Ports Group to the COSCO Group	RMB212,000 (approximately HKD259,000)	RMB2,257,000 (approximately HKD2,753,000)	RMB1,962,000 (approximately HKD2,393,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the COSCO Shipping Services and Terminal Services Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

		Annual cap for the year ending 31st December 2013	2014	2015	Basis of determination for the annual cap
(a)	Aggregate amount receivable by the COSCO Ports Group and PCT from the COSCO Group	RMB160,999,000 (approximately HKD196,341,000)	RMB227,999,000 (approximately HKD278,048,000)	RMB299,999,000 (approximately HKD365,853,000)	Based on the existing scale and operations of the businesses of the COSCO Ports Group and PCT, the anticipated growth and development of such businesses and the anticipated demand for such services (*Note 8*)
(b)	Aggregate amount payable by the COSCO Ports Group to the COSCO Group	RMB69,200,000 (approximately HKD84,391,000)	RMB104,520,000 (approximately HKD127,464,000)	RMB140,028,000 (approximately HKD170,766,000)	Based on the existing scale and operations of the businesses of the COSCO Ports Group, the anticipated growth and development of such businesses and the anticipated demand for such services (*Note 8*)

Note 8: The basis that the annual cap would increase year-on-year from 2013 to 2015 is mainly due to (i) the expected future business growth in view of the improving global economic outlook, the expected solid growth in the global shipping volume and container terminal throughput and the sustainable container demand; and (ii) the expected new terminal projects, which may become subsidiaries of the Company in the future, in order to meet the business development strategy of the Group, being the consolidation of the Group's leading position in the terminal and container leasing industries and strengthening of the relationships with the connected parties, including the joint venture partners and major customers of the Group, which will contribute substantial support for the sustainable business growth of the Company.

The difference between the annual caps and the actual transaction amounts disclosed above is mainly due to the impact of global financial crisis in the past few years. The economy downturn leads to the decrease in the Company's throughputs, especially towards the region of Europe and North America. It is expected that, in addition to the expectations elaborated above, the global economy condition will improve together with the rapid growth of the economy in the PRC in the next few years, and taking into account that Xiamen Ocean Gate Terminal's operation in May 2012 and the planned construction of two new berths to be operated by Yangzhou Yuanyang Terminal starting in 2013, which may lead to significant increase in future throughputs.

Connected relationship:

COSCO is the ultimate controlling Shareholder. Accordingly, members of the COSCO Group are connected persons of the Company.

Listing Rules implication:

Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be receivable by the COSCO Ports Group and PCT pursuant to the transactions under the COSCO Shipping Services and Terminal Services Master Agreement are less than 5% on an annual basis and the annual amount receivable is not less than HKD10 million. Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by the COSCO Ports Group pursuant to the transactions under the COSCO Shipping Services and Terminal Services Master Agreement are less than 5% on an annual basis and the annual amount receivable is not less than HKD10 million. Accordingly, the transactions under the COSCO Shipping Services and Terminal Services Master Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) China COSCO Shipping Services and Terminal Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
PCT
China COSCO
COSCON

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approval of the Independent Shareholders.

If the above condition is not fulfilled on or before 31st December 2012 (or such later date as COSCO Ports and PCT may notify China COSCO and COSCON which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the China COSCO Shipping Services and Terminal Services Master Agreement shall lapse.

Nature of transaction:

(a) Provision of shipping related services by members of the COSCO Ports Group and PCT to members of the China COSCO Group (including COSCON), including but not limited to the handling, storage, stevedoring, transshipment and maintenance of cargoes, and provision of container storage space and terminal premises.

(b) Provision of terminal related services by members of the China COSCO Group (including COSCON) to members of the COSCO Ports Group, including but not limited to the provision of manpower services, cargo handling services, logistics services, purchase of materials and subsidy on port construction fee.

The services as mentioned in (a) above are mainly provided by the subsidiaries of COSCO Ports (not being Plangreat and its subsidiaries) in the PRC and by PCT in Greece; and are of different nature than those pursuant to the COSCON Container Services Master Agreement, of which are containers related services.

Terms and fees: The transactions shall be conducted on normal commercial terms, and (i) the service fees payable by the relevant members of the China COSCO Group shall be at rates no less favourable to the relevant members of the COSCO Ports Group or to PCT (as the case may be) than those at which the relevant members of the COSCO Ports Group or PCT charges other independent third party customers for the relevant services; and (ii) the service fees payable by the relevant members of COSCO Ports Group shall be at rates no less favourable to the relevant members of the COSCO Ports Group than those at which the relevant members of the China COSCO Group charge other independent third party customers for the relevant services.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the China COSCO Shipping Services and Terminal Services Master Agreement are as follows:

	Historical transaction amounts		
	For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a) Aggregate amount received by the COSCO Ports Group and PCT from the China COSCO Group	RMB324,833,000 (approximately HKD396,138,000)	RMB396,770,000 (approximately HKD483,866,000)	RMB218,641,000 (approximately HKD266,636,000)
(b) Aggregate amount paid by the COSCO Ports Group to the China COSCO Group	Nil	Nil	RMB573,000 (approximately HKD699,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the China COSCO Shipping Services and Terminal Services Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

	Annual cap for the year ending 31st December			Basis of determination for the annual cap
	2013	**2014**	**2015**	
(a) Aggregate amount receivable by the COSCO Ports Group and PCT from the China COSCO Group	RMB2,388,669,000 (approximately HKD2,913,011,000)	RMB4,082,654,000 (approximately HKD4,978,847,000)	RMB6,846,075,000 (approximately HKD8,348,872,000)	Based on the existing scale and operations of the businesses of the COSCO Ports Group and PCT, the anticipated growth and development of such businesses and the anticipated demand for such services (*Note 9*)
(b) Aggregate amount payable by the COSCO Ports Group to the China COSCO Group	RMB58,000,000 (approximately HKD70,732,000)	RMB87,000,000 (approximately HKD106,098,000)	RMB116,000,000 (approximately HKD141,464,000)	Based on the existing scale and operations of the businesses of the COSCO Ports Group, the anticipated growth and development of such businesses and the anticipated demand for such services (*Note 9*)

Note 9: The basis that the annual cap would increase year-on-year from 2013 to 2015 is mainly due to (i) the expected future business growth for the terminal subsidiaries as well as Xiamen Ocean Gate since its operation in May 2012 in view of the improving global economic outlook, the expected solid growth in the global shipping volume and container terminal throughput and the sustainable container demand; and (ii) the expected new terminal projects which may become subsidiaries of the Company in the future, in order to meet the business development strategy of the Group, being the consolidation of the Group's leading position in the terminal and container leasing industries and strengthening of the relationships with the connected parties, including the joint venture partners and major customers of the Group, which will contribute substantial support for the sustainable business growth of the Company.

The difference between the annual caps and the actual transaction amounts disclosed above is mainly due to the impact of global financial crisis in the past few years. The economy downturn leads to the decrease in the Company's throughputs, especially towards the region of Europe and North America. It is expected that, in addition to the expectations elaborated above, the global economy condition will improve together with the rapid growth of the economy in the PRC in the next few years, and taking into account that Xiamen Ocean Gate Terminal's operation in May 2012 and the planned construction of *two new berths to be operated by Yangzhou Yuanyang Terminal starting in 2013, which may lead to significant increase in future throughputs.*

Connected relationship:

China COSCO is a controlling Shareholder. COSCON is a subsidiary of China COSCO. Accordingly, members of the China COSCO Group (including China COSCO and COSCON) are connected persons of the Company.

Listing Rules implication:

Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be receivable by the COSCO Ports Group and PCT pursuant to the transactions under the China COSCO Shipping Services and Terminal Services Master Agreement are less than 5% on an annual basis and the annual amount receivable is not less than HKD10 million. Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by the COSCO Ports Group pursuant to the transactions under the China COSCO Shipping Services and Terminal Services Master Agreement are less than 5% on an annual basis and the annual amount receivable is not less than HKD10 million. Accordingly, the transactions under the China COSCO Shipping Services and Terminal Services Master Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) APM Shipping Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
PCT
the Line

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approvals of the Independent Shareholders and the independent shareholders of China COSCO.

