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## **COSCO Pacific Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1199)**

### **ANNOUNCEMENT**

### **CONNECTED TRANSACTIONS**

### **AND**

### **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 4th November 2009, GZ South China, a non wholly-owned subsidiary of the Company, entered into agreements with certain members of the GZ Port Group in relation to the project management services and the engagement for the carrying out of a lighting project. GZ South China also entered into various agreements with members of the GZ Port Group for a term of not more than 3 years in relation to the provision of surveying services, security services, cleaning services, cargo handling services and manpower services, the joint establishment of a commercial centre for container business, the leasing of pontoon, the cooperation in the management and operation of an inspection centre for the provision of cargo inspection services, the granting of right to use portable terminal equipment, the charging of the port construction fee and high-frequency communication fee, the cooperation in the provision of logistic services and the provision of berths and leasing of terminal areas respectively.

As GZ Port Holding, through its wholly-owned subsidiary GZ Port Development, holds a 41% equity interest in GZ South China, which is a subsidiary of the Company, members of GZ Port Group are connected persons of the Company. Accordingly, the Transactions constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For the purpose of calculating the applicable percentage ratios under Rule 14.07 of the Listing Rules:

- (a) the amount expected to be payable by GZ South China to members of the GZ Port Group pursuant to the Dredging Project Management Services Agreement and the Lighting Project Agreement are required to be aggregated and not all of the applicable percentage ratios calculated on such basis are less than 0.1%, but all of them are less than 2.5%, and the estimated total consideration is not less than HKD1 million;

- (b) the annual amount paid or expected to be payable by GZ South China to members of the GZ Port Group pursuant to the Surveying Services Agreement, the Commercial Centre Cooperation Agreement, the Pontoon Lease Agreement, the Security Services Agreement, the Inspection Centre Services Agreement, the Cleaning Services Agreements, the Cargo Handling Services Agreement, the Port Related Fees Agreement, the APM Logistic Project Cooperation Agreement and the Manpower Services Agreement are required to be aggregated and not all of the applicable percentage ratios calculated on such basis are less than 0.1%, but all of them are less than 2.5%, and the estimated annual consideration is not less than HKD1 million; and
- (c) the annual amount received or expected to be receivable by GZ South China from members of the GZ Port Group pursuant to the Inspection Centre Machinery Lease Agreement, the Inspection Centre Transportation Services Agreement, the Port Related Fees Agreement and the Terminal Areas Lease Agreement are required to be aggregated and not all of the applicable percentage ratios calculated on such basis are less than 0.1%, but all of them are less than 2.5%, and the estimated annual consideration is not less than HKD1 million.

Based on the above applicable percentage ratios for the Transactions, the Transactions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

## THE CONNECTED TRANSACTIONS

GZ South China will conduct the following transactions with certain members of the GZ Port Group which constitute non-exempt connected transactions of the Company:

### **Dredging Project Management Services Agreement**

GZ South China and GZ Port Project Management entered into the Dredging Project Management Services Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ South China  
GZ Port Project Management
- Duration : Comprising (i) the project management period of 395 days from 30th April 2009 and (ii) the warranty management period from 30th April 2009 to 31st May 2010
- Nature of transaction : GZ Port Project Management shall supervise the project concerning the maintaining of the depth of the water area connecting the Nansha Port Terminal Phase 2 and the dredging of the channel thereunder.
- Fees : The fee for supervising the conducting of the project is RMB450,000 (approximately HKD517,000), which is payable by 4 installments with (i) the first installment in an amount of 20% of the total service fee payable within 15 days after the signing of the Dredging Project Management Services Agreement; (ii) the second installment in an

amount of 40% of the total service fee payable within 6 months of the commencement of the project; (iii) the third installment in an amount of 30% of the total service fee payable within 15 days after the verification of completion of the project and the assessment by GZ Port Project Management of the actual total service fee; and (iv) the balance payable after the transfer of documents from GZ Port Project Management to GZ South China.

The fee for supervising the maintenance work during the project warranty period (which is the same as the warranty management period) shall not exceed 5% of the total fee for supervising the conducting of the project, which is payable within 10 days after the expiry of the project warranty period.

