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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

DISCLOSEABLE TRANSACTION

AGREEMENT FOR THE RENDERING OF PERSONNEL SERVICES IN RELATION TO PIERS 2 AND 3 OF THE PIRAEUS PORT

Agreement for the Rendering of Personnel Services

References are made to the First Announcement, the Second Announcement and the Circular.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as those defined in the First Announcement, the Second Announcement and the Circular.

As disclosed of the Company in the Second Announcement, PPA, PCT and the Company signed the Concession Agreement on 25th November 2008, pursuant to which the Company will engage in (i) the development, operation and commercial utilisation of the existing Pier 2; and (ii) the construction, operation and commercial utilisation of the eastern part of Pier 3 of the Piraeus Port Container Terminal.

Pursuant to the Concession Agreement, it is contemplated that (i) PPA will make available to PCT, and PCT will be required to use, the personnel required for the operation of the Container Terminal over a period of 6 months, and to be extended, at the option of PPA, by a further 2 months commencing on the date when PCT takes over the operation of the Container Terminal; and (ii) PPA and PCT would enter into a separate agreement in respect of the Personnel Sub-contracting Arrangement.

On 30th September 2009, PCT entered into an agreement for the rendering of personnel services with PPA, which set out the specific terms and conditions in respect of the Personnel Sub-contracting Arrangement.

Based on the currently available financial information and the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the transaction under the Agreement constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

The Directors consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been agreed on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

BACKGROUND

References are made to the First Announcement, the Second Announcement and the Circular.

As disclosed in the Second Announcement, PPA, PCT and the Company signed the Concession Agreement on 25th November 2008, pursuant to which the Company will engage in (i) the development, operation and commercial utilisation of the existing Pier 2; and (ii) the construction, operation and commercial utilisation of the eastern part of Pier 3 of the Piraeus Port Container Terminal.

Pursuant to the Concession Agreement, it is contemplated that (i) PPA will make available to PCT, and PCT will be required to use, the personnel required for the operation of the Container Terminal over a period of 6 months, and to be extended, at the option of PPA, by a further 2 months commencing on the date when PCT takes over the operation of the Container Terminal; and (ii) PPA and PCT would enter into a separate agreement in respect of the Personnel Sub-contracting Arrangement.

On 30th September 2009, PCT, a wholly-owned subsidiary of the Company, entered into the Agreement with PPA, which set out the specific terms and conditions in respect of the Personnel Sub-contracting Arrangement.

THE AGREEMENT

The material terms of the Agreement are summarised below.

1. *Date*

30th September 2009

2. *Parties*

- (i) PPA
- (ii) PCT

3. *Subject Matter*

Pursuant to the Agreement, PPA undertakes to provide PCT with the services related to the operation of the Container Terminal, using its workforce, all the services required for the smooth operation of the Container Terminal and the unimpeded services of its users.

PPA guarantees that the productivity of its personnel in terms of the monthly average of movements per crew (gang), per shift, will be 105 movements per crew (gang), per shift, or 78,800 total movements to the whole area of the Container Terminal per month, on the basis of a total of 750 crews per month.

4. *Term*

As PPA has exercised its rights to extend the term of the Agreement for a period of two months prior to the date of this Announcement, the total terms of the Agreement is eight months starting from 1st October 2009 (i.e. until 31st May 2010).

5. Consideration

The total consideration anticipated to be payable to PPA over the term of the Agreement is approximately €47,540,000 (equivalent to approximately HK\$526,267,800), which was determined by arm's length negotiation and represents (i) the sum of the wages of the staff of PPA that will be sub-contracted to work at Pier 2 calculated based on PPA's current wage sheets; (ii) a surcharge of 15% on such wages; and (iii) value added tax, but without taking into account any adjustment that may arise from the productivity guarantee described in paragraph 3 above and below.

The Service Fee may be adjusted as follows.

If the monthly productivity of the PPA's employees exceeds the Guaranteed Productivity, PCT shall pay as productivity bonus to the staff of PPA employed in the Container Terminal per exceeding movement, per crew, multiplied by the monthly number of crews that operated by PPA's staff, as following:

- from 106 to 110 movements per crew on average, €15 per movement;
- from 111 to 115 movements per crew on average, €20 per movement; and
- above of 115 movements per crew on average, €25 per movement.

If the monthly productivity of the PPA's employees falls below the Guaranteed Productivity and an average of 95 movements per crew (gang), per shift, per month, PPA shall pay a penalty to PCT of €12 for each movement below the Guaranteed Productivity.

The productivity clauses of the Agreement are subject to the approval of the board of directors of PPA. If such approval is not granted by 31st December 2009, then the board of directors of PPA will be deemed to have not approved the productivity clauses. The non-approval of the productivity clauses will have no effect on the other terms of the Agreement.

The Service Fee in respect of each month shall be paid by PCT to PPA as accrued at the end of each month.

6. Replacement of personnel

It is agreed by the parties that from 1st February 2010, the staff of PPA will begin to be gradually replaced by employees of PCT. The parties further agreed that in order to retain the smooth operation of the Container Terminal, the PPA workforce will be removed by work crew (gang)/quay crane, while the workforce of PCT will man a specific number of quay cranes each month. The gradual replacement of personnel of PPA by the personnel of PCT concerns quay crane operators, straddle carrier operators and dockers. Any administrative staff that may be included in the gradual replacement of PPA's personnel will be agreed between the parties by 31st December 2009.