If the above condition is not fulfilled on or before 31st December 2012 (or such later date as COSCO Ports and PCT may notify the Line which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the APM Shipping Services Master Agreement shall lapse.

Nature of transaction: Provision of shipping related services by members of the COSCO Ports Group or PCT to the Line, including but not limited to handling, storage, stevedoring, transshipment, maintenance of cargoes, provision of container storage space and collection of port construction fee.

Terms: The transactions shall be conducted on normal commercial terms *(Note 10)*.

The terms on pricing under the APM Shipping Services Master Agreement are determined based on the existing scale and operations of the businesses of the COSCO Ports Group and PCT, the anticipated growth and development of such businesses and the anticipated demand for such services after taking into account that the economic condition will improve in the future compared with that in the past few years.

Note 10: In determining normal commercial terms, COSCO Ports and PCT will ensure that the terms and rates will be no less favourable to COSCO Ports and PCT than the terms and rates available from independent third parties for the relevant transactions.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the APM Shipping Services Master Agreement are as follows:

	Historical transaction amounts		
	For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
Aggregate amount received by the COSCO Ports Group and PCT from the Line	RMB55,416,000 (approximately HKD67,581,000)	RMB178,040,000 (approximately HKD217,122,000)	RMB202,950,000 (approximately HKD247,500,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the APM Shipping Services Master Agreement and the basis of determination for such annual cap amounts are set out as follows:

	Annual cap for the year ending 31st December			**Basis of determination for the annual cap**
	2013	**2014**	**2015**	
Aggregate amount receivable by the COSCO Ports Group and PCT from the Line	RMB905,651,000 (approximately HKD1,104,453,000)	RMB1,318,430,000 (approximately HKD1,607,842,000)	RMB1,875,845,000 (approximately HKD2,287,616,000)	Based on the existing scale and operations of the businesses of the COSCO Ports Group and PCT, the anticipated growth and development of such businesses and the anticipated demand for such services after taking into account that the economic condition will improve when compared with that in the past few years (*Note 11*)

Note 11: The basis that the annual cap would increase year-on-year from 2013 to 2015 is mainly due to (i) the expected future business growth for the terminal subsidiaries; (ii) the expected future growth for Xiamen Ocean Gate since its operation in May 2012; and (iii) the expected new terminal projects which may become subsidiaries of the Company in the future.

Connected relationship:

APM Terminals Invest Company Limited, which is a subsidiary of APM, is a substantial shareholder of a subsidiary of the Company. The Line are majority-owned by APM and are therefore associates of APM Terminals Invest Company Limited. Accordingly, the Line are connected persons of the Company under the Listing Rules.

Listing Rules implication:

Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be receivable by the COSCO Ports Group and PCT pursuant to the transactions under the APM Shipping Services Master Agreement are less than 5% on an annual basis and the annual amount receivable is not less than HKD10 million.

Accordingly, the transactions under the APM Shipping Services Master Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(4) Florens-APM Container Purchasing and Related Services Master Agreement

Date: 30th October 2012

Parties: Florens
the Line

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approval of the Independent Shareholders.

If the above condition is not fulfilled on or before 31st December 2012 (or such later date as Florens may notify the Line which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the Florens-APM Container Purchasing and Related Services Master Agreement shall lapse.

Nature of transaction:

(a) Purchase of containers and container related materials by members of the Florens Group from the Line, namely, materials and accessories for use on and in connection with containers (including without limitation, the Container Equipment), including without limitation, decals.

(b) Provision of container related services by the Line to members of the Florens Group, including without limitation, repositioning and handling services with respect to containers (including without limitation, the Container Equipment, containers leased or sold by members of the Florens Group to the Line and containers and container related materials purchased by members of the Florens Group from the Line), transportation services in relation to the transactions, the agency services in relation to the leasing and sales of containers by members of the Florens Group to third party lessees and purchasers, and all ancillary and related services.

Terms and fees: The transactions shall be conducted on normal commercial terms.

The consideration for the purchase of containers and related materials by the Florens Group and the provision of services by the Line shall be at rates no less favourable to the relevant members of the Florens Group (as purchaser or service receiving party, as the case may be) than those at which the Line charges independent third parties for the relevant transactions.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Florens-APM Container Purchasing and Related Services Master Agreement are as follows:

		Historical transaction amounts		
		For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a)	Aggregate amount paid by the Florens Group to the Line for the purchase of containers and	Nil	Nil	USD8,693,000 (approximately HKD67,414,000)

	container related materials by the Florens Group			
(b)	Aggregate amount paid by the Florens Group to the Line for the provision of container related services by the Line	Nil	Nil	Nil

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Florens-APM Container Purchasing and Related Services Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

		Annual cap for the year ending 31st December			**Basis of determination for the annual cap**
		2013	**2014**	**2015**	
(a)	Aggregate amount payable by the Florens Group to the Line for the purchase of containers and container related materials by the Florens Group	USD20,000,000 (approximately HKD155,100,000)	USD31,000,000 (approximately HKD240,405,000)	USD44,000,000 (approximately HKD341,220,000)	Based on the historical transaction amounts, the expected market trends and changes, the estimated selling prices, and the scope of transactions covered by the Florens-APM Container Purchasing and Related Services Master Agreement (*Note 12*)
(b)	Aggregate amount payable by the Florens Group to the Line for the provision of container related services by the Line	USD150,000 (approximately HKD1,164,000)	USD150,000 (approximately HKD1,164,000)	USD150,000 (approximately HKD1,164,000)	Based on the expected market trends and changes, the estimated rates of service fee, and the scope of transactions covered by the Florens-APM Container Purchasing and Related Services Master Agreement

Note 12: Based on the historical transaction amounts, the expected market trends and changes, the estimated selling prices, and the scope of transactions covered by the Florens-APM Container Purchasing and Related Services Master Agreement. The selling prices are estimated to be increased by about 3% in 2014 and about 7% in 2015 while the quantities of containers are estimated to be increased by about 50% in 2014 and about 33% in 2015 respectively.

Connected relationship:

Please refer to the sub-paragraph headed "APM Shipping Services Master Agreement – Connected relationship" above.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by the Florens Group pursuant to the transactions under the Florens-APM Container Purchasing and Related Services Master Agreement are less than 5% on an annual basis, and the annual amount payable is not less than HKD10 million, the transactions under the Florens-APM Container Purchasing and Related Services Master Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(5) Nansha Container Terminal Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
GZ South China
GZ Port Holding

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approval of the Independent Shareholders.

If the above condition is not fulfilled on or before 31st December 2012 (or such later date as may be notified by COSCO Ports which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the Nansha Container Terminal Services Master Agreement shall lapse.

Nature of transaction:

(a) Provision of container terminal related services by GZ South China to members of the GZ Port Group, namely, cargo inspection related services, leasing of frontloaders, port related services (including without limitation, provision of berths, loading and unloading, transportation, shifting, boxing and unboxing of containers, transshipment of passenger liners, operation and management of transhipment of cargoes and provision of container storage space), repairing services to pontoon, leasing of terminal areas and provision of machinery, and all other ancillary and related services

(b) Provision of container terminal related services by members of the GZ Port Group to GZ South China, namely, cargo handling services, property cleaning, pest control and garbage clean up services, "shuttle bus" services (which are in the nature of transportation connection services operated between terminals), provision of fuel oil supply, port related services (including without limitation, provision of berths, operation and management of loading and unloading, operation and management of transhipment of cargoes, transshipment and transportation of containers, and provision of container storage space), commercial centre services (which are in the principal nature of market expansion, sales and promotion and external coordination), cargo inspection centre services, security services, training services, construction and supervision services for projects, surveying services, travel agency services, manpower services by the appointment of management officials, leasing and maintenance of pontoon, logistics services, customs declaration and inspection declaration services, and all other ancillary and related services

(c) The appointment of GZ South China by GZ Port Holding to charge on behalf of GZ Port Holding the vessels which use the high-frequency wireless communication services (甚高頻無線電通訊服務) at the Guangzhou port, or the agents of such vessels, the high-frequency communication fee (甚高頻通訊費) at a rate as prescribed by GZ Port Holding from time to time. GZ South China may retain a portion of the high-frequency communication fee (甚高頻通訊費) received by it at a rate as prescribed by GZ Port Holding from time to time as handling fee, and GZ South China shall pay the high-frequency communication fee (甚高頻通訊費) received by it to GZ Port Holding after deducting the handling fee.

