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COSCO Pacific Limited
中遠太平洋有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

(1) INSIDE INFORMATION

**(2) MAJOR AND CONNECTED TRANSACTION - ACQUISITION OF
ALL THE ISSUED SHARES OF CHINA SHIPPING PORTS
DEVELOPMENT CO., LIMITED**

**(3) MAJOR AND CONNECTED TRANSACTION - DISPOSAL OF ALL
THE ISSUED SHARES OF FLORENS CONTAINER HOLDINGS
LIMITED**

AND

(4) RESUMPTION OF TRADING

Financial Adviser to the Company



*Independent Financial Advisers to the Independent Board Committee and the
Independent Shareholders*



This announcement is made pursuant to Rule 13.09(2)(a) and Chapters 14 and 14A of the Listing Rules.

THE ACQUISITION AND THE DISPOSAL

The Board announces that on 11 December 2015, the Company, CSCL and CSHK entered into the CSPD SPA pursuant to which CSCL and CSHK have conditionally agreed to sell, and the Company has conditionally agreed to purchase, the CSPD Shares for an initial consideration of RMB7,632,455,300 (subject to certain adjustments, which are disclosed in the section headed “THE ACQUISITION AND THE CSPD SPA”). Upon completion of the Acquisition, CSPD will become a wholly-owned subsidiary of the Company.

The Board further announces that on 11 December 2015, the Company and CSCLHK entered into the FCHL SPA, pursuant to which the Company has conditionally agreed to sell the FCHL Shares and assign the FCHL Shareholder’s Loans, and CSCLHK has conditionally agreed to purchase the FCHL Shares and take the assignment of the FCHL Shareholder’s Loans. The initial consideration for the FCHL Shares is RMB7,784,483,300 (subject to certain adjustments, which are disclosed in the section headed “THE DISPOSAL AND THE FCHL SPA”) and the consideration for the FCHL Shareholder’s Loans is US\$285,000,000. Upon completion of the Disposal, FCHL will cease to be a subsidiary of the Company.

The Transactions are:

- (a) part of the Reorganization involving the businesses of the COSCO Group and the businesses of the China Shipping Group; and
- (b) inter-conditional with a number of other transactions as part of the Reorganization, details of which are set out in the sections headed “THE ACQUISITION AND THE CSPD SPA” and “THE DISPOSAL AND THE FCHL SPA” respectively below.

IMPLICATIONS UNDER THE LISTING RULES

The highest of the applicable percentage ratios in respect of the Acquisition is higher than 25% but below 100%. Accordingly, the Acquisition constitutes a major transaction of the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The highest of the applicable percentage ratios in respect of the Disposal is higher than 25% but below 75%. Accordingly, the Disposal constitutes a major transaction of the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Transactions are deemed by the Stock Exchange to constitute connected transactions of the Company and are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

AIM and Challenge Capital have been appointed as the independent financial advisers to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition. ING has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal. AIM, Challenge Capital and ING will issue a joint letter to the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

A circular containing, among other information, (a) further details of the Transactions; (b) the recommendation of the Independent Board Committee to the Independent Shareholders; (c) a joint letter from AIM, Challenge Capital and ING to the Independent Board Committee and the Independent Shareholders in respect of the Transactions; and (d) a notice of the SGM, will be dispatched to the Shareholders on or before 31 December 2015 in accordance with the relevant requirements of the

Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the COSCO Pacific Finance Notes on the Main Board of the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 10 August 2015 pending the release of an inside information announcement relating to the plan by COSCO for a significant transaction. Applications have been made by the Company to the Stock Exchange for resumption of trading in the Shares and the COSCO Pacific Finance Notes with effect from 9:00 a.m. on Monday, 14 December 2015.

As completion of the Transactions is subject to the fulfilment of a number of conditions precedent and may or may not proceed, Shareholders, holders of the COSCO Pacific Finance Notes and potential investors of the Company are advised to exercise caution in dealing in the Shares and the COSCO Pacific Finance Notes.

This announcement is made pursuant to Rule 13.09(2)(a) and Chapters 14 and 14A of the Listing Rules.

THE ACQUISITION AND THE CSPD SPA

The Board announces that on 11 December 2015, the Company, CSCL and CSHK entered into the CSPD SPA pursuant to which CSCL and CSHK have conditionally agreed to sell, and the Company has conditionally agreed to purchase, the CSPD Shares. Upon completion of the Acquisition, CSPD will become a wholly-owned subsidiary of the Company. As at the date of this announcement, 49% of the CSPD Shares are owned by CSCL and 51% of the CSPD Shares are owned by CSHK, a wholly-owned subsidiary of China Shipping.

The principal terms and conditions of the CSPD SPA are summarised below:

- Date** : 11 December 2015
- Parties** : (a) the Company as the purchaser
(b) CSCL and CSHK as the sellers
- General nature of the Acquisition** : CSCL and CSHK have conditionally agreed to sell, and the Company has conditionally agreed to purchase, the CSPD Shares in accordance with the terms of the CSPD SPA.
- Consideration** : The initial consideration for the CSPD Shares is RMB7,632,455,300 (the "Initial Price").

