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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

CONNECTED TRANSACTION

LOAN AGREEMENT WITH SUEZ CANAL CONTAINER TERMINAL S.A.E.

The Company announces that, on 7th November 2008, CPPS, a wholly-owned subsidiary of the Company, and SCCT, entered into the Loan Agreement pursuant to which CPPS agreed to make available to SCCT the Shareholder's Loan of up to US\$16 million, which will serve as a short term bridging loan to SCCT before it obtains permanent financing from third party commercial banks.

SCCT is an associate of APM and a connected person of the Company, accordingly, the transactions contemplated under the Loan Agreement and the provision of the Shareholder's Loan to SCCT would constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios is less than 2.5%, the Loan Agreement and the provision of the Shareholder's Loan would only be subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement of the Listing Rules.

THE LOAN AGREEMENT

The Company announces that, on 7th November 2008, CPPS, a wholly-owned subsidiary of the Company, and SCCT, entered into the Loan Agreement pursuant to which CPPS agreed to make available to SCCT the Shareholder's Loan of up to US\$16 million, which will serve as a short term bridging loan to SCCT before it obtains permanent financing from third party commercial banks. Details of the Loan Agreement are as follows:

Date

7th November 2008

Parties

- (1) CPPS as lender
- (2) SCCT as borrower

Subject matter

Pursuant to the Loan Agreement, CPPS agreed to make available to SCCT the Shareholder's Loan, being a loan for an amount of up to US\$16 million. SCCT would borrow a total short term loan of up to US\$80 million to satisfy its short term capital needs before permanent financing can be arranged, and the Shareholder's Loan is proportional to the CPPS' 20% equity interest in SCCT.

Up-front Fee

Pursuant to the Loan Agreement, SCCT will pay an up-front fee of US\$32,000 in cash to CPPS upon signing of the Loan Agreement, which is agreed between the parties based on arm's length negotiation.

The Shareholder's Loan

Term

From the date of the Loan Agreement up to the earlier of (i) 10th April 2009; and (ii) the date on which SCCT make the first drawdown under the permanent financing from third party commercial banks to be arranged by SCCT. All outstanding Shareholder's Loan with accrued interest will be repaid to CPPS upon expiry of the term of the Loan Agreement.

If SCCT defaults in repayment of the Shareholder's Loan, CPPS will be entitled to (a) exercise any or all rights and powers and pursue any and all of the remedies available at law or in equity, and shall have and may exercise all of the rights and remedies of a creditor under law; and (b) by giving written notice to SCCT, declare the amounts due under the Loan Agreement to be immediately due and payable, whereupon (i) the obligation of CPPS to make further loans or amounts available hereunder shall be terminated and (ii) the unpaid principal of any Shareholder's Loan made under the Loan Agreement, together with accrued but unpaid interest thereon, break funding losses, and other amounts owing thereunder shall immediately become due and payable without presentment, demand, protest, notice or other formalities of any kind.

Interest

The interest rate payable by SCCT under the Loan Agreement is 6-month LIBOR for US\$ plus 3.50%, which shall be determined by SCCT on the second business day prior to each drawdown.

Drawdown

The Shareholder's Loan can be drawn down by SCCT in up to 10 drawings at any time from the date of the Loan Agreement and up to 15th January 2009 by giving 5 business days prior written notice. No further drawdowns can be made after 15th January 2009.

SCCT is also required to draw down from the APMT Loan on the same date of each drawdown on a pro-rata basis.

Prepayment

SCCT can prepay the Shareholder's Loan in whole or in any part prior to the expiry of the term of the Loan Agreement by giving 10 days advance written notice, provided that the Shareholder's Loan and the APMT Loan should be reduced on a pro-rata basis to the shareholding interest of each of CPPS and EICT in SCCT.