Terms and fees:	The transactions shall be conducted on normal commercial terms and terms that are fair and reasonable. The terms (including without limitation, the service fees) for the provision of services by GZ South China shall be no less favourable to GZ South China (as service providing party) than terms available to GZ South China from independent third parties for the relevant services. The terms (including without limitation, the service fees) for the provision of services by the GZ Port Group shall be no less favourable to GZ South China (as service receiving party) than terms available to independent third parties from the GZ Port Group for the relevant services.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Nansha Container Terminal Services Master Agreement are as follows:

		Historical transaction amounts		
		For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a)	Aggregate amount received by GZ South China from the GZ Port Group for the provision of container terminal related services by GZ South China	RMB4,421,000 (approximately HKD5,392,000)	RMB2,356,000 (approximately HKD2,873,000)	RMB2,200,000 (approximately HKD2,683,000)
(b)	Aggregate amount paid by GZ South China to the GZ Port Group for the provision of container terminal related services by the GZ Port Group	RMB29,919,000 (approximately HKD36,487,000)	RMB70,914,000 (approximately HKD86,481,000)	RMB68,387,000 (approximately HKD83,399,000)
(c)	(i) Aggregate amount of the high-frequency communication fee (甚高頻通訊費) paid by GZ South China to the GZ Port Group	RMB354,000 (approximately HKD432,000)	RMB532,000 (approximately HKD649,000)	RMB573,000 (approximately HKD699,000)
	(ii) Aggregate amount of the handling fee received by GZ South China in respect of the charging of the high-frequency communication fee (甚高頻通訊費)	RMB7,000 (approximately HKD9,000)	RMB10,000 (approximately HKD13,000)	RMB11,000 (approximately HKD14,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Nansha Container Terminal Services Master Agreement and the basis of determination for such annual cap amounts are set out as follows:

		Annual cap for the year ending 31st December 2013	2014	2015	Basis of determination for the annual cap
(a)	Aggregate amount receivable by GZ South China from the GZ Port Group for the provision of container terminal related services by GZ South China	RMB62,350,000 (approximately HKD76,037,000)	RMB94,030,000 (approximately HKD114,671,000)	RMB139,035,000 (approximately HKD169,555,000)	Based on the historical transaction amounts for the recent few years after taking into account that the economic condition will improve when compared with that in the past few years, the expected increase in the business volume of GZ South China as a result of the expected recovery of the overall economic condition, the terms of the individual contract(s) to be covered by the Nansha Container Terminal Services Master Agreement, the expected increase in the terminal areas leased by GZ South China to the GZ Port Group and increase in the relevant fee rates as a result of the expected recovery of the overall economic condition and growth of business of the relevant member of the GZ Port Group being lessee of the terminal areas (*Note 13*)
(b)	Aggregate amount payable by GZ South China to the GZ Port Group for the provision of container terminal related services by the GZ Port Group	RMB292,370,000 (approximately HKD356,549,000)	RMB439,450,000 (approximately HKD535,915,000)	RMB652,110,000 (approximately HKD795,257,000)	Based on the historical transaction amounts for the recent few years or the transaction amounts for the present year after taking into account that the economic condition will improve when compared with that in the past few years, the expected increase in the demand of GZ South China for services from the GZ Port Group and increase in the relevant fee rates as a result of the expected recovery of the overall economic condition, and the expected increase in the business volume of GZ South China and thus an increase in the consumption of fuel oil as a result of the expected recovery of the overall economic condition (*Note 13*)

(c) (i) Aggregate amount of the high-frequency communication fee (甚高頻通訊費) payable by GZ South China to the GZ Port Group	RMB6,000,000 (approximately HKD7,318,000)	RMB9,000,000 (approximately HKD10,976,000)	RMB13,500,000 (approximately HKD16,464,000)	Based on the historical amounts for the recent few years after taking into account that the economic condition will improve when compared with that in the past few years, the expected increase in the business volume of GZ South China and thus an increase in the number of vessels entering and departing from the Guangzhou port as a result of the expected recovery of the overall economic condition and the existing rates of the high-frequency communication fee pursuant to the relevant document issued by GZ Port Holding (*Note 13*)
(ii) Aggregate amount of the handling fee receivable by GZ South China in respect of the charging of the high-frequency communication fee (甚高頻通訊費)	RMB200,000 (approximately HKD244,000)	RMB300,000 (approximately HKD366,000)	RMB450,000 (approximately HKD549,000)	Based on the above annual cap amounts for high-frequency communication fee payable by GZ South China to GZ Port Holding and the existing rate of the handling fee pursuant to the relevant document issued by GZ Port Holding after taking into account that the economic condition will improve when compared with that in the past few years (*Note 13*)

Note 13: The basis that the annual cap would increase year-on-year from 2013 to 2015 is because GZ South China is facing rapid growth in the past three years and further rapid business growth for GZ South China is expected in the future in view of the improving global economic outlook, the expected solid growth in the global shipping volume and container terminal throughput and the sustainable container demand.

The difference between the annual caps and the actual transaction amounts disclosed above is mainly due to the impact of global financial crisis in the past few years, which led to the decrease in Nansha port throughputs. It is expected that, in addition to the expectations elaborated above, the global economy condition will improve in the next few years, which may bring significant increase in international cargos of Nansha port towards the region of Europe and North America, and increase in other related services in the future.

Connected relationship:

As GZ Port Holding indirectly holds a 41% equity interest in GZ South China, which is a subsidiary of the Company, members of the GZ Port Group (including GZ Port Holding) are connected persons of the Company.

Listing Rules implication:

Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be receivable by GZ South China pursuant to the transactions under the Nansha Container Terminal Services Master Agreement are less than 1%, but all of them are less than 5%, on an annual basis, and the annual amount receivable is not less than HKD1 million. Not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by GZ South China pursuant to the transactions under the Nansha Container Terminal Services Master Agreement are less than 5% on an annual basis and the annual amount payable is not less than HKD10 million. Accordingly, the transactions under the Nansha Container Terminal Services Master Agreement are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(6) Yangzhou Terminal Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
Yangzhou Yuanyang
Yangzhou Port Holding

Duration: 1st January 2013 to 31st December 2015

Condition: Conditional upon the approval of the Independent Shareholders.

If the above condition is not fulfilled on or before 31st December 2012 (or such later date as may be notified by COSCO Ports which shall be no later than 31st January 2013), then unless the parties agree in writing to extend the period for the fulfillment of such condition, the Yangzhou Terminal Services Master Agreement shall lapse.

Nature of transaction: Provision of terminal related services by members of the Yangzhou Port Group to Yangzhou Yuanyang, including without limitation, port related services (including without limitation, provision of berths, operation and management of loading and unloading, terminal transshipment and transportation, and provision of cargo storage space), manpower services by the appointment of management officials, and all other ancillary and related services.

Terms and fees: The transactions shall be conducted on normal commercial terms and terms that are fair and reasonable.