The Initial Price will be subject to certain adjustments. The price payable by the Company for the CSPD Shares at completion of the Acquisition (the "Closing Price") will be an amount equal to:

- (i) the Initial Price;
- (ii) *minus* the RMB equivalent of an amount equal to the Pre-Closing Dividend;
- (iii) if the Damietta Sale is completed on or prior to completion of the Acquisition:

- (a) *minus* an amount equal to RMB216,989,700;
- and
- (b) *plus* the RMB equivalent of an amount equal to the Net Damietta Proceeds; and
- (iv) if the Damietta Sale is not completed on or prior to completion of the Acquisition, *minus* an amount equal to RMB 216,989,700.

The final consideration will be determined after completion of the Acquisition by reference to customary completion accounts adjustments based on the difference in net asset value of CSPD as at 30 September 2015 and as at the Completion Accounts Date. The Acquisition will be financed by internal resources and bank borrowings.

If after the filing with competent authorities of the valuation report by China Tong Cheng in respect of CSPD, there is any change or adjustment to the valuation of CSPD, the parties to the CSPD SPA agree to negotiate in good faith to agree on adjustments to the Closing Price that may be necessary in relation to such change or adjustment to the valuation.

**Conditions
Precedent**

- : Completion of the Acquisition is conditional upon the satisfaction of, among other things, the following conditions:
- (i) the approval by the Independent Shareholders in respect of the Acquisition;
 - (ii) the approval by the shareholders of CSCL and CSHK in respect of the Acquisition;
 - (iii) the approval by the independent shareholders of China COSCO in respect of the Acquisition;
 - (iv) all necessary third party consents and regulatory approvals required in relation to the Acquisition shall have been granted;
 - (v) the representations and warranties given by each of CSCL and CSHK and the Company respectively being true and accurate as at completion of the Acquisition;
 - (vi) approval from the Anti-Monopoly Bureau in connection with the Acquisition (and the fulfilment of any conditions subject to which such approval is given);
 - (vii) consents of, and notifications to, third parties required for the Acquisition;
 - (viii) compliance by CSCL and CSHK in all material respects, their respective obligations under the CSPD SPA which are required to be complied with prior to completion of the Acquisition;
 - (ix) all regulatory approvals and shareholders' approvals (if any) in respect of the Disposal in accordance with the FCHL SPA; and
 - (x) all regulatory approvals and shareholders' approvals (if any) in respect of the transactions contemplated under each of the CP Agreements in accordance with its terms.

- Non-competete** : CSCL and CSHK have agreed that they will not, and have agreed to procure that their respective groups will not, on or before the second anniversary of the completion of the Acquisition, engage in, or be directly or indirectly interested in any entity that engages in, the business of management and operation of terminals or ports. However, such restrictions shall not prohibit them from continuing to hold their existing interests as at the date of the CSPD SPA in any entity that engages in the business of management and operation of terminals or ports (other than CSPD and the interests held by CSPD). Such existing interests are interests in (i) No.25, 28 and 30 terminals in Port of Seattle (in which CSPD also has an interest), (ii) Berth's 100-102 terminals and Berth's 121-126 terminals in the Port of Los Angeles, (iii) Yantai Port (in which CSPD also has an interest), (iv) Qinhuangdao Port Co., Ltd., which holds 55% interest in Qinhuangdao New Harbour that has the right to operate Qinhuangdao New Harbour Container Yard, Qinhuangdao New Harbour No. 24 and No.25 Terminals (in which CSPD also has an interest), (v) Penglai Ferry Terminal and (vi) Yantai Port Tong San Terminal (in which CSPD also has an interest).
- Completion** : Under the CSPD SPA, completion of the Acquisition shall take place on the 30th business day after the conditions precedent to the CSPD SPA have been fulfilled or waived (or such other time as the parties to the CSPD SPA may mutually agree).

If the conditions precedent under the CSPD SPA are not fulfilled or waived on or before 31 December 2016 (or such later date as the parties to the CSPD SPA may agree), the CSPD SPA shall automatically terminate (other than in respect of certain surviving provisions therein). Upon completion of the Acquisition, the Company will hold 100% of the issued shares in CSPD.

It is currently expected that completion of the Acquisition will take place on the same day as completion of the Disposal.

The consideration for the Acquisition was determined based on normal commercial terms after arm's length negotiations between the parties to the CSPD SPA, taking into account the valuation of CSPD by China Tong Cheng.

Upon the incorporation of CSPD in July 2001, CSHK subscribed for 20% of the shares in CSPD for a total subscription price of HK\$2,000,000. In August 2005, CSHK acquired the remaining 80% shareholding in CSPD from CSTD for a consideration of HK\$8,000,000, as a result of which CSPD became a wholly-owned subsidiary of CSHK. In March 2007, CSHK subscribed further shares in CSPD for a total subscription price of HK\$224,000,000. In June 2014, CSHK subscribed for further shares in CSPD for a total subscription price of HK\$4,100,352,855 and CSCL subscribed for new shares in CSPD at the consideration of RMB3,423,060,400, as a result of which CSPD became held by CSHK and CSCL as to 51% and 49% respectively.

THE DISPOSAL AND THE FCHL SPA

On 11 December 2015, the Company and CSCLHK entered into the FCHL SPA pursuant to which the Company has conditionally agreed to sell the FCHL Shares and assign the FCHL Shareholder's Loans, and CSCLHK has conditionally agreed to purchase the FCHL Shares and take the assignment of the FCHL Shareholder's Loans in accordance with the terms of the FCHL SPA. Upon completion of the Disposal, FCHL will cease to be a subsidiary of the Company.

