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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

CONTINUING CONNECTED TRANSACTION

TENANCY AGREEMENT

In pursuance to a tenancy agreement dated 28th November 2008 (the “Tenancy Agreement”), COSCO Pacific Management Company Limited (the “Tenant”) has agreed to rent from Wing Thye Holdings Limited (the “Landlord”) Unit 4901, Unit 4902A and Unit 4903 situate at 49th Floor of COSCO Tower, 183 Queen’s Road Central, Hong Kong (collectively the “Properties”) for a term of three years commencing from 29th November 2008. The monthly rental of the Properties is HK\$846,846.00 exclusive of government rent, rates and management fees. The monthly management fees are HK\$72,586.80. The current quarterly government rent and rates are HK\$159,840.00.

The Landlord is a wholly-owned subsidiary of COSCO (Hong Kong) Group Limited (“COSCO Hong Kong”). The Tenant is a wholly-owned subsidiary of COSCO Pacific Limited (the “Company”). China Ocean Shipping (Group) Company (“COSCO”) is a controlling shareholder of both COSCO Hong Kong and the Company. Therefore, the transaction contemplated under the Tenancy Agreement constitutes a Continuing Connected Transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

As each of the percentage ratio (other than the profits ratio) in respect of the Tenancy Agreement falls below 2.5%, the Company is exempted from the independent shareholders’ approval requirement under Rule 14A.34 of the Listing Rules. The Company is only obliged to comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of the Tenancy Agreement.

TENANCY AGREEMENT DATED 28TH NOVEMBER 2008

A. PARTIES

Landlord: Wing Thye Holdings Limited, a wholly-owned subsidiary of COSCO Hong Kong.

Tenant: COSCO Pacific Management Company Limited, a wholly-owned subsidiary of the Company.

The controlling shareholder of both COSCO Hong Kong and the Company is COSCO.

B. PROPERTIES

Units 4901, 4902A and 4903 of 49th Floor of COSCO Tower, 183 Queen's Road Central, Hong Kong.

C. TERMS OF TENANCY

Three years commencing from 29th November 2008. The Tenancy Agreement does not provide for renewal clauses.

D. RENTAL (exclusive of government rent, rates and management fees)

The monthly rental is HK\$846,846.00 for a term of three years and the monthly management fees are HK\$72,586.80 payable to the Landlord. The current quarterly government rent and rates are HK\$159,840.00. During the subsistence of the Tenancy Agreement, the maximum aggregate annual value of the rental and the management fees is HK\$11,033,193.60.

USE OF PROPERTIES

The Company intends to continue to occupy the Properties on a long term basis as the head office of itself and its subsidiaries (the "Group") and as its principal place of business in Hong Kong. The Properties were previously and are still occupied by the Tenant as offices.

BASIS UPON WHICH THE RENTAL AND THE CONSIDERATION WERE DETERMINED

The rental payable under the Tenancy Agreement and the terms and conditions of the Tenancy Agreement were arrived at after arm's length negotiations between the Landlord and the Tenant conducted through COSCO Hong Kong and the Company.

In negotiating the rental under the Tenancy Agreement, the directors of the Company made reference to the professional opinion given by DTZ Debenham Tie Leung Limited ("DTZ"), an independent professional valuer engaged by the Landlord and the Tenant. In their report dated 20th November 2008, DTZ opined that the monthly rental of HK\$850,000.00 (exclusive of government rent, rates and management fees) for the Properties is at market level and is fair and reasonable.

The directors (including independent non-executive directors) of the Company considered that the Tenancy Agreement has been entered into on normal commercial terms and the transaction is fair and reasonable (particularly based on the professional opinion of DTZ) and in the interests of the Company and their shareholders.

CONTINUING CONNECTED TRANSACTION

The Landlord is a wholly-owned subsidiary of COSCO Hong Kong. The Tenant is a wholly-owned subsidiary of the Company. COSCO is the controlling shareholder of both COSCO Hong Kong and the Company, controlling as at the date hereof 100% of the entire issued share capital of COSCO Hong Kong and approximately 50.96% of the entire issued share capital of the Company.

Therefore, the transaction contemplated under the Tenancy Agreement constitutes a Continuing Connected Transaction of the Company under the Listing Rules. COSCO, COSCO Hong Kong and the Landlord are all connected persons of the Company under the definition of the Listing Rules. The term of the tenancy for the Properties is three years.

As each of the percentage ratio (other than the profits ratio) in respect of the Tenancy Agreement falls below 2.5%, the Company is exempted from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules. The Company is only obliged to comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of the Tenancy Agreement.

COSCO HONG KONG AND THE LANDLORD

The principal activities of COSCO Hong Kong together with its subsidiaries (including the Landlord) are ship trading and supplying services, shipping related consulting services, property investment and development, property management, information technology, metal material processing, ship agency, as well as finance, insurance brokerage, hotel and travel agency business.

THE COMPANY

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.

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

Hong Kong, 28th November 2008

As at the date of this announcement, the board of directors 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