The terms (including without limitation, the service fees) for the provision of services by the Yangzhou Port Group shall be no less favourable to Yangzhou Yuanyang (as service receiving party) than terms available to independent third parties from the Yangzhou Port Group for the relevant services.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Yangzhou Terminal Services Master Agreement are as follows:

	Historical transaction amounts		
	For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
Aggregate amount paid by Yangzhou Yuanyang to the Yangzhou Port Group for the provision of terminal related services by the Yangzhou Port Group	RMB52,864,000 (approximately HKD64,469,000)	RMB61,123,000 (approximately HKD74,541,000)	RMB46,724,000 (approximately HKD56,981,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Yangzhou Terminal Services Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

	Annual cap for the year ending 31st December			Basis of determination for the annual cap
	2013	2014	2015	
Aggregate amount payable by Yangzhou Yuanyang to the Yangzhou Port Group for the provision of terminal related services by the Yangzhou Port Group	RMB225,400,000 (approximately HKD274,879,000)	RMB270,240,000 (approximately HKD329,561,000)	RMB324,024,000 (approximately HKD395,152,000)	Based on the historical transaction amounts after taking into account that the economic condition will improve when compared with that in the past few years, the planned construction of two new berths to be operated by Yangzhou Yuanyang starting in 2013 with significant increase in annual capacity, the expected volumes of businesses of Yangzhou Yuanyang, the expected trend of the structural change in the types of cargoes to be handled by Yangzhou Yuanyang, the expected rates of loading and unloading service fees and the scope of transactions covered by the Yangzhou Terminal Services Master Agreement

Connected relationship:

As Yangzhou Port Holding holds a 40% equity interest in Yangzhou Yuanyang, which is a subsidiary of the Company, members of the Yangzhou Port Group (including Yangzhou Port Holding) are connected persons of the Company.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by Yangzhou Yuanyang pursuant to the transactions under the Yangzhou Terminal Services Master Agreement are less than 5%, on an annual basis, and the annual amount payable is not less than HKD10 million, such transactions are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

B. Transactions exempt from independent shareholders' approval requirement

On 30th October 2012, the relevant members of the Group entered into the following agreements which constitute continuing connected transactions of the Company exempt from independent shareholders' approval requirement, the principal terms of which are summarized as follows:

(1) COSCON Container Services Master Agreement

Date: 30th October 2012

Parties:	Plangreat COSCO COSCON
Duration:	1st January 2013 to 31st December 2015
Nature of transaction:	Provision of container related services by Plangreat and its subsidiaries to members of the COSCO Group (including COSCON), including but not limited to maintenance, handling, stevedoring, repair, import, export, loading, discharging, transshipment, collection, delivery, storage, shifting, restowage and disposal of containers, lighter berthing, midstream operation and trailers' transportation. The above services are provided by Plangreat and its subsidiaries in Hong Kong; and are of different nature than those pursuant to the COSCO Shipping Services and Terminal Services Master Agreement.
Terms and fees:	The transactions shall be conducted on normal commercial terms and the service fees payable by members of the COSCO Group (including COSCON) shall be at rates no less favourable to Plangreat and its subsidiaries than those at which Plangreat and its subsidiaries charge other independent third party customers for the relevant services.

Historical amounts:

The aggregate amounts received by Plangreat and its subsidiaries from the COSCO Group for transactions of a nature similar to the transactions under the COSCON Container Services Master Agreement in respect of each of the years ended 31st December 2010 and 31st December 2011 and the nine months ended 30th September 2012 were USD2,165,000 (approximately HKD16,790,000), USD2,577,000 (approximately HKD19,985,000) and USD1,751,000 (approximately HKD13,579,000) respectively.

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the COSCON Container Services Master Agreement and the basis of determination for such annual cap amounts are set out as follows:

	Annual cap for the year ending 31st December			**Basis of determination for the annual cap**
	2013	**2014**	**2015**	
Aggregate amount receivable by Plangreat and its subsidiaries from the COSCO Group	USD3,000,000 (approximately HKD23,265,000)	USD3,000,000 (approximately HKD23,265,000)	USD3,000,000 (approximately HKD23,265,000)	Based on the anticipated volumes of the relevant businesses with reference to the existing scale and operation of the business of Plangreat and its subsidiaries and the anticipated volumes of containers to be handled

Connected relationship:

COSCO is the ultimate controlling Shareholder. COSCON is a subsidiary of COSCO. Accordingly, members of the COSCO Group (including COSCON) are connected persons of the Company.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be receivable by Plangreat and its subsidiaries pursuant to the transactions under the COSCON Container Services Master Agreement are less than 0.1%, but all of them are less than 5%, on an annual basis, and the annual amount receivable is not less than HKD1 million, such transactions are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

(2) Florens-COSCON Container Leasing, Sales and Related Services Master Agreement

Date: 30th October 2012

Parties: Florens
COSCO
COSCON

Duration: 1st January 2013 to 31st December 2015

Nature of transaction:

(a) Grant of leases of containers for a term of not more than 3 years by members of the Florens Group to members of the COSCO Group (including COSCON).

(b) Sales of old containers by members of the Florens Group to members of the COSCO Group (including COSCON).

(c) Provision of container related services by members of the Florens Group to members of the COSCO Group (including COSCON), including without limitation, container handling services in relation to the containers leased out by the Florens Group under the above short-term leases, the referral services in connection with the purchase of containers and materials by the Florens Group, and all ancillary and related services.

Terms and fees: The transactions shall be conducted on normal commercial terms.

The consideration for each of the leasing and sales of containers and the provision of services by members of the Florens Group to members of the COSCO Group (including COSCON) shall be at rates no less favourable to the relevant members of the Florens Group (as lessor, seller or service providing party, as the case may be) than those at which the relevant members of the Florens Group charge independent third parties for the relevant transactions.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement are as follows:

		Historical transaction amounts		
		For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a)	Aggregate amount received by the Florens Group from the COSCO Group for the leasing of containers	USD15,000 (approximately HKD117,000)	USD11,000 (approximately HKD86,000)	USD5,000 (approximately HKD39,000)

(b)	Aggregate amount received by the Florens Group from the COSCO Group for the sales of old containers	USD88,000 (approximately HKD683,000)	USD19,000 (approximately HKD148,000)	USD43,000 (approximately HKD334,000)
(c)	Aggregate amount received by the Florens Group from the COSCO Group for the provision of container related services by the Florens Group	USD6,000 (approximately HKD47,000)	USD483,000 (approximately HKD3,746,000)	USD561,000 (approximately HKD4,351,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

		Annual cap for the year ending 31st December			**Basis of determination for the annual cap**
		2013	**2014**	**2015**	
(a)	Aggregate amount receivable by the Florens Group from the COSCO Group for the leasing of containers	USD2,470,000 (approximately HKD19,155,000)	USD2,470,000 (approximately HKD19,155,000)	USD2,470,000 (approximately HKD19,155,000)	Based on the historical transaction amounts, the expected market trends and changes after taking into account that the economic condition will improve when compared with that in the past few years, the estimated rental rates, and the scope of transactions covered by the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement
(b)	Aggregate amount receivable by the Florens Group from the COSCO Group for the sales of old containers	USD2,330,000 (approximately HKD18,070,000)	USD2,450,000 (approximately HKD19,000,000)	USD2,570,000 (approximately HKD19,931,000)	Based on the historical transaction amounts, the expected market trends and changes after taking into account that the economic condition will improve when compared with that in the past few years, the estimated selling prices, and the scope of transactions covered by the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement
(c)	Aggregate amount receivable by the Florens Group from the COSCO Group for the	USD1,530,000 (approximately HKD11,866,000)	USD1,613,000 (approximately HKD12,509,000)	USD1,710,000 (approximately HKD13,262,000)	Based on the historical transaction amounts, the expected market trends and changes after taking into account that the economic condition will improve when

provision of container related services by the Florens Group	compared with that in the past few years, the estimated rates of service fee, and the scope of transactions covered by the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement

Connected relationship:

Please refer to the sub-paragraph headed "COSCON Container Services Master Agreement – Connected relationship" above.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be receivable by the Florens Group pursuant to the transactions under the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement are less than 0.1%, but all of them are less than 5%, on an annual basis, and the annual amount receivable is not less than HKD1 million, the transactions under the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

(3) Florens-COSCON Container Related Services and Purchase of Materials Master Agreement

Date: 30th October 2012

Parties: Florens
COSCO
COSCON

Duration: 1st January 2013 to 31st December 2015

Nature of transaction:

(a) Provision of container related services by members of the COSCO Group (including COSCON) to members of the Florens Group, including without limitation, interchanging, storing, handling, repairing, maintenance, inspection, repositioning, painting and coating services with respect to containers (including without limitation, the Container Equipment and containers leased or sold by members of the Florens Group to members of the COSCO Group (including COSCON) and container related matter) and container related materials purchased by the Florens Group from the COSCO Group (including COSCON), the agency services in relation to the leasing and sales of containers by members of the Florens Group to third party lessees and purchasers, and all ancillary and related services.