The principal terms and conditions of the FCHL SPA are summarised below:

- Date** : 11 December 2015
- Parties** : (a) the Company as the seller
(b) CSCLHK as the purchaser
- General nature of the Disposal** : The Company has conditionally agreed to sell the FCHL Shares and assign the FCHL Shareholder's Loans, and CSCLHK has conditionally agreed to purchase the FCHL Shares and take the assignment of the FCHL Shareholder's Loans in accordance with the terms of the FCHL SPA.
- Consideration** : The initial consideration for the FCHL Shares is RMB7,784,483,300, less any Pre-Closing Dividend. The consideration for the FCHL Shareholder's Loans is US\$285,000,000. The initial consideration for the FCHL Shares and the consideration for the FCHL Shareholder's Loans shall be payable by CSCLHK upon completion of the Disposal.
- The final consideration for the FCHL Shares will be determined after completion of the Disposal by reference to customary completion accounts adjustments based on the difference in net asset value of FCHL as at 30 September 2015 and as at the Completion Accounts Date.
- If after the filing with competent authorities of the valuation report by China Tong Cheng in respect of FCHL, there is any change or adjustment to the valuation of FCHL, the parties to the FCHL SPA agree to negotiate in good faith to agree on adjustments to the initial consideration for the FCHL Shares that may be necessary in relation to such change or adjustment to the valuation.
- Conditions Precedent** : Completion of the Disposal is conditional upon the satisfaction of, among other things, the following conditions:
- (i) the approval by the Independent Shareholders in respect of the Disposal;
 - (ii) the approval by the shareholders of CSCL in respect of the Disposal;
 - (iii) the approval by the independent shareholders of China COSCO in respect of the Disposal;
 - (iv) all necessary third party consents and approvals from the regulatory authorities in relation to the Disposal shall have been granted;
 - (v) the representations and warranties given by the Company and CSCLHK respectively being true and accurate as at completion of the Disposal;
 - (vi) approval from the Anti-Monopoly Bureau in connection with the Disposal (and the fulfilment of any conditions subject to which such approval is given);

- (vii) consents of, and notifications to, third parties required for the Disposal;
- (viii) compliance by the Company, in all material respects, its obligations under the FCHL SPA which are required to be complied with prior to completion of the Disposal;
- (ix) all regulatory approvals and shareholders' approvals (if any) in respect of the Acquisition in accordance with the CSPD SPA; and
- (x) all regulatory approvals and shareholders' approvals (if any) in respect of the transactions contemplated under each of the CP Agreements in accordance with its terms.

Completion : Under the FCHL SPA, completion of the Disposal shall take place on the 30th business day after the conditions precedent under the FCHL SPA have been fulfilled or waived (or such other time as the parties to the FCHL SPA may mutually agree).

If the conditions precedent under the FCHL SPA are not fulfilled or waived on or before 31 December 2016 (or such later date as the parties to the FCHL SPA may agree), the FCHL SPA shall automatically terminate (other than in respect of certain surviving provisions therein).

It is currently expected that completion of the Disposal will take place on the same day as completion of the Acquisition.

The consideration for the Disposal was determined based on normal commercial terms after arm's length negotiations between the parties to the FCHL SPA, taking into account the valuation of FCHL by China Tong Cheng.

Upon completion of the Disposal, FCHL will cease to be a subsidiary of the Company.

Financial effects of the Disposal on the Group

The Disposal is expected to record an unaudited gain of approximately US\$62.7 million. The estimated gain on the Disposal is calculated with reference to the consideration for the Disposal and the net asset value of FCHL as at 30 September 2015. The actual gain or loss that the Company is able to realise will depend on the actual net book value of FCHL on the date of completion of the Disposal.

Net Proceeds from the Disposal

The Group intends to apply the net proceeds from the Disposal primarily for providing working capital funds for its terminals businesses and for capturing any future acquisition or investment opportunities in terminals businesses.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE DISPOSAL

Background to the Acquisition and the Disposal

SOE Reform

The Acquisition and the Disposal form parts of the Reorganization, being a reform of PRC SOEs. Such reform is intended to enhance the competitiveness of the SOEs in the global market by creating synergies for and improving the operating efficiency of SOEs in different positions on the same value chain. Under the Reorganization, businesses of the COSCO Group and the China Shipping Group will

be reorganized such that container shipping, terminals operation and financial services will become the respective core businesses of the China COSCO Group, the Group and the China Shipping Group respectively.

Focus on terminals business

The Group's main strategy is to focus on terminals business. The Reorganization therefore provides an opportunity that suits the Group's strategy. The Company was listed on the Stock Exchange in 1994 with container leasing as its sole business. Since 1995, the Group has diversified into terminals business. In 1995, the Group acquired an interest in COSCO-HIT Terminals (Hong Kong) Limited and generated annual total throughput of 1.2 million TEU. In 1997, the Group entered the PRC market by acquiring partial equity interests in four container terminals from COSCO. In 2003, the Group acquired 49% stake in COSCO-PSA Terminal Private Limited in Singapore, the Group's first overseas terminal project. In 2009, the Group invested 100% stake in Piraeus Container Terminal S.A., the Group's first wholly-owned terminals operation. By the end of 2014, the Group's annual total throughput amounted to 67.3 million TEU. The Transactions now present the Group with a golden opportunity to focus on terminals business.