Fees may be adjusted after negotiation between the parties if there is any change in the relevant PRC regulations, or the prolonging of the service, or any change in the project or the adjustment of the fee rate by the authorities.

### **Lighting Project Agreement**

GZ South China and GZ Port Construction Project entered into the Lighting Project Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ South China  
GZ Port Construction Project
- Duration : 68 days from the date of signing of the Lighting Project Agreement plus a warranty period of 1 year after the verification of the completion of the project
- Nature of transaction : The engagement of GZ Port Construction Project by GZ South China to carry out the project concerning the construction of lamp posts and the installation of the related electricity facilities at certain areas of the Nansha Port Terminal Phase 2
- Fee : RMB3,800,000 (approximately HKD4,359,000 is payable by 3 installments with (i) the first installment of the amount representing 30% of the service fee payable after the signing of the Lighting Project Agreement, (ii) the second installment of the amount representing 65% of the service fee payable after the verification of the completion of the project, and (iii) the balance representing the warranty deposit payable after the expiry of the warranty period.

### **THE CONTINUING CONNECTED TRANSACTIONS**

GZ South China will conduct the following transactions with certain members of the GZ Port Group which constitute non-exempt continuing connected transactions of the Company:

## **Surveying Services Agreement**

GZ South China and GZ Engineering entered into the Surveying Services Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ South China  
GZ Engineering
- Duration : 1st February 2009 to 31st January 2010
- Nature of transaction : Provision of surveying services by GZ Engineering to GZ South China in relation to the measuring of the depth of water at certain berths of, and water area connecting, the Nansha Port Terminal Phase 2
- Fee : The service fee shall be determined according to the agreed fee scale and the actual area surveyed and shall be settled within 10 days after the receipt by GZ South China of the surveying result graphs and report from GZ Engineering.

Based on the surveying scope and the fee scale provided in the Surveying Services Agreement and the current timetable for the provision of surveying services, it is expected that the aggregate amount payable by GZ South China to GZ Engineering for each of the years ending 31st December 2009 and 31st December 2010 will be subject to the annual cap amounts of RMB460,000 (approximately HKD528,000) and RMB1,000,000 (approximately HKD1,148,000) respectively.

## **Commercial Centre Cooperation Agreement**

GZ South China and certain members of the GZ Port Group entered into the Commercial Centre Cooperation Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ Port Holding  
GZ Port Nansha Affairs  
GZ South China  
GZ Container Terminal  
GZ Port Huangpu Branch  
GZ Port Logistics  
GZ Port Shipping Affairs
- Duration : 1st January 2009 to 31st December 2009
- Nature of transaction : The parties shall jointly establish the commercial centre (營銷中心) to centralize their efforts in market expansion, sales and promotion and external coordination. The commercial centre shall be responsible for domestic and overseas marketing, promotion, media advertising, paying visits to customers and shipping companies, introducing and arranging for shipping lines, formulating commercial policies, negotiating and signing agreements, planning, organizing and

implementing logistics projects, coordinating with port related units and government, collecting and organizing industry and market information, analyzing statistics for container business, etc.

Parties' contribution : GZ Port Holding shall provide office premises and the requisite facilities for the commercial centre (營銷中心) free of charge.

A commercial fund (營銷基金) shall be set up to meet the expenses incurred by the commercial centre (營銷中心), which fund shall be contributed by GZ South China as to 35%, and by GZ Port Nansha Affairs, GZ Container Terminal, GZ Port Huangpu Branch, GZ Port Logistics and GZ Port Shipping Affairs as to 35%, 10%, 10%, 5% and 5% respectively. The annual budget for such commercial fund for the year ending 31st December 2009 is RMB3,300,000 (approximately HKD3,786,000) and the aforesaid parties shall contribute to it in the aforesaid proportion by December 2009.

Based on the terms of the Commercial Centre Cooperation Agreement, it is expected that the aggregate amount payable by GZ South China for the year ending 31st December 2009 will be subject to the annual cap amounts of RMB1,150,000 (approximately HKD1,320,000).