(b) Purchase of container related materials by members of the Florens Group from members of the COSCO Group (including COSCON), including without limitation, materials and accessories for use on and in connection with containers (including without limitation, the Container Equipment), including without limitation, decals.

Terms and fees: The transactions shall be conducted on normal commercial terms.

The consideration for the purchase of materials by members of the Florens

Group and the provision of services by members of the COSCO Group (including COSCON) shall be at rates no less favourable to the relevant members of the Florens Group (as purchaser or service receiving party, as the case may be) than those at which the relevant members of the COSCO Group (including COSCON) charge independent third parties for the relevant transactions.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement are as follows:

		Historical transaction amounts		
		For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a)	Aggregate amount paid by the Florens Group to the COSCO Group for the purchase of container related materials by the Florens Group	USD116,000 (approximately HKD900,000)	USD19,000 (approximately HKD148,000)	USD1,000 (approximately HKD8,000)
(b)	Aggregate amount paid by the Florens Group to the COSCO Group for the provision of container related services by the COSCO Group	USD784,000 (approximately HKD6,080,000)	USD434,000 (approximately HKD3,366,000)	USD1,059,000 (approximately HKD8,213,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement and the basis of determination of such annual cap amounts are set out as follows:

		Annual cap for the year ending 31st December			**Basis of determination for the annual cap**
		2013	**2014**	**2015**	
(a)	Aggregate amount payable by the Florens Group to the COSCO Group for the purchase of container related materials by the Florens Group	USD50,000 (approximately HKD388,000)	USD50,000 (approximately HKD388,000)	USD70,000 (approximately HKD543,000)	Based on the expected market trends and changes after taking into account that the economic condition will improve when compared with that in the past few years, the estimated selling prices, and the scope of transactions covered by the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement
(b)	Aggregate amount payable by the Florens Group to the COSCO Group for the provision	USD4,670,000 (approximately HKD36,216,000)	USD5,280,000 (approximately HKD40,947,000)	USD5,960,000 (approximately HKD46,220,000)	Based on the historical transaction amounts, the expected market trends and changes after taking into account that the economic condition will

of container related services by the COSCO Group		improve when compared with that in the past few years, the estimated rates of service fee, and the scope of transactions covered by the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement

Connected relationship:

Please refer to the sub-paragraph headed "COSCON Container Services Master Agreement – Connected relationship" above.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by the Florens Group pursuant to the transactions under the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement are less than 0.1%, but all of them are less than 5% on an annual basis, and the annual amount payable is not less than HKD1 million, the transactions under the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

(4) Nansha Diesel Oil Purchase Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
GZ South China
CM Supply

Duration: 1st January 2013 to 31st December 2015

Nature of transaction: Purchase of diesel oil by GZ South China from CM Supply

Terms and fees: The transactions shall be conducted on normal commercial terms and terms that are fair and reasonable.

The terms (including without limitation, the prices) for the supply of diesel oil by CM Supply shall be no less favourable to GZ South China (as purchaser) than terms available to independent third parties from CM Supply for the relevant transactions.

Historical amounts:

The aggregate amounts paid by GZ South China to CM Supply for transactions of a nature similar to the transactions under the Nansha Diesel Oil Purchase Master Agreement in respect of each of the years ended 31st December 2010 and 31st December 2011 and the nine months ended 30th September 2012 were RMB11,741,000 (approximately HKD14,319,000), RMB8,300,000 (approximately HKD10,122,000) and RMB2,378,000 (approximately HKD2,900,000) respectively.

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Nansha Diesel Oil Purchase Master Agreement and the basis of determination for such annual cap amounts are set out as follows:

	Annual cap for the year ending 31st December 2013	2014	2015	Basis of determination for the annual cap
Aggregate amount payable by GZ South China to CM Supply	RMB90,000,000 (approximately HKD109,757,000)	RMB135,000,000 (approximately HKD164,635,000)	RMB150,000,000 (approximately HKD182,927,000)	Based on the recent business volume of GZ South China and the expected increase in business volume of GZ South China for the period from 1st January 2013 to 31st December 2015 and thus an expected increase in the consumption of diesel oil by GZ South China, after taking into account that the economic condition will improve when compared with that in the past few years

Connected relationship:

CM Supply is owned as to 50% by COSCO, which is the ultimate controlling Shareholder. Accordingly, CM Supply is a connected person of the Company.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by GZ South China pursuant to the transactions under the Nansha Diesel Oil Purchase Master Agreement are less than 0.1%, but all of them are less than 5%, on an annual basis, and the annual amount payable is not less than HKD1 million, the transactions are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

(5) Zhangjiagang Container Terminal Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
Zhangjiagang Win Hanverky
Zhangjiagang Port Holding

Duration: 1st January 2013 to 31st December 2015

Nature of transaction: (a) Provision of container terminal related services by Zhangjiagang Win Hanverky to members of the Zhangjiagang Port Group, namely, port related services (including without limitation, provision of berths, loading and unloading, transportation, shifting, boxing and unboxing of containers, transshipment of passenger liners, operation and management of transshipment of cargoes, and provision of container storage space), manpower services, supply of electricity and supply of old steel ropes, and all other ancillary and related services.

(b) Provision of container terminal related services by members of the Zhangjiagang Port Group to Zhangjiagang Win Hanverky, namely, port related services (including without limitation, loading and unloading, unboxing, cargo handling and lashing services), electricity and fuel supply services, repairing services, manpower services by the appointment of senior management officials, property cleaning and greening and pot gardening services, repairing services and modification regarding terminal areas, processing of steel rope equipment and management services regarding power substation, and all other ancillary and related services.

Terms and fees: The transactions shall be conducted on normal commercial terms and terms that are fair and reasonable.

The terms (including without limitation, the service fees) for the provision of services by Zhangjiagang Win Hanverky to the relevant members of the Zhangjiagang Port Group shall be no less favourable to Zhangjiagang Win Hanverky (as service providing party) than terms available to Zhangjiagang Win Hanverky from independent third parties for the relevant services; and shall also be no less favourable to the relevant members of the Zhangjiagang Port Group (as service receiving party) than terms available to independent third parties from Zhangjiagang Win Hanverky for the relevant services.

The terms (including without limitation, the service fees) for the provision of services by the relevant members of the Zhangjiagang Port Group shall be no less favourable to Zhangjiagang Win Hanverky (as service receiving party) than terms available to independent third parties from the relevant members of the Zhangjiagang Port Group for the relevant services.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Zhangjiagang Container Terminal Services Master Agreement are as follows:

		Historical transaction amounts		
		For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a)	Aggregate amount received by Zhangjiagang Win Hanverky from the Zhangjiagang Port Group for the provision of container terminal related services by Zhangjiagang Win Hanverky	RMB126,000 (approximately HKD154,000)	RMB460,000 (approximately HKD561,000)	RMB956,000 (approximately HKD1,166,000)
(b)	Aggregate amount paid by Zhangjiagang Win Hanverky to the Zhangjiagang Port Group for the provision of container terminal related services by Zhangjiagang Port Group	RMB15,116,000 (approximately HKD18,435,000)	RMB19,964,000 (approximately HKD24,347,000)	RMB14,388,000 (approximately HKD17,547,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Zhangjiagang Container Terminal

Services Master Agreement and the basis of determination for such annual cap amounts are set out as follows:

		Annual cap for the year ending 31st December			Basis of determination for the annual cap
		2013	**2014**	**2015**	
(a)	Aggregate amount receivable by Zhangjiagang Win Hanverky from the Zhangjiagang Port Group for the provision of container terminal related services by Zhangjiagang Win Hanverky	RMB6,280,000 (approximately HKD7,659,000)	RMB8,890,000 (approximately HKD10,842,000)	RMB12,790,000 (approximately HKD15,598,000)	Based on the expected increase in the future business volume of Zhangjiagang Win Hanverky after the commencement of the operation of the bonded zone in Zhangjiagang, after taking into account that the economic condition will improve when compared with that in the past few years
(b)	Aggregate amount payable by Zhangjiagang Win Hanverky to the Zhangjiagang Port Group for the provision of container terminal related services by Zhangjiagang Port Group	RMB36,260,000 (approximately HKD44,220,000)	RMB50,030,000 (approximately HKD61,013,000)	RMB69,060,000 (approximately HKD84,220,000)	Based on the expected increase in the future business volume of Zhangjiagang Win Hanverky after commencement of the provision of port related services for imported old automobiles by Zhangjiagang Win Hanverky, after taking into account that the economic condition will improve when compared with that in the past few years

Connected relationship:

As Zhangjiagang Port Holding holds a 49% equity interest in Zhangjiagang Win Hanverky, which is a subsidiary of the Company, members of Zhangjiagang Port Group (including Zhangjiagang Port Holding) are connected persons of the Company.