The Acquisition

Strengthen a leading position

The global container terminals industry outlook is expected to have sustainable volume growth. By acquiring a basket of terminals assets, the Group gears up to increase its global network and market share and advances its leading position in global container terminals industry. With the enlarged terminals portfolio from the Acquisition and the management expertise of CSPD, the Group is well-positioned to expand and optimize its terminals network by "Going Global" and to make new investments in the future with a view to further strengthening its global competitiveness. As part of the Reorganization, the Group will benefit from its parent company having the world's 4th largest container shipping fleet with a total fleet capacity of 1.583 million TEU, representing 8.0% of the world's total fleet capacity in 2014. The PRC is a material market for the Group as it remains significant to global economic growth. Following the acquisition, with an enlarged market share and more balanced geographic coverage, the Group is expected to be well-positioned to benefit from the potential opportunities in the Greater China market¹.

A larger terminal portfolio

The Company will become interested in a larger terminal portfolio through the Acquisition. The pro-forma annual designed handling capacity of the Group and the CSPD Group was 103.8 million TEU in 2014, being 33.2% higher than the annual designed handling capacity of the Group in 2014. The pro-forma total throughput of the Group and the CSPD Group was 78.7 million TEU in 2014, being 16.8% higher than the total throughput of the Group in 2014. The pro-forma equity throughput of the Group and the CSPD Group was 24.3 million TEU in 2014, being 27.8% higher than the total equity throughput of the Group in 2014.

A greater market share

On the basis of the total annual designed handling capacity in the world's container terminal market in 2014, the total global market share of the terminals in which the Group is interested would, as a result of the Acquisition, increase from 7.7% to 10.3%, making the Group the world's largest container operator. On the basis of total throughput in the world's container terminal market in 2014, the total global market share of the Group post the Acquisition would increase from 9.9% to 11.6% in terms of total throughput, the 2nd largest in the world, while its global market share in terms of equity throughput would increase from 2.8% to 3.6%, the 6th largest globally.

Note 1: Greater China refers to the PRC and Hong Kong

A further strengthened dominant position in Greater China

After the Acquisition, the Group will enhance coverage in five port areas in China with its total throughput in Greater China increasing by 19.1% from 56.6 million TEU to 67.4 million TEU in 2014. On the basis of total throughput in 2014, the Acquisition would increase the market share of the Group in Greater China from 27.0% to 32.2%. Greater China remains the key focus for the Group. An 85.7% of the pro-forma total throughput of the Group and the CSPD Group and 84.0% of the total throughput of the Group was attributable to Greater China in 2014.

The map below shows the location of the terminals in which the Group or the CSPD Group is interested.

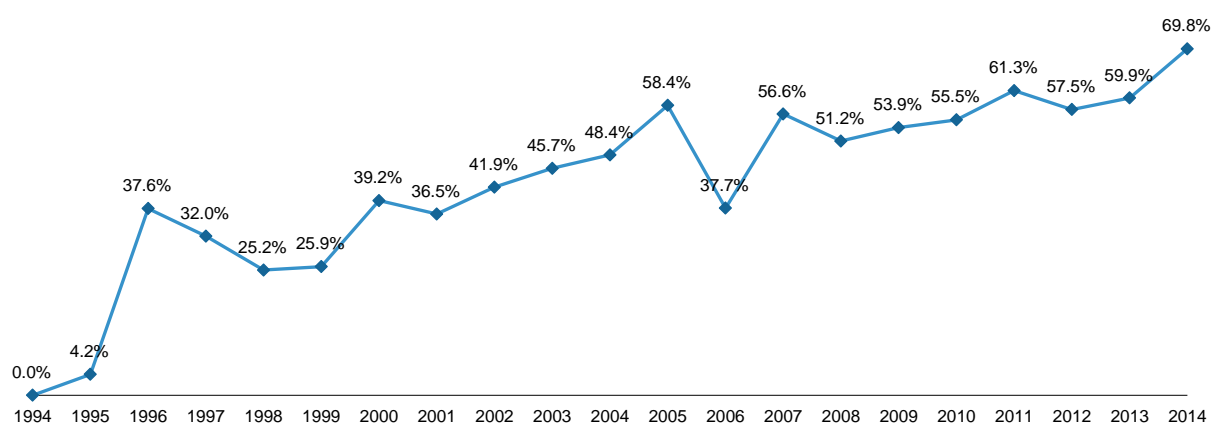


The Disposal

The Disposal will allow the Group to focus resources on the operation and development of its terminals business.

The Company was listed on the Stock Exchange in 1994 with container leasing being its sole business. The synergies of the Group's container leasing business with the Group's terminals operations, which have now grown to become the largest part of the Groups' business in terms of net profit contribution, are limited. The net profit of terminals business attributable to the equity holders of the Company increased from US\$120.6 million in 2007 to US\$221.0 million in 2014 and its contribution to the sum of terminal and container leasing businesses increased to 69.8% in 2014 from 56.6% in 2007.

The following chart shows the percentage of the net profit of terminals business attributable to the equity holders of the Company and its contribution to the sum of terminals and container leasing businesses from 1994 to 2014.^{1,2}



Source: the Company's Annual Reports

Note 1: 2000-2008 net profits breakdown figures have been restated in 2009 as a result of the adoption of Hong Kong Financial Reporting Standard 8 "Operating Segments" issued by the Hong Kong Institute of Certified Public Accountants

Note 2: The percentage of terminals profit contribution largely decreased in 2006 due to the inclusion of net profits generated from the disposal of returned containers in container leasing net profit in 2006

It is in the interest of the Company and the Shareholders to change the Group's business focus to terminals business operations.