In addition, if, for any reasons, APMT fails to provide any part of the APMT Loan to SCCT and such failure is not due to technical error which is rectified within 3 business days, all outstanding Shareholder's Loan plus accrued but unpaid interest should be repaid by SCCT to CPPS forthwith.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

SCCT currently manages and operates Phase 1 of the Terminal, which is located at the northern entrance of the Suez Canal in Egypt with a current capacity of 2,550,000 TEUs per annum, and is in the course of implementation of the Phase 2 expansion plan which, upon completion, will double the current capacity of the Terminal to 5,100,000 TEUs per annum. In order to avoid delay in the construction work of Phase 2, SCCT needs a short term bridging funding of a total of up to US\$80 million to pay for the up-front costs of the construction work pending arrangement of permanent third party bank financing.

SCCT has requested EICT and CPPS, being the two largest shareholders of SCCT, to provide financing by way of short term shareholders' loans in the amount of up to US\$44 million and US\$16 million, which is in proportion to their respective shareholding in SCCT, with the balance to be arranged through a third party bank. EICT procured APMT, a fellow subsidiary of EICT and both subsidiaries of APM, to provide the APMT Loan to SCCT to fulfill EICT's obligations to provide such shareholder's loan. The Board considers that the provision of the Shareholder's Loan to SCCT can avoid unnecessary delay of the construction work of Phase 2 and would benefit the long term development of SCCT. In addition, as the Shareholder's Loan is interest bearing, a reasonable return will be earned.

The Directors, including the independent non-executive Directors, consider that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

SCCT is owned as to 55% by EICT, 20% by the Company and 25% by other shareholders who are Independent Third Parties. EICT is an indirect wholly-owned subsidiary of APM, which in turn is a substantial shareholder of a subsidiary of the Company. As SCCT is an associate of APM and therefore a connected person of the Company, accordingly, the transactions contemplated under the Loan Agreement and the provision of the Shareholder's Loan to SCCT would constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

INFORMATION ON SCCT

SCCT is owned as to 55% by EICT, 20% by the Company and 25% by other shareholders who are Independent Third Parties. SCCT is principally engaged in the business of management and operation of container terminal.

INFORMATION ON THE GROUP

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

DEFINITIONS

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

“APM”	A.P. Møller-Mærsk A/S, a company incorporated in Denmark with limited liability
“APMT”	APM Terminals B.V., a company incorporated in the Netherlands and a wholly-owned subsidiary of APM
“APMT Loan”	the shareholder loan provided by APMT to SCCT in the amount of up to US\$44 million pursuant to the APMT Loan Agreement
“APMT Loan Agreement”	the shareholder loan agreement dated 7th November 2008 and entered into between APMT as lender and SCCT as borrower pursuant to which APMT agreed to make available the APMT Loan to SCCT
“Board”	the board of directors of the Company
“Company”	COSCO Pacific Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of Stock Exchange
“CPPS”	COSCO Ports (Port Said) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“EICT”	Egyptian International Container Terminal S.A., a company incorporated in Switzerland and a wholly-owned subsidiary of APM
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	an independent third party(ies), including the ultimate beneficial owners of such party(ies), not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates

“LIBOR”	London Interbank Offered Rate, an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market, and fixed on a daily basis by the British Bankers’ Association
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the shareholder loan agreement dated 7th November 2008 and entered into between CPPS as lender and SCCT as borrower pursuant to which CPPS agreed to make available the Shareholder’s Loan to SCCT
“SCCT”	Suez Canal Container Terminal S.A.E., a company incorporated in Egypt, in which CPPS has a 20% equity interest
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholder’s Loan”	a shareholder’s loan of up to US\$16 million to be provided by CPPS to SCCT pursuant to the Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terminal”	the East Port Said Container Terminal
“TEU(s)”	Twenty-foot containers subscribing to the standards adopted by the International Organisation for Standardisation
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 7th November 2008

As at the date of this announcement, the Board of the Company comprises the following Directors:
Mr. CHEN Hongsheng² (Chairman), Mr. LI Jianhong¹, Mr. XU Lirong², Ms. SUN Yueying¹, Mr. XU Minjie¹ (Vice Chairman & Managing Director), Dr. SUN Jiakang², Dr. WONG Tin Yau, Kelvin¹, Mr. WANG Zhi¹, Mr. YIN Weiyu¹, Dr. LI Kwok Po, David³, Mr. CHOW Kwong Fai, Edward³ and Mr. Timothy George FRESHWATER³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director