Listing Rules implication:

Since not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by Zhangjiagang Win Hanverky pursuant to the transactions under the Zhangjiagang Container Terminal Services Master Agreement are less than 1%, but all of them are less than 5%, on an annual basis, and the annual amount payable is not less than HKD1 million, such transactions are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

(6) Xiamen Container Terminal Services Master Agreement

Date: 30th October 2012

Parties: COSCO Ports
Xiamen Ocean Gate
Xiamen Haicang Holding

Duration: 1st January 2013 to 31st December 2015

Nature of transaction:	(a)	Provision of container terminal related services by members of the Xiamen Haicang Group to Xiamen Ocean Gate, namely, project management services, manpower services by the appointment of management officials, inspection services, manpower services and agency services.
	(b)	Provision of container terminal related services by Xiamen Ocean Gate to members of the Xiamen Haicang Group, namely, storage and security for port facilities services.

Terms and fees: The transactions shall be conducted on normal commercial terms and terms that are fair and reasonable.

The terms (including without limitation, the service fees) for the provision of services by the relevant members of the Xiamen Haicang Group shall be no less favourable to Xiamen Ocean Gate (as service receiving party) than terms available to independent third parties from the relevant members of the Xiamen Haicang Group for the relevant services.

The terms (including without limitation, the service fees) for the provision of services by Xiamen Ocean Gate shall be no less favourable to the relevant members of the Xiamen Haicang Group (as service receiving party) than terms available to independent third parties from Xiamen Ocean Gate for the relevant services.

Historical amounts:

The historical amounts for transactions of a nature similar to the transactions under the Xiamen Container Terminal Services Master Agreement are as follows:

		Historical transaction amounts		
		For the year ended 31st December 2010	**For the year ended 31st December 2011**	**For the nine months ended 30th September 2012**
(a)	Aggregate amount paid by Xiamen Ocean Gate to the Xiamen Haicang Group for the provision of container terminal related services by Xiamen Haicang Group	RMB2,300,000 (approximately HKD2,805,000)	RMB2,750,000 (approximately HKD3,354,000)	RMB1,632,000 (approximately HKD1,991,000)
(b)	Aggregate amount paid by the Xiamen Haicang Group to Xiamen Ocean Gate for the provision of container terminal related services by Xiamen Ocean Gate	Nil	Nil	RMB36,000 (approximately HKD44,000)

Proposed annual caps and basis of determination for annual caps:

The annual cap amounts for the transactions under the Xiamen Container Terminal Services Master Agreement shall be as follows:

		Annual cap for the year ending 31st December 2013	2014	2015	Basis of determination for the annual cap
(a)	Aggregate amount payable by Xiamen Ocean Gate to the Xiamen Haicang Group for the provision of container terminal related services by Xiamen Haicang Group	RMB64,500,000 (approximately HKD78,659,000)	RMB79,000,000 (approximately HKD96,342,000)	RMB93,500,000 (approximately HKD114,025,000)	Based on the expected increase in the future business volume of the terminal of Xiamen Ocean Gate after the commencement of its operation in May 2012 and the market prices for similar services in Xiamen port, after taking into account that the economic condition will improve when compared with that in the past few years
(b)	Aggregate amount payable by the Xiamen Haicang Group to Xiamen Ocean Gate for the provision of container terminal related services by Xiamen Ocean Gate	RMB7,000,000 (approximately HKD8,537,000)	RMB10,000,000 (approximately HKD12,196,000)	RMB12,000,000 (approximately HKD14,635,000)	Based on the expected increase in the future business volume of the terminal of Xiamen Ocean Gate after the commencement of its operation in May 2012 and the market prices for similar services in Xiamen port, after taking into account that the economic condition will improve when compared with that in the past few years

Connected relationship:

As Xiamen Haicang Holding holds a 30% equity interest in Xiamen Ocean Gate, which is a subsidiary of the Company, members of the Xiamen Haicang Group (including Xiamen Haicang Holding) are connected persons of the Company under the Listing Rules.

Listing Rules implication:

As not all of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the amount expected to be payable by Xiamen Ocean Gate pursuant to the transactions under the Xiamen Container Terminal Services Master Agreement are less than 1%, but all of them are less than 5%, on an annual basis, and the annual amount payable is not less than HKD1 million, the transactions under the Xiamen Container Terminal Services Master Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group has entered into and will continue to enter into, or intends to enter into (as the case may be) the Continuing Connected Transactions because they are part of the principal business activities of the Group or are relevant or related to such principal business activities and are consistent with the businesses and commercial objectives of the Group. The Group has contracted with the relevant connected persons in the Continuing Connected Transactions because both the Group and the relevant connected persons are assured of the quality of the relevant services or products of each other, and such continuing relationships are expected to either increase the revenue of the Group, bring synergies to the parties and/or provide the Group with overall business and operational convenience.

None of the Directors has a material interest in the transactions under the COSCON Container Services Master Agreement, the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement, the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement, the Nansha Diesel Oil Purchase Master Agreement, the Zhangjiagang Container Terminal Services Master Agreement and the Xiamen Container Terminal Services Master Agreement, but Dr. FAN HSU Lai Tai, Rita, an independent non-executive Director, has voluntarily abstained from voting on the relevant board resolutions approving the above agreements for the reason that she is also an independent non-executive director of China COSCO, a subsidiary of COSCO. The Board (including all the independent non-executive Directors other than Dr. FAN HSU Lai Tai, Rita) considers that the transactions under the COSCON Container Services Master Agreement, the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement, the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement, the Nansha Diesel Oil Purchase Master Agreement, the Zhangjiagang Container Terminal Services Master Agreement and the Xiamen Container Terminal Services Master Agreement are and will be entered into in the ordinary and usual course of business of the Group and are and will be on normal commercial terms and that the terms thereof are fair and reasonable and in the interests of the Shareholders as a whole.

The Board (excluding the independent non-executive Directors (other than Dr. FAN HSU Lai Tai, Rita) who will render their views after considering the advice to be given by the independent financial adviser to the Independent Board Committee and the Independent Shareholders) considers that the transactions under the Finance Leasing Master Agreement, the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the APM Shipping Services Master Agreement, the Florens-APM Container Purchasing and Related Services Master Agreement, the Nansha Container Terminal Services Master Agreement and the Yangzhou Terminal Services Master Agreement are and will be entered into in the ordinary and usual course of business of the Group and are and will be on normal commercial terms and that the terms thereof are fair and reasonable and in the interests of the Shareholders as a whole.