The Board considers that it is now an opportunity for the Group to be transformed into a pure terminals operator. That is expected to unlock the Group's intrinsic value and to narrow the gap in valuation between the Company and other public companies in the terminals industry as a result of a conglomerate valuation discount.

Sustainable growth strategy

The Group intends to create long term value by implementing a sustainable growth strategy as follows. The Group's aim is to continue to focus on developing a comprehensive global terminals portfolio with a view to seizing opportunities from the "One Belt, One Road" and Yangtze River Economic Belt initiatives of the PRC and seeking to invest in ports along the Maritime Silk Road, ASEAN and Eurasia. The Group aims to enhance its brand value by continuing to improve the operating efficiency of its terminals business and replicating its expertise developed through its existing terminals business. The Group's strategy is to continue to invest in hub ports in response to the global trend of mega-vessels and the necessity to build global hub network and to leverage its parent's hub strategy. The Group will further strengthen the profitability by capturing investment opportunities through equity investments in addition to investments with controlling stake.

GENERAL INFORMATION

Information on the Group

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

Information on FCHL

FCHL is an investment holding company incorporated in the BVI. FCHL and its subsidiaries are principally engaged in the businesses of container leasing, management and sale, and related businesses. As of 30 June 2015, FCHL owned, sale-and-lease back and managed containers fleet size

reached 1,969,196 TEU providing long-term and short-term leasing services to its customers.

A summary of the audited financial information of FCHL for the two years ended 31 December 2013 and 31 December 2014 prepared in accordance with the applicable HKFRS is set out below:

	For the financial year ended 31 December 2013 US\$'000	For the financial year ended 31 December 2014 US\$'000
Net asset value	1,005,189	1,103,287
Profit before tax	130,619	100,188
Profit after tax	127,491	97,449

Information on CSCL, CSHK and CSCLHK

CSCL is principally engaged in the business of operation and management of international and domestic container marine transportation.

CSHK is principally engaged in international shipping business. It is an indirect wholly-owned subsidiary of China Shipping.

CSCLHK is principally engaged in route management, shipping agency, shipping transportation, and shipping-rail transportation.

Information on CSPD

CSPD is an investment holding company which primarily holds investments in various port and port-related companies. Such companies operate container terminals in various jurisdictions (including Hong Kong, Taiwan, Zeebrugge (Belgium), Seattle (USA) and the PRC) and mainly provide loading, storage and maintenance services.

According to the audited consolidated financial statements of CSPD for the year ended 31 December 2014 prepared in accordance with HKFRS, the financial information of the CSPD Group is as follows:

	For the financial year ended 31 December 2013 HK\$'000	For the financial year ended 31 December 2014 HK\$'000
Net asset value	4,353,334	8,373,095
Profit before tax	411,539	204,665
Profit after tax	317,008	170,606

LISTING RULES IMPLICATIONS

The highest of the applicable percentage ratios in respect of the Acquisition is higher than 25% but below 100%. Accordingly, the Acquisition constitutes a major transaction of the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The highest of the applicable percentage ratios in respect of the Disposal is higher than 25% but below 75%. Accordingly, the Disposal constitutes a major transaction of the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Transactions are deemed by the Stock Exchange to constitute connected transactions of the Company and are therefore subject to the reporting, announcement and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH THE PROFIT FORECAST REQUIREMENTS

The valuation of FCHL by China Tong Cheng is finally based on the market comparison approach. However, as China Tong Cheng is required under the relevant requirements in the PRC to conduct the valuation of FCHL using at least two valuation approaches, the valuation report in respect of FCHL therefore covers also a valuation based on the income approach.

The Company has applied for, and the Stock Exchange has granted, a waiver from the profit forecast requirements under Rules 14.62, 14.66(2), 14A.68(7), 14A.70(13) and paragraph 29(2) of Appendix IB of the Listing Rules in respect of the valuation of FCHL.

INDEPENDENT FINANCIAL ADVISERS

AIM and Challenge Capital have been appointed as the independent financial advisers to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition. ING has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal. AIM, Challenge Capital and ING will issue a joint letter to the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

DIRECTOR'S VOTING

Mr. WAN Min, a non-executive Director and Chairman of the Board, is an executive vice president of COSCO and a non-executive director of China COSCO. Dr. FAN HSU Lai Tai, Rita, an independent non-executive Director, is an independent non-executive director of China COSCO. China COSCO is not a party to the Transactions but is involved in the Reorganization. Mr. WAN Min and Dr. FAN HSU Lai Tai, Rita are allowed under the bye-laws of the Company and the Listing Rules to vote on the board resolutions of the Company in respect of the Transactions. Mr. IP Sing Chi, an independent non-executive Director, is an independent non-executive director of China Shipping Development Company Limited, which is involved in the Reorganization (other than the Transactions) and is an associate of CSCL and CSHK, and is required to abstain from voting on the board resolutions of the Company in respect of the Transactions.