### **Pontoon Lease Agreement**

GZ South China, GZ Port Nansha Affairs and GZ Port Shipping Affairs entered into the Pontoon Lease Agreement, the principal terms of which are summarized as follows:

Date : 4th November 2009

Parties : GZ Port Shipping Affairs as lessor  
GZ Port Nansha Affairs as lessee  
GZ South China as lessee

Duration : 1 year from 1st October 2008, which shall be extended for another year if the parties have no objection

Nature of transaction : The leasing of a pontoon by GZ Port Shipping Affairs to GZ Port Nansha Affairs and GZ South China for the berthing of small-sized ships

Rental : RMB10,000 (approximately HKD12,000) per month, which is borne by GZ Port Nansha Affairs and GZ South China in equal shares and is payable semi-annually in arrears

The aggregate amount payable by GZ South China to GZ Port Shipping Affairs for the period from 1st October 2008 to 31st December 2008 was RMB15,000 (approximately HKD18,000). Based on the terms of the Pontoon Lease Agreement, it is expected that the aggregate amount payable by GZ South China to GZ Port Shipping Affairs for each of the years ending 31st December 2009 and 31st December 2010 will be subject to the annual cap amounts of RMB60,000 (approximately HKD69,000).

## **Security Services Agreement**

GZ South China and GZ Port Security entered into the Security Services Agreement, the principal terms of which are summarized as follows:

Date	:	4th November 2009
Parties	:	GZ South China GZ Port Security
Duration	:	10th November 2008 to 9th November 2009
Nature of transaction	:	Provision of security services by GZ Port Security to GZ South China regarding the Nansha Port Terminal Phase 2
Fee	:	The service fee shall be determined according to the agreed fee rate and the actual number of security guards provided and is payable monthly in arrears. Subsidies shall be payable by GZ South China to GZ Port Security according to the agreed fee rate and the service term of the individual security guards provided to GZ South China and is payable monthly in arrears.

The aggregate amount paid by GZ South China to GZ Port Security in respect of the year ended 31st December 2008 was RMB1,118,612 (approximately HKD1,284,000). Based on the terms of the Security Services Agreement and the expected number of security guards which may be required, it is expected that the aggregate amount payable by GZ South China to GZ Port Security for the year ending 31st December 2009 will be subject to the annual cap amount of RMB1,200,000 (approximately HKD1,377,000).

## **Inspection Centre Related Agreements**

GZ South China and certain members of the GZ Port Group entered into the Inspection Centre Related Agreements, the principal terms of which are summarized as follows:

### *(1) Inspection Centre Services Agreement*

Date	:	4th November 2009
Parties	:	GZ South China GZ Port Nansha Affairs GZ Port Logistics
Duration	:	1st September 2008 to 31st December 2009
Nature of transaction	:	GZ South China and GZ Port Nansha Affairs shall authorise GZ Port Logistics to, and GZ Port Logistics shall, manage the operation of the Inspection Centre for the provision of cargo inspection services for customs clearance purpose.

GZ Port Logistics is responsible for implementing the management system and improving the operational logistics for cargo inspection; employing and providing training to officers; and the management and maintenance of

the premises of, and facilities and equipment at, the Inspection Centre.

GZ South China and GZ Port Nansha Affairs shall assist GZ Port Logistics to improve the operational logistics and systems for cargo inspection; and shall monitor the efficiency and quality of the cargo inspection services provided by GZ Port Logistics and the financial condition of the Inspection Centre.

Parties' contribution : GZ South China and GZ Port Nansha Affairs shall provide the premises and resources (including facilities and equipment) for the operation of the Inspection Centre; and bear the related expenses for the expansion of the Inspection Centre and the purchase and modification of inspection facilities and equipment under their prior approval, which expenses shall be shared between them on a fair and reasonable basis. Each of GZ South China and GZ Port Nansha Affairs shall also make available a frontloader for the use by the Inspection Centre and bear the maintenance expenses for such frontloader. The drivers for the operation of the aforesaid frontloaders shall be appointed by GZ Port Logistics which shall bear the operating expenses of such frontloaders.

GZ Port Logistics shall bear certain expenses in relation to the provision of the cargo inspection services by the customs officials and the relevant border officers and the expenses for the maintenance of the premises of, and facilities and equipment at, the Inspection Centre. GZ Port Logistics shall also make available trailers, forklifts, drivers and stevedores, etc., which are necessary for the normal operation of the Inspection Centre, and shall bear the related expenses.

*(2) Inspection Centre Machinery Lease Agreement*

Date : 4th November 2009

Parties : GZ South China as lessor  
GZ Port Nansha Affairs as lessor  
GZ Port Logistics as lessee

Duration : 1st March 2009 to 31st December 2009

Nature of transaction : Leasing of machinery, including frontloaders, stackers, forklift and tow trucks, and the provision of drivers and operation officers in relation to the operation of such machinery, by GZ South China and GZ Port Nansha Affairs to GZ Port Logistics

Fee : The fee shall be determined according to the agreed fee scale, the number of machinery and officers provided, and the time used and is payable monthly in arrears.

*(3) Inspection Centre Transportation Services Agreement*

Date : 4th November 2009

Parties : GZ South China

## GZ Port Logistics

- Duration : 1st April 2009 to 31st December 2009
- Nature of transaction : The provision of services by GZ South China to GZ Port Logistics for transporting the cargoes into and/or out of the Inspection Centre
- Fee : The monthly service fee is RMB200,000 (approximately HKD230,000) and is payable monthly in arrears.

No fee was received or paid by GZ South China pursuant to the Inspection Centre Services Agreement for the year ended 31st December 2008. It is expected that no amount is receivable by GZ South China for the transactions under the Inspection Centre Services Agreement and therefore the Company is not required to set any annual cap amount in this respect. Based on the terms of the Inspection Centre Services Agreement and the possible business development relating to the Inspection Centre, it is expected that the aggregate amount payable by GZ South China to GZ Port Logistics under the Inspection Centre Services Agreement for the year ending 31st December 2009 will be subject to the annual cap amount of RMB1,000,000 (approximately HKD1,148,000). Based on the terms of the Inspection Centre Machinery Lease Agreement and the Inspection Centre Transportation Services Agreement and the expected number and type of machinery and the manpower services required by GZ Port Logistics from GZ South China thereunder, it is expected that the aggregate amount receivable by GZ South China from GZ Port Logistics under the Inspection Centre Machinery Lease Agreement and the Inspection Centre Transportation Services Agreement for the year ending 31st December 2009 will be subject to the annual cap amount of RMB3,600,000 (approximately HKD4,130,000).

### **Cleaning Services Agreements**

GZ South China and GZ Port Property Management entered into the Cleaning Services Agreements, the principal terms of which are summarized as follows:

#### *(1) Office and Residential Area Cleaning Services Agreement*

- Date : 1st October 2007
- Parties : GZ South China  
GZ Port Property Management
- Duration : 1st October 2007 to 30th September 2009
- Nature of transaction : The provision of services for day-to-day cleaning and pest control in respect of certain office buildings, apartments and hostels of GZ South China located at the Nansha Port Terminal Phase 2
- Fee : The monthly service fee for the period from 1st October 2007 to 31st December 2007 is RMB71,000 (approximately HKD82,000) and for the period from 1st January 2008 to 30th September 2009 is RMB73,000 (approximately HKD84,000) and is payable monthly in arrears.



*(2) Office and Residential Area Cleaning Services Supplemental Agreement No. 1*

Date : 4th November 2009

Parties : GZ South China  
GZ Port Property Management

Duration : 1st October 2008 to 30th September 2009

Nature of transaction : The provision of sanitary items at certain areas of the office building of GZ South China at the Nansha Port Terminal Phase 2

Fee : The monthly fee is RMB950 (approximately HKD1,100) and is payable monthly in arrears together with the service fee payable under the Office and Residential Area Cleaning Services Agreement.

*(3) Office and Residential Area Cleaning Services Supplemental Agreement No. 2*

Date : 4th November 2009

Parties : GZ South China  
GZ Port Property Management

Duration : 1st January 2009 to 30th September 2009

Nature of transaction : The scope of services provided under the Office and Residential Area Cleaning Services Agreement is extended to cover an additional floor of the office building of GZ South China located at the Nansha Port Terminal Phase 2

Fee : The additional monthly fee is RMB840 (approximately HKD960) and is payable in the same manner provided in the Office and Residential Area Cleaning Services Agreement.

*(4) Port Area Cleaning Services Agreement*

Date : 1st October 2007

Parties : GZ South China  
GZ Port Property Management

Duration : 1st October 2007 to 30th September 2009

Nature of transaction : The provision of day-to-day cleaning and pest control services in respect of certain buildings located at, and certain areas of, the Nansha Port Terminal Phase 2

Fees : The monthly service fee for the period from 1st October 2007 to 31st December 2007 is RMB33,000 (approximately HKD38,000) and for the period from 1st January 2008 to 30th September 2009 is RMB36,000 (approximately HKD42,000). An additional amount of RMB5,600 (approximately HKD6,400) is payable for the pest control services carried out. The service fees are payable monthly in arrears.

*(5) Office, Residential and Port Area Cleaning Services Agreement*

- Date : 4th November 2009
- Parties : GZ South China  
GZ Port Property Management
- Duration : 1st October 2009 to 30th September 2012
- Nature of transaction : The provision of day-to-day cleaning services in respect of certain buildings, apartments, hostels and other areas located at the Nansha Port Terminal Phase 2
- Fees : The monthly service fee is RMB104,600 (approximately HKD120,000) and is payable monthly in arrears.

The aggregate amounts paid by GZ South China to GZ Port Property Management under the Cleaning Services Agreements for the year ended 31st December 2007 and 31st December 2008 were RMB347,268.80 (approximately HKD399,000) and RMB1,282,308.20 (approximately HKD1,471,000) respectively, amounting to RMB1,629,577 (approximately HKD1,870,000) in aggregate. Based on the terms of the Cleaning Services Agreements, and the provision for buffer for the increase of areas requiring cleaning services and the increase of service fee rate, it is expected that the aggregate amount payable by GZ South China to GZ Port Property Management under the Cleaning Services Agreements for each of the years ending 31st December 2009, 31st December 2010, 31st December 2011 and 31st December 2012 will be subject to the annual cap amounts of RMB1,450,000 (approximately HKD1,664,000), RMB1,500,000 (approximately HKD1,721,000), RMB1,600,000 (approximately HKD1,836,000) and RMB1,700,000 (approximately HKD1,950,000) respectively.

**Cargo Handling Services Agreement**

GZ South China and GZ Tally entered into the Cargo Handling Services Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ South China  
GZ Tally
- Duration : 1st January 2009 to 31st December 2009, which shall be extended for 1 year if there is no objection from the parties
- Nature of transaction : All cargo handling business in respect of all vessels berthing at the Nansha Port Terminal Phase 2 shall be handled by GZ Tally.
- Fees : GZ Tally (or its holding company) may enter into separate agreement with COSCON (including Pan Asia) in relation to the cargo handling services provided by GZ Tally for vessels of COSCON or Pan Asia. COSCON (including Pan Asia) shall pay the service fees to GZ Tally directly.

In respect of the cargo handling services provided by GZ Tally for vessels

other than those of COSCON (including Pan Asia), the service fee charged by GZ Tally shall be determined based on the agreed fee scale applicable to the types of vessels and the number of cargoes handled. GZ South China shall include such cargo handling service fee in the services fees which it charges the shipping companies and shall settle the cargo handling service fee charged by GZ Tally for the services provided by it in a particular month in the following month.

Based on the terms of the Cargo Handling Services Agreement and taking into account the transaction amounts for the year ended 31st December 2008 and for the six months ended 30th June 2009 and the expected volume of cargoes handed pursuant to the Cargo Handling Services Agreement, it is expected that the aggregate amount payable by GZ South China to GZ Tally for the year ending 31st December 2009 and 31st December 2010 will be subject to the annual cap amounts of RMB4,800,000 (approximately HKD5,506,000) and RMB9,000,000 (approximately HKD10,324,000) respectively.

### **Portable Terminal Equipment Usage Agreement**

GZ South China and GZ Tally entered into the Portable Terminal Equipment Usage Agreement (which forms part of the transactions between the parties under the Cargo Handling Services Agreement), the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ South China  
GZ Tally
- Duration : 1st January 2009 to 31st December 2009, which shall be extended for 1 year if there is no objection from the parties
- Nature of transaction : GZ South China shall grant a right to GZ Tally to use certain portable terminal equipment which is owned by GZ South China. If there is any malfunctioning of any portable terminal equipment, GZ Tally shall deliver the relevant portable terminal equipment to GZ South China for checking, and if GZ South China cannot repair such portable terminal equipment, GZ South China shall assist GZ Tally to deliver such portable terminal equipment to the producer for checking and repairing.
- Fees : GZ Tally shall engage the producer of the portable terminal equipment for the provision of annual maintenance services in respect of the portable terminal equipment, and shall, in January of each relevant year, pay the service fees to such producer. GZ Tally shall bear and pay to the producer of the portable terminal equipment all fees related to the repairing of the equipment which is outside the scope of the aforesaid annual maintenance services provided by the producer within 15 working days after its receipt of the quotation of such fees provided by the producer. GZ Tally shall also bear the fees for delivering the equipment to the producer for checking and repairing.

If any defect of the portable terminal equipment is caused by human-made damages, and the producer cannot repair such portable terminal equipment or the repairing cost is too high, GZ Tally shall pay an amount equivalent to

the original value of such portable terminal equipment less the accumulated depreciation as compensation to GZ South China.

It is expected that no fee is receivable by GZ South China from GZ Tally pursuant to the Portable Terminal Equipment Usage Agreement and therefore, the Company is not required to set any annual cap amount for transactions under the Portable Terminal Equipment Usage Agreement.

### **Port Related Fees Agreement**

GZ South China and GZ Port Holding entered into the Port Related Fees Agreement, the principal terms of which are summarized as follows:

Date : 4th November 2009

Parties : GZ South China  
GZ Port Holding

Duration : 1st January 2009 to 31st December 2009

Nature of transaction and fees : The appointment of GZ South China by GZ Port Holding to charge on behalf of GZ Port Holding the port construction fee (港口建設費) in respect of the cargoes entering into and departing from the Nansha Port Terminal Phase 2 in accordance with the regulatory documents such as the Measures for Charging of Port Construction Fee (港口建設費征收辦法) issued by the State Council of the PRC on 22nd October 1985, the Rules for Implementing the Measures for Charging of Port Construction Fee (港口建設費征收辦法實施細則) issued by the Ministry of Communications and Ministry of Finance of the PRC (Document no. Jiao Cai Fa [1993] 541), and the Clarification Notice on the Management of the Charging of the Port Construction Fee after the Organizational Reform of the Ports Directly Subordinated to the State and under Dual Leadership (關於明確原中央直屬和雙重領導港口體制改革後港口建設費征收管理有關問題的通知) issued by the Ministry of Communications (Document no. Jiao Shui Fa [2006] 265) and/or other applicable laws and regulations from time to time, and/or as required by the relevant government or supervisory authorities (the “**Relevant Port Construction Fee Requirement**”). GZ South China shall pay the port construction fee (港口建設費) received by it pursuant to the Relevant Port Construction Fee Requirement as applicable from time to time to GZ Port Holding, which shall then pay the same fee to the relevant government authority; and GZ Port Holding shall pay GZ South China handling fee in respect of the charging of such fee at a rate pursuant to the Relevant Port Construction Fee Requirement as applicable from time to time.

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) pursuant to the Notice for High-frequency Wireless Communication Service Fee (關於甚高頻無線電

通訊服務費的通知) issued by GZ Port Holding (Document no. Sui Gang Ji Tuan Sheng Chan [2006] 6) or other notice issued by GZ Port Holding from time to time pursuant to the relevant requirements of the government or supervisory authorities (the “**Relevant High-frequency Communication Fee Requirement**”). GZ South China may retain, as handling fee, a portion of the high-frequency communication fee (甚高頻通訊費) received by it at a rate pursuant to the Relevant High-frequency Communication Fee Requirement as applicable from time to time; and GZ South China shall pay the high-frequency communication fee (甚高頻通訊費) received by it pursuant to the Relevant High-frequency Communication Fee Requirement to GZ Port Holding after deducting the above handling fee.

Based on the actual amounts of the relevant port construction fee (港口建設費) and high-frequency communication fee (甚高頻通訊費) payable by GZ South China for the first 3 quarters of 2009, the expected business volume of the Nansha Port Terminal Phase 2 for the fourth quarter of 2009 and the rates prescribed by the presently applicable Relevant Port Construction Fee Requirement and Relevant High-frequency Communication Fee Requirement, it is expected that the aggregate amount payable by GZ South China under the Port Related Fees Agreement for the year ending 31st December 2009 will be subject to the annual cap amount of RMB19,800,000 (approximately HKD22,712,000). Based on the aforesaid annual cap amount for the amount payable by GZ South China pursuant to the Port Related Fees Agreement and the rates of the handling charges prescribed by the presently applicable Relevant Port Construction Fee Requirement and Relevant High-frequency Communication Fee Requirement, it is expected that the aggregate amount receivable by GZ South China under the Port Related Fees Agreement for the year ending 31st December 2009 will be subject to the annual cap amount of RMB3,000,000 (approximately HKD3,442,000).

### **APM Logistic Project Cooperation Agreement**

GZ South China, GZ Port Nansha Affairs and GZ Port Logistics entered into the APM Logistic Project Cooperation Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ Port Nansha Affairs  
GZ South China  
GZ Port Logistics
- Duration : 1st September 2009 to 31st December 2009
- Nature of transaction : GZ Port Logistics shall be responsible for the handling of customs declaration and inspection declaration formalities for the Line in respect of the containers to be exported by the Nansha Port Terminal Phase 1 and the Nansha Port Terminal Phase 2.
- GZ Port Nansha Affairs and GZ South China shall support and coordinate the works relating to the above services to be provided by GZ Port Logistics, and ensure the smooth operation of such works.
- Fees : In relation to cargoes exported from the Nansha Port Terminal Phase 1 or the Nansha Port Terminal Phase 2 by using the above logistics services

provided by a designated subsidiary of GZ Port Logistics, if there shall arise any fees for the inspection declaration for commodities in respect of which customs clearance is not required (非法檢商品報檢費), and certificate exchange fee for commodities in respect of which customs clearance is required (法檢商品換證費), such fees shall be paid to such subsidiary of GZ Port Logistics by GZ Port Nansha Affairs or GZ South China (as the case may be). The above fees shall be determined according to the agreed fee rates, which are payable monthly in arrears.

Based on the terms of the APM Logistic Project Cooperation Agreement and the expected volume of cargoes to be exported from the Nansha Port Terminal Phase 2 under the APM Logistic Project Cooperation Agreement, it is expected that the aggregate amount payable by GZ South China to GZ Port Logistics for the year ending 31st December 2009 will be subject to the annual cap amount of RMB150,000 (approximately HKD173,000).

### **Terminal Areas Lease Agreement**

GZ South China as lessor and GZ Port Vehicle as lessee entered into the Terminal Areas Lease Agreement, the principal terms of which are summarized as follows:

- Date : 4th November 2009
- Parties : GZ South China as lessor  
GZ Port Vehicle as lessee
- Duration : 12th September 2009 to 31st March 2010
- Nature of transaction : GZ South China shall provide berths and lease the relevant terminal areas of the Nansha Port Terminal Phase 2 to GZ Port Vehicle for the operation of GZ Port Vehicle's stevedoring business in respect of commercial vehicles. If required by GZ Port Vehicle, GZ South China shall also provide machinery and manpower services to GZ Port Vehicle to assist such business operation of GZ Port Vehicle.
- Fees : The fees for berthing and the rental for the terminal areas shall be determined according to the agreed fee rates, and are payable monthly in arrears. The fees in relation to the provision of machinery and manpower services shall be determined at the fee rate to be agreed between the parties from time to time prescribed by GZ South China and are payable monthly in arrears.

Based on the terms of the Terminal Areas Lease Agreement, the market situation and fees charged by other companies for similar business, it is expected that the aggregate amount receivable by GZ South China from GZ Port Vehicle for each of the years ending 31st December 2009 and 31st December 2010 will be subject to the annual cap amounts of RMB600,000 (approximately HKD689,000) and RMB800,000 (approximately HKD918,000) respectively.

### **Manpower Services Agreement**

GZ South China and GZ Port Development entered into the Manpower Services Agreement, the principal terms of which are summarized as follows:

- Date : 31st March 2008
- Parties : GZ South China  
GZ Port Development
- Duration : Expiring on 31st December 2010
- Nature of transaction : Provision of manpower services by GZ Port Development to GZ South China by appointing management officials to GZ South China (such management officials remain as employees of GZ Port Development and will not be employees of GZ South China)
- Fees : The annual service fee shall be RMB2,050,000 (approximately HKD2,352,000), which are payable semi-annually in arrears.

Based on the terms of the Manpower Services Agreement, it is expected that the aggregate amount payable by GZ South China for each of the years ending 31st December 2009 and 31st December 2010 will be subject to the annual cap amount of RMB2,050,000 (approximately HKD2,352,000).

## **RELATIONSHIPS BETWEEN THE COMPANY AND THE COUNTERPARTIES TO THE TRANSACTIONS**

As GZ Port Holding, through its wholly-owned subsidiary GZ Port Development, holds a 41% equity interest in GZ South China, which is a subsidiary of the Company, members of GZ Port Group (which includes GZ Port Holding, GZ Port Project Management, GZ Port Construction Project, GZ Engineering, GZ Port Nansha Affairs, GZ Container Terminal, GZ Port Huangpu Branch, GZ Port Logistics, GZ Port Shipping Affairs, GZ Port Security, GZ Port Property Management, GZ Tally, GZ Port Vehicle and GZ Port Development) are connected persons of the Company. Accordingly, the Transactions constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

For the purpose of calculating the applicable percentage ratios under Rule 14.07 of the Listing Rules:

- (a) the amount expected to be payable by GZ South China to members of the GZ Port Group pursuant to the Dredging Project Management Services Agreement and the Lighting Project Agreement are required to be aggregated and not all of the applicable percentage ratios calculated on such basis are less than 0.1%, but all of them are less than 2.5%, and the estimated total consideration is not less than HKD1 million;
- (b) the annual amount paid or expected to be payable by GZ South China to members of the GZ Port Group pursuant to the Surveying Services Agreement, the Commercial Centre Cooperation Agreement, the Pontoon Lease Agreement, the Security Services Agreement, the Inspection Centre Services Agreement, the Cleaning Services Agreements, the Cargo Handling Services Agreement, the Port Related Fees Agreement, the APM Logistic Project Cooperation Agreement and the Manpower Services Agreement are required to be aggregated and not all of the applicable percentage ratios calculated on such basis are less than 0.1%, but all of them are less

than 2.5%, and the estimated annual consideration is not less than HKD1 million; and

- (c) the annual amount received or expected to be receivable by GZ South China from members of the GZ Port Group pursuant to the Inspection Centre Machinery Lease Agreement, the Inspection Centre Transportation Services Agreement, the Port Related Fees Agreement and the Terminal Areas Lease Agreement are required to be aggregated and not all of the applicable percentage ratios calculated on such basis are less than 0.1%, but all of them are less than 2.5%, and the estimated annual consideration is not less than HKD1 million.

Based on the above applicable percentage ratios for the Transactions, the Transactions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

### **Dredging Project Management Services Agreement**

As GZ South China has engaged a contractor for the project concerning the maintaining of the depth