THE SPECIAL GENERAL MEETING

An Independent Board Committee comprising Mr. CHOW Kwong Fai, Edward, Mr. Timothy George FRESHWATER and Mr. Adrian David LI Man Kiu, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Finance Leasing Master Agreement, the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the APM Shipping Services Master Agreement, the Florens-APM Container Purchasing and Related Services Master Agreement, the Nansha Container Terminal Services Master Agreement and Yangzhou Terminal Services Master Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote, taking into account the recommendation of the independent financial adviser. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, amongst other things, further details of the transactions under the Finance Leasing Master Agreement, the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the APM Shipping Services Master Agreement, the Florens-APM Container Purchasing and Related Services Master Agreement, the Nansha Container Terminal Services Master Agreement and the Yangzhou Terminal Services Master Agreement, a letter from the Independent Board Committee to the Independent Shareholders and a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, together with a notice of the SGM will be despatched to the Shareholders on or before 5th November 2012. In view of the interests of COSCO and China COSCO in the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement and/or the Finance Leasing Master Agreement, COSCO Pacific Investment Holdings Limited and COSCO Investments Limited (both being subsidiaries of COSCO and China COSCO), which together are interested in an aggregate of approximately 43.21% of the total issued share capital of the Company as at the date of this announcement, and the other associates of COSCO and China COSCO are required to abstain from voting on the resolutions to be proposed at the SGM to approve the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the Finance Leasing Master Agreement and the transactions contemplated thereunder.

GENERAL INFORMATION

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 COSCO Group is a diversified group focusing mainly on shipping and modern logistics businesses. They also serve as shipping agencies and provide services in freight forwarding, ship building, ship repairing, terminal operation, container paint manufacturing, trade, financing, real estate, information technology, business consulting and contract employment.

The China COSCO Group provides a wide range of container shipping, dry bulk shipping, logistics, terminals and container leasing services covering the whole shipping value chain for both international and domestic customers. COSCON is principally engaged in container shipping businesses.

APM and its subsidiaries are principally engaged in the business of managing and operating container shipping, container terminals, tankers, offshore and other shipping activities, oil and gas production and exploration, retail business and other industrial activities.

The Line's principal business activities are to carry out activities in respect of vessels owned or operated by APM, including soliciting cargo, issuing bills of lading, settling freight charges and entering into service contracts.

The GZ Port Group is principally engaged in the businesses of loading and unloading, and storage of petroleum, coal, foodstuff, chemical fertilizers, steels, ores, containers and automobiles etc, bonded goods business, local and foreign goods agency and shipping agency, handling of transshipment on behalf of carriers, passenger transportation agency, pilotage of ships for entry into and departure from ports, water transportation of goods and passengers, logistics services and port related services.

The Yangzhou Port Group is principally engaged in the businesses of transportation of ordinary cargoes, large-sized cargoes and containers, operation of depot for repairing of large-sized trucks, loading and unloading of cargoes, cargo transportation agency, cargo warehousing, joint transportation by water and road, information services for water transportation, provision of freighters, manufacturing and repairing of port machinery, wholesaling and retailing of vehicle parts and accessories, hardware and electronics, non-dangerous chemical products, general merchandise, metals, construction materials, timber, water heating equipment, decoration materials, port machinery and spare parts, manufacturing and installation of steel structures, installation of port machinery, annual examination of vehicles and agency for licensing of vehicle deport operation.

The Florens Capital Management Group is principally engaged in the business of finance leasing.

CM Supply is principally engaged in the business of offshore supply of oil and water.

The Zhangjiagang Port Group is principally engaged in loading and unloading, storage, transshipment, literage and handling of cargos, towing of vessels, manufacture and maintenance of port machinery, installation and maintenance of electrical equipment, shipping agency, freight forwarding, harbour dredging, supply of vessels, property management, domestic trading, port development and construction, making of concrete, control of vehicles parking at ports, port services and port information services and leasing.

The Xiamen Haicang Group is principally engaged in the businesses of investment, construction and operation of the bonded port area (including the terminal) in Haicang, Xiamen, trading, logistics, development of industrial zone and ancillary services, construction of government infrastructures and construction of projects, development and construction of real estate, development of tourism and management services, investment in the tertiary and other industries, and other investment holding.

DEFINITIONS

"Agreements"	the Finance Leasing Master Agreement, the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the APM Shipping Services Master Agreement, the Florens-APM Container Purchasing and Related Services Master Agreement, the Nansha Container Terminal Services Master Agreement, the Yangzhou Terminal Services Master Agreement, the COSCON Container Services Master Agreement, the Florens-COSCON Container Leasing, Sales and Related Services Master Agreement, the Florens-COSCON Container Related Services and Purchase of Materials Master Agreement, the Nansha Diesel Oil Purchase Master Agreement, the Zhangjiagang Container Terminal Services Master Agreement and the Xiamen Container Terminal Services Master Agreement
"APM"	A.P. Moller – Maersk A/S, a company incorporated in Denmark with limited liability
"APM Shipping Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, PCT and the Line in relation to the provision of shipping related services for a term from 1st January 2013 to 31st December 2015
"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"China COSCO"	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 and the A shares of which are listed on the Shanghai Stock Exchange in the PRC, and intermediate controlling Shareholder
"China COSCO Group"	means China COSCO and COSCON and their respective associates (excluding the Group)
"China COSCO Shipping Services and Terminal Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, PCT, China COSCO and COSCON in relation to the provision of shipping and terminal related services for a term from 1st January 2013 to 31st December 2015
"CM Supply"	China Marine Bunker Guangzhou Co., Ltd* (中國船舶燃料廣州有限公司) (formerly known as China Marine Bunker Supply Guangzhou Company (中國船舶燃料供應廣州公司)), a company established in the PRC and owned as to 50% by COSCO
"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 persons(s)	has the meaning ascribed thereto in the Listing Rules
"Container Equipment"	the containers of which Florens or one of its subsidiaries and/or affiliates is the owner, lessee or manager
"Continuing Connected Transactions"	transactions under the Agreements
"COSCO"	China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司), a company established in the PRC and the ultimate controlling Shareholder
"COSCO Group"	COSCO and its associates (excluding the Group and China COSCO and its other associates)
"COSCO Ports"	COSCO Ports (Holdings) Limited (中遠碼頭控股有限公司), a company established in the British Virgin Islands and a wholly-owned subsidiary of the Company
"COSCO Ports Group"	COSCO Ports and its subsidiaries
"COSCO Shipping Services and Terminal Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, PCT and COSCO in relation to the provision of shipping and terminal related services for a term from 1st January 2013 to 31st December 2015
"COSCON"	COSCO Container Lines Company Limited (中遠集裝箱運輸有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of China COSCO
"COSCON Container Services Master Agreement"	the agreement dated 30th October 2012 between Plangreat, COSCO and COSCON in relation to the provision of container related services for a term from 1st January 2013 to 31st December 2015
"Director(s)"	the director(s) of the Company
"Existing Master Agreements"	the First Batch Existing Master Agreements and the Second Batch Existing Master Agreements
"Finance Leasing"	the provision of finance leasing on any Leasing Equipment by any member of the Florens Capital Management Group to any member of the COSCO Ports Group pursuant to the Finance Leasing Master Agreement and such other related services as may be agreed between the relevant member of the Florens Capital Management Group and the relevant member of the COSCO Ports Group
"Finance Leasing Agreement"	the separate written contract(s) to be entered into between the Lessor and Lessee pursuant to the Finance Leasing Master Agreement in respect of the Finance Leasing required by such Lessee in such form and on such terms to be negotiated on an arm's length basis and agreed between the relevant parties from time to time