Save for the Director who is required to abstain from voting as mentioned above (and has abstained from voting) and the other independent non-executive Directors who would render their views after having been advised by the Independent Financial Advisers, the Directors are of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee

The Independent Board Committee comprising Dr. FAN HSU Lai Tai, Rita, Mr. Adrian David LI Man Kiu, Mr. FAN Ergang and Mr. LAM Yiu Kin, all being independent non-executive Directors, has been formed to advise the Independent Shareholders:

- (i) as to whether the terms of the Transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole;
- (ii) as to whether the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and
- (iii) on how to vote, taking into account the recommendation of AIM, Challenge Capital and ING.

SGM

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Transactions. China COSCO (Hong Kong) Limited and COSCO Investments Limited (both being indirect subsidiaries of COSCO), which held approximately 44.83% of the issued share capital of the Company as at the date of this announcement, will abstain from voting on the resolution to be proposed at the SGM to approve the Transactions.

Circular

A circular containing, among other information, (a) further details of the Transactions; (b) the recommendation of the Independent Board Committee to the Independent Shareholders; (c) a joint letter from AIM, Challenge Capital and ING to the Independent Board Committee and the Independent Shareholders in respect of the Transactions; and (d) a notice of the SGM, will be dispatched to the Shareholders on or before 31 December 2015 in accordance with the relevant requirements of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and the COSCO Pacific Finance Notes on the Main Board of the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 10 August 2015 pending the release of an inside information announcement relating to the plan by COSCO for a significant transaction. Applications have been made by the Company to the Stock Exchange for resumption of trading in the Shares and the COSCO Pacific Finance Notes with effect from 9:00 a.m. on Monday, 14 December 2015.

As completion of the Transactions is subject to the fulfilment of a number of conditions precedent and may or may not proceed, Shareholders, holders of the COSCO Pacific Finance Notes and potential investors of the Company are advised to exercise caution in dealing in the Shares and the COSCO Pacific Finance Notes.

DEFINITIONS

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

“Acquisition”	the acquisition of the CSPD Shares by the Company pursuant to the terms of the CSPD SPA;
“Agency Companies SPA I”	the agreement between CSCL as seller and China COSCO as purchaser dated on or about the date of this announcement in relation to the sale and purchase of equity interest in various agency companies;
“Agency Companies SPA II”	the agreement between CSCLHK as seller and COSCON and Pan Asia Shipping as purchasers dated on or about the date of this announcement in relation to the sale and purchase of 100% equity interest in various agency companies;
“AIM”	Asia Investment Management Limited;
“Anti-Monopoly Bureau”	the Anti-Monopoly Bureau of the Ministry of Commerce of the PRC;
“Board”	the board of Directors;

“Bohai Bank”	China Bohai Bank Co., Ltd.* (渤海銀行股份有限公司), a company incorporated in the PRC with limited liability;
“Bohai Bank SPA”	the agreement between COSCO as seller and CSCL as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 13.67% of the issued share capital of Bohai Bank;
“BVI”	the British Virgin Islands;
“Challenge Capital”	Challenge Capital Management Limited;
“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 (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601919), and the direct holding company of the Company;
“China COSCO Bulk”	China COSCO Bulk Shipping (Group) Co., Ltd.* (中遠散貨運輸(集團)有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of China COSCO;
“China COSCO Group”	China COSCO and its subsidiaries;
“China Shipping”	China Shipping (Group) Company* (中國海運(集團)總公司), a PRC SOE and a controlling shareholder of CSCL;
“China Shipping Group”	China Shipping and its subsidiaries;
“China Tong Cheng”	China Tong Cheng Assets Appraisal Co., Ltd., professional valuer and independent appraiser with respect to the valuation of CSPD and FCHL as at 30 September 2015;
“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199);
“Completion Accounts Date”	the last day of the previous month where the date of completion of the Acquisition or the Disposal falls on or before the 15th day of a month or, as the case may be, the last day of that month where the date of the completion falls after the 15th day of a month;
“COSCO”	China Ocean Shipping (Group) Company* (中國遠洋運輸(集團)總公司), a PRC SOE and the indirect holding company of the Company;
“COSCO Finance”	COSCO Finance Co., Ltd.* (中遠財務有限責任公司), a company incorporated in the PRC;
“COSCO Finance Agreement”	the agreement between COSCO, COSCON, COSCO Bulk Carrier Co., Ltd.* (中遠散貨運輸有限公司), Qingdao Ocean Shipping Co., Ltd.* (青島遠洋運輸有限公司), COSCO Shipping Co., Ltd.* (中遠航運股份有限公司), Guangzhou Ocean Shipping Co., Ltd.* (廣州遠洋運輸有限公司), Dalian Ocean Shipping Co., Ltd.* (大連遠洋運輸公司), Xiamen Ocean Shipping Co., Ltd.* (廈門遠洋運輸公

司), COSCO International Freight Co., Ltd.* (中遠國際貨運有限公司), China Ocean Shipping Agency Co., Ltd. (PENAVICO)* (中國外輪代理有限公司), China Ocean Shipping Tally Co., Ltd.* (中國外輪理貨總公司), COSCO Shipbuilding Industry Co., Ltd.* (中遠造船工業公司), COSCO Shipyard Group Co., Ltd.* (中遠船務工程集團有限公司), China Marine Bunker (PetroChina) Co., Ltd.* (中國船舶燃料有限責任公司) as shareholders and CSCL as contributing party dated on or about the date of this announcement in relation to the capital contribution by CSCL to COSCO Finance resulting in CSCL holding 17.53% equity interest in COSCO Finance immediately after the capital increase;

“COSCO Group”	COSCO and its subsidiaries;
“COSCO HK”	COSCO (Hong Kong) Group Limited (中遠(香港)集團有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of COSCO;
“COSCO Pacific Finance Notes”	COSCO Pacific Finance (2013) Company Limited guaranteed notes due 2023 (Stock Code: 05900) traded on the Main Board of the Stock Exchange;
“COSCON”	COSCO Container Lines Company Limited* (中遠集裝箱運輸有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of China COSCO;
“COSCON HK”	COSCO Container Lines (Hongkong) Co., Limited (中遠集運(香港)有限公司), a company incorporated in Hong Kong;
“CP Agreements”	the Agency Companies SPA I, the Agency Companies SPA II, the Bohai Bank SPA, the COSCO Finance Agreement, the CSCL Agency HK SPA, the CSF SPA, the CSI SPA, the CSL SPA, the CS Nauticgreen Helen Insurance SPA, the CSP Singapore SPA, the Dong Fang International SPA, the Dry Bulk SPA, the Golden Sea SPA I, the Golden Sea SPA II, the Long Honour SPA, the Universal Shipping SPA and the Vessel Lease Agreement;
“CSCL”	China Shipping Container Lines Company Limited* (中海集裝箱運輸股份有限公司), 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 (Stock Code: 2866) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC (Stock Code: 601866), respectively, a direct non-wholly-owned subsidiary of China Shipping;
“CSCL Agency HK”	China Shipping Container Lines (Hongkong) Agency Co., Limited (中海集裝箱運輸(香港)代理有限公司), a company incorporated in Hong Kong with limited liability;
“CSCL Agency HK SPA”	the agreement between CSCLHK as seller and COSCON HK as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% equity interest in CSCL Agency HK;
“CSCLHK”	China Shipping Container Lines (Hong Kong) Co., Limited. (中海集裝箱運輸(香港)有限公司), a company incorporated in Hong

	Kong and a subsidiary of CSCL;
“CSF”	China Shipping Finance Company Limited* (中海集團財務有限責任公司), a company incorporated in the PRC with limited liability;
“CSF SPA”	the agreement between China Shipping and Guangzhou Maritime as sellers and CSCL as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 40% of the issued share capital of CSF;
“CSHK”	China Shipping (Hong Kong) Holdings Co., Limited (中國海運(香港)控股有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of China Shipping;
“CSI”	China Shipping Investment Co., Ltd.* (中海集團投資有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of China Shipping;
“CSI SPA”	the agreement between China Shipping, Guangzhou Maritime, Shanghai Shipping as sellers and CSCL as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% of the issued share capital of CSI;
“CSL”	China Shipping (Group) Leasing Co., Ltd.* (中海集團租賃有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of China Shipping;
“CSL SPA”	the agreement between China Shipping as seller and CSCL as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% of the issued share capital of CSL;
“CS Nauticgreen”	China Shipping Nauticgreen Holdings Company Limited (中海綠舟控股有限公司), a company incorporated in Hong Kong;
“CS Nauticgreen Helen Insurance SPA”	the agreement between CSHK as seller and CSCLHK as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% of the issued share capital of CS Nauticgreen and Helen Insurance;
“CSPD”	China Shipping Ports Development Co., Limited (中海港口發展有限公司), a company incorporated in Hong Kong, the shares of which are held by CSCL and CSHK as to 49% and 51%, respectively;
“CSPD Group”	CSPD and its subsidiaries;
“CSPD Shares”	5,679,542,724 ordinary shares in CSPD, representing all the issued shares of CSPD;
“CSPD SPA”	the sale and purchase agreement dated 11 December 2015 entered into between the Company, CSCL and CSHK in relation to the Acquisition;

“CSP Singapore”	China Shipping (Singapore) Petroleum Pte. Ltd. (中國海運(新加坡)石油有限公司), a company incorporated in Singapore and in which CSCLHK and CS Regional each holds 91% and 4% equity interest;
“CSP Singapore SPA”	the agreement between CSCLHK as seller and CS Regional as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 91% equity interest in CSP Singapore;
“CS Regional”	China Shipping Regional Holdings Pte. Ltd. (中國海運(東南亞)控股有限公司), a company incorporated in Singapore;
“CSTD”	China Shipping Terminal Development Co., Ltd.* (中海碼頭發展有限公司), a limited liability company incorporated in the PRC and currently a wholly-owned subsidiary of CSPD;
“Damietta”	Damietta International Ports, S.A.E. a company in which CSPD holds a 20% equity interest;
“Damietta Sale”	the proposed sale of CSPD’s entire 20% equity interest in Damietta pursuant to its exercise of its contractual right to require another shareholder of Damietta to purchase CSPD’s interest in Damietta;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the FCHL Shares and the assignment of the FCHL Shareholder’s Loans by the Company to CSCLHK pursuant to the terms of the FCHL SPA;
“Dong Fang International”	Dong Fang International Investment Limited (東方國際投資有限公司), a company incorporated in the BVI;
“Dong Fang International SPA”	the agreement between CSHK as seller and CSCLHK as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% of the issued share capital of Dong Fang International;
“Dry Bulk SPA”	the agreement between China COSCO as seller and COSCO as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% equity interest in China COSCO Bulk;
“FCHL”	Florens Container Holdings Limited (佛羅倫貨箱控股有限公司*), a company incorporated in the BVI with limited liability and (immediately before completion of the Disposal) a direct wholly-owned subsidiary of the Company;
“FCHL Shares”	22,014 ordinary shares of FCHL, representing all the issued shares of FCHL;
“FCHL Shareholder’s Loans”	the shareholder’s loans in the aggregate amount of US\$285,000,000 owed by FCHL to the Company and remains outstanding immediately before completion of the Disposal;

“FCHL SPA”	the sale and purchase agreement dated 11 December 2015 entered into between the Company and CSCLHK in relation to the Disposal;
“Golden Sea”	Golden Sea Shipping Pte. Ltd. (鑫海航運有限公司), a company incorporated in Singapore, the shares of which are held by CSCL and CS Regional as to 60% and 40% respectively;
“Golden Sea SPA I”	the agreement between CSCL as seller and CS Regional as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 9% equity interest in Golden Sea;
“Golden Sea SPA II”	the agreement between CSCL as seller and COSCON as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 51% equity interest in Golden Sea;
“Group”	the Company and its subsidiaries;
“Guangzhou Maritime”	Guangzhou Maritime Transport (Group) Co., Ltd.* (廣州海運(集團)有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of China Shipping;
“Helen Insurance”	Helen Insurance Brokers Limited (海寧保險經紀有限公司), a company incorporated in Hong Kong and a direct wholly-owned subsidiary of CSHK;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company comprising Dr. FAN HSU Lai Tai, Rita, Mr. Adrian David LI Man Kiu, Mr. FAN Ergang and Mr. LAM Yiu Kin, all being independent non-executive Directors, established for the purpose of considering and advising the Independent Shareholders in connection with the Transactions;
“Independent Financial Advisers”	AIM, Challenge Capital and ING;
“Independent Shareholders”	Shareholders other than China COSCO (Hong Kong) Limited and COSCO Investments Limited (both being indirect subsidiaries of COSCO) and any other Shareholders who are required by the Listing Rules to abstain from voting on the resolution to be proposed at the SGM to approve the Transactions;
“ING”	ING Bank N.V.;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Honour”	Long Honour Investments Limited (長譽投資有限公司), a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of COSCO HK;

“Long Honour SPA”	the agreement between COSCO HK as seller and CSCLHK as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% of the issued share capital of Long Honour;
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會);
“Net Damietta Proceeds”	an amount equal to the total sale proceeds received by CSPD in relation to the Damietta Sale less all costs incurred or suffered by CSPD and its affiliates in relation to the Damietta Sale;
“Pan Asia Shipping”	Shanghai Pan Asia Shipping Company Limited* (上海泛亞航運有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of COSCON;
“PRC”	the People’s Republic of China;
“Pre-Closing Dividend”	a dividend of an amount no greater than the amount of the distributable profits of CSPD (in case of the Acquisition) or FCHL (in case of the Disposal) as at 30 September 2015 which in the case of Acquisition, CSHK and CSCL or, in the case of Disposal, the Company may, on a date that is at least 10 business days prior to the completion of the Acquisition or Disposal (as applicable), subject to the applicable law, procure CSPD or FCHL (as applicable) to declare and pay, to in the case of Acquisition, to CSHK and CSCL or, in the case of Disposal, to the Company. The distributable profits of CSPD as at 30 September 2015 were approximately HK\$663.8 million and the distributable profits of FCHL as at 30 September 2015 were approximately US\$1,161.0 million;
“Reorganization”	the reorganization exercise involving the COSCO Group and the China Shipping Group;
“SGM”	the special general meeting of the Company to be convened for the purpose of the Independent Shareholders considering and, if thought fit, approving the Transactions;
“Shanghai Shipping”	Shanghai Shipping (Group) Company* (上海海運(集團)公司), a company incorporated in the PRC and a wholly-owned subsidiary of China Shipping;
“Shareholder(s)”	shareholder(s) of the Company;
“Shares”	the shares of the Company;
“SOE”	state-owned enterprise;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	Twenty-foot containers subscribing to the standards adopted by the International Organization for Standardization;
“Transactions”	the Acquisition and the Disposal;

“Universal Shipping”	Universal Shipping (Asia) Company Limited (五洲航運有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of CSCLHK;
“Universal Shipping SPA”	the agreement between CSCLHK as seller and Pan Asia Shipping as purchaser dated on or about the date of this announcement in relation to the sale and purchase of 100% equity interest in Universal Shipping;
“USA”	the United States of America;
“Vessel Lease Agreement”	the agreement between CSCL as lessor and China COSCO as lessee dated on or about the date of this announcement in relation to the lease of certain vessels and containers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“US\$”	United States dollars, the lawful currency of the USA; and
“%”	per cent.

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

By Order of the Board
COSCO Pacific Limited
QIU Jinguang
Vice Chairman & Managing Director

Hong Kong, 11 December 2015

As at the date of this announcement, the Board comprises Mr. WAN Min² (Chairman), Mr. QIU Jinguang¹ (Vice Chairman & Managing Director), Mr. DENG Huangjun¹, Mr. TANG Runjiang¹, Mr. FENG Bo¹, Mr. WANG Wei², Mr. WANG Haimin², Mr. ZHANG Wei², Dr. WONG Tin Yau, Kelvin¹, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. IP Sing Chi³, Mr. FAN Ergang³ and Mr. LAM Yiu Kin³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director