It is further agreed that the replacement will take place in accordance with the following timetable:

- from 1st February 2010, PCT personnel will man 2 quay cranes;
- from 1st March 2010, PCT personnel will man 4 quay cranes; and
- from 1st April 2010, PCT personnel will man 6 quay cranes.

REASONS FOR AND BENEFITS OF THE AGREEMENT

PCT is required to enter into an agreement in respect of the Personnel Sub-contracting Arrangement, which is now in the form of the Agreement, pursuant to the Concession Agreement. In addition, in order to ensure uninterrupted service to the users of Pier 2 and the smooth transition of control over the premises of the Container Terminal from PPA to PCT, the Directors consider that the Personnel Sub-contracting Arrangement is an integral part to the success of the Concession.

The Directors consider that the Transaction is in the ordinary and usual course of business of the Group and the terms of the Agreement have been agreed on an arm's length basis and on normal commercial terms which are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Based on the currently available financial information and the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Transaction constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules.

INFORMATION ON PPA

The major activities of PPA are the operation of the Piraeus Port, including passenger cruise ship, passenger ferry and car ferry terminals, general cargo and container terminals and an oil pier and related operations. It is also responsible for the maintenance of port facilities, the supply of port services (water, electric current, telephone connection etc supply). PPA is listed on the Athens Stock Exchange. To the best knowledge of the Company, PPA is owned as to approximately 74% by the Government of Greece. PPA and its beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE PIRAEUS PORT

Piraeus Port is the hub for the connection of continental Greece with the islands, an international cruise center and a commercial hub for the Mediterranean. It is located in the commercially and strategically important shipping lane used to service Europe, North Africa and the Mediterranean.

INFORMATION ON PCT

Piraeus Container Terminal S.A., a company incorporated in Greece and a wholly-owned subsidiary of the Company, which is principally engaged in (i) the development, operation and commercial utilisation of the existing Pier 2; and (ii) the construction, operation and commercial utilisation of the eastern part of Pier 3 of the Piraeus Port 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, container manufacturing, logistics and related business.

DEFINITIONS

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

“Agreement”	an agreement dated 30th September 2009 for the rendering of personnel services between PCT and PPA which set out the specific terms and conditions in respect of the Personnel Sub-contracting Arrangement
“Board”	the board of directors of the Company
“Circular”	the circular of the Company dated 19th November 2008
“Company”	COSCO Pacific Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Concession”	the concession of the exclusive right to use and exploit the Container Terminal pursuant to the Concession Agreement
“Concession Agreement”	the concession agreement entered into between PPA, PCT and the Company on 25th November 2008
“Container Terminal”	the container terminal, comprising Pier 2 and the eastern part of Pier 3 (to be constructed by PCT), together with the adjacent sea area of the Piraeus Port Container Terminal which allows the mooring and servicing of ships, being the subject of the Concession
“Director(s)”	the director(s) of the Company
“Euro” or “€”	Euro, the common currency of the European Union
“First Announcement”	the announcement of the Company dated 29th October 2008
“Group”	the Company and its subsidiaries
“Guaranteed Productivity”	the productivity of PPA’s personnel guaranteed by PPA pursuant to the Agreement, in terms of the monthly average of movements per crew (gang), per shift, of 105 movements per crew (gang), per shift, and 78,800 total movements to the whole area of the Container Terminal per month, on the basis of a total of 750 crews per month
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PCT”	Piraeus Container Terminal S.A., a company established in Greece and a wholly-owned subsidiary of the Company which will take up the Concession pursuant to the terms of the Concession Agreement
“Personnel Sub-contracting Arrangement”	the arrangement by which PPA will make available to PCT, and PCT will be required to use, the personnel required for the operation of the Container Terminal over a period of 6 months, and to be extended, at the option of PPA, by a further 2 months commencing on the date when PCT takes over the operation of the Container Terminal
“Pier 2”	Pier 2 of the Piraeus Port Container Terminal, to be upgraded pursuant to the Concession Agreement
“Pier 3”	a new pier to be built by PCT on the existing site of the oil pier of the Piraeus Port Container Terminal pursuant to the Concession Agreement
“Piraeus Port Container Terminal”	the container terminal of the Piraeus Port, currently consisting of Pier 1 and Pier 2 only, and operated by PPA
“PPA”	Piraeus Port Authority S.A., a company established in Greece, the grantor of the Concession
“Second Announcement”	the announcement of the Company dated 25th November 2008
“Service Fee”	the fee payable by PCT to PPA under the Agreement, which represents the sum of the wages of the staff of PPA who will work at the Container Terminal pursuant to the Agreement, a surcharge of 15% on such wages and including value added tax
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	The Personnel Sub-contracting Arrangement transaction contemplated by the Agreement
“%”	per cent.

In this announcement, unless otherwise stated, certain amounts denominated in Euro have been translated into HK\$ at an exchange rate of €1 = HK\$11.07, for illustration purpose only.

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

Hong Kong, 30th September 2009

As at the date of this announcement, the board of directors of the Company comprises Mr. CHEN Hongsheng² (Chairman), Mr. LI Jianhong¹, Mr. XU Lirong², Ms. SUN Yueying¹, Mr. XU Minjie¹ (Vice Chairman & Managing Director), Dr. SUN Jiakang², Mr. HE Jiale¹, Dr. WONG Tin Yau, Kelvin¹, Mr. WANG Zhi¹, Mr. YIN Weiyu¹, Dr. LI Kwok Po, David³, Mr. CHOW Kwong Fai, Edward³, Mr. Timothy George FRESHWATER³ and Dr. FAN HSU Lai Tai, Rita³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director