"Finance Leasing Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports and Florens Capital Management in relation to the provision of finance leasing for a term from 1st January 2013 to 31st December 2015
"First Batch Existing Master Agreements"	the following agreements all dated 30th November 2009 each for a term from 1st January 2010 to 31st December 2012:- (1) between COSCO Ports, PCT, COSCO and COSCON in relation to the provision of shipping related services; (2) between COSCO Ports, PCT and the Line in relation to the provision of shipping related services; (3) between Florens, COSCO and COSCON in relation to the provision of container related materials and services; (4) between Florens and the Line in relation to the purchase of containers and container related materials and provision of container related services; (5) between COSCO Ports, GZ South China and GZ Port Holding in relation to the provision of container terminal related services and charging of fees; and (6) between COSCO Ports, Yangzhou Yuanyang and Yangzhou Port Holding in relation to the provision of terminal related services and charging and receipt of service fees, which constitute continuing connected transactions of the Company that are subject to the annual review, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, details of which are disclosed in the announcement and circular of the Company dated 30th November 2009 and 21st December 2009 respectively
"Florens"	Florens Container Holdings Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Florens-APM Container Purchasing and Related Services Master Agreement"	the agreement dated 30th October 2012 between Florens and the Line in relation to the purchase of containers and container related materials and the provision of container related services for a term from 1st January 2013 to 31st December 2015
"Florens-COSCON Container Leasing, Sales and Related Services Master Agreement"	the agreement dated 30th October 2012 between Florens, COSCO and COSCON in relation to the leasing and sales of containers and the provision of container related services for a term from 1st January 2013 to 31st December 2015
"Florens-COSCON Container Related Services and Purchase of Materials Master Agreement"	the agreement dated 30th October 2012 between Florens, COSCO and COSCON in relation to the purchase of container related materials and the provision of container related services for a term from 1st January 2013 to 31st December 2015
"Florens Capital Management"	Florens Capital Management Company Limited, a limited liability company incorporated in Hong Kong and a non wholly-owned subsidiary of the Company and owned as to 50% by COSCO
"Florens Capital Management Group"	Florens Capital Management and its subsidiary(ies)

"Florens Group"	Florens and its subsidiaries
"Group"	the Company and its subsidiaries
"GZ Port Group"	GZ Port Holding and its subsidiaries, branches and associates
"GZ Port Holding"	Guangzhou Port Group Company Limited* (廣州港集團有限公司), a company established in the PRC
"GZ South China"	Guangzhou South China Oceangate Container Terminal Company Limited (廣州南沙海港集裝箱碼頭有限公司), a company established in the PRC and a non wholly-owned subsidiary of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising Mr. CHOW Kwong Fai, Edward, Mr. Timothy George FRESHWATER and Mr. Adrian David LI Man Kiu, all being independent non-executive Directors
"Independent Shareholders"	the Shareholders who are not prohibited from voting under the Listing Rules to approve the relevant transaction at a general meeting of the Company
"Leasing Equipment"	any machinery, equipment or other property related to shipping and the operation of terminal to be leased to the members of the COSCO Ports Group by the members of the Florens Capital Management Group or to be sold by the members of the COSCO Ports Group to, and then leased back from, members of the Florens Capital Management Group
"Lessee"	means any member of COSCO Ports Group which obtains the Finance Leasing under a Finance Leasing Agreement
"Lessor"	means any member of Florens Capital Management Group which provides the Finance Leasing under a Finance Leasing Agreement
"Line"	entities trading under the names of Maersk Line, Safmarine, MCC or any other future names with majority ownership by APM
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nansha Container Terminal Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, GZ South China and GZ Port Holding in relation to the provision of container terminal related services for a term from 1st January 2013 to 31st December 2015
"Nansha Diesel Oil Purchase Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, GZ South China and CM Supply in relation to the purchase of diesel oil for a term from 1st January 2013 to 31st December 2015
"PBOC"	the People's Bank of China, the central bank of the PRC

"PCT"	Piraeus Container Terminal S.A., a company established in Greece and a wholly-owned subsidiary of the Company
"Plangreat"	Plangreat Limited, a company established in the British Virgin Islands and a wholly-owned subsidiary of the Company
"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
"Second Batch Existing Master Agreements"	the following agreements all dated 30th November 2009 each for a term from 1st January 2010 to 31st December 2012:- (1) between Plangreat, COSCO and COSCON in relation to the provision of container related services; (2) between Florens, COSCO and COSCON in relation to the leasing and sales of containers and provision of container related services; (3) between Florens and the Line in relation to the leasing and sales of containers and provision of container related services; (4) between COSCO Pots, GZ South China and CM Supply in relation to the purchase of diesel oil; (5) between COSCO Ports, Zhangjiagang Win Hanverky and Zhangjiagang Port Holding in relation to the provision of container terminal related services and charging of fee; and (6) between COSCO Ports, Xiamen Ocean Gate and Xiamen Haicang Holding in relation to the provision of container terminal related services which constitute continuing connected transactions of the Company that are subject to the annual review, reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement, under Chapter 14A of the Listing Rules, details of which are disclosed in the announcement of the Company dated 30th November 2009
"SGM"	the special general meeting of the Company to be held for considering and approving, if appropriate, the Finance Leasing Master Agreement, the COSCO Shipping Services and Terminal Services Master Agreement, the China COSCO Shipping Services and Terminal Services Master Agreement, the APM Shipping Services Master Agreement, the Florens-APM Container Purchasing and Related Services Master Agreement, the Nansha Container Terminal Services Master Agreement and the Yangzhou Terminal Services Master Agreement, and the transactions contemplated thereunder
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in the Listing Rules

"Xiamen Container Terminal Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, Xiamen Ocean Gate and Xiamen Haicang Holding in relation to the provision of container terminal related services for a term from 1st January 2013 to 31st December 2015
"Xiamen Haicang Group"	Xiamen Haicang Holding and its subsidiaries, branches and associates
"Xiamen Haicang Holding"	Xiamen Haicang Investment Group Co., Ltd.* (廈門海滄投資集團有限公司), a company established in the PRC
"Xiamen Ocean Gate"	Xiamen Ocean Gate Container Terminal Co., Ltd. (廈門遠海集裝箱碼頭有限公司), a company established in the PRC and a non wholly-owned subsidiary of the Company
"Yangzhou Terminal Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, Yangzhou Yuanyang and Yangzhou Port Holding in relation to the provision of terminal related services for a term from 1st January 2013 to 31st December 2015
"Yangzhou Port Group"	Yangzhou Port Holding and its subsidiaries, branches and associates
"Yangzhou Port Holding"	Jiangsu Province Yangzhou Port Group Co., Ltd.* (江蘇省揚州港務集團有限公司), a company established in the PRC
"Yangzhou Yuanyang"	Yangzhou Yuanyang International Ports Co., Ltd. (揚州遠揚國際碼頭有限公司), a company established in the PRC and a non wholly-owned subsidiary of the Company
"Zhangjiagang Container Terminal Services Master Agreement"	the agreement dated 30th October 2012 between COSCO Ports, Zhangjiagang Win Hanverky and Zhangjiagang Port Holding in relation to the provision of container terminal related services for a term from 1st January 2013 to 31st December 2015
"Zhangjiagang Port Group"	Zhangjiagang Port Holding and its subsidiaries, branches and associates
"Zhangjiagang Port Holding"	Zhangjiagang Port Group Co., Ltd.* (張家港港務集團有限公司), a company established in the PRC
"Zhangjiagang Win Hanverky"	Zhangjiagang Win Hanverky Container Terminal Co., Ltd. (張家港永嘉集裝箱碼頭有限公司), a company established in the PRC and a non wholly-owned subsidiary of the Company
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"USD"	U.S. dollars, the lawful currency of the United States of America

For the purposes of this announcement, the exchange rates of HKD1 = RMB0.82 and USD1 = HKD7.755 have been used, where applicable, for purpose of illustration only and do not constitute a representation that any amount 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
WANG Xingru
Vice Chairman & Managing Director

Hong Kong, 30th October 2012

As at the date of this announcement, the Board comprises Mr. LI Yunpeng[2] (Chairman), Dr. WANG Xingru[1] (Vice Chairman and Managing Director), Mr. WAN Min[2], Mr. HE Jiale[1], Mr. FENG Jinhua[1], Mr. FENG Bo[1], Mr. WANG Haimin[2], Mr. WANG Wei[2], Dr. WONG Tin Yau, Kelvin[1], Mr. YIN Weiyu[1], Mr. CHOW Kwong Fai, Edward[3], Mr. Timothy George FRESHWATER[3], Dr. FAN HSU Lai Tai, Rita[3] and Mr. Adrian David LI Man Kiu[3].

[1] Executive Director
[2] Non-executive Director
[3] Independent Non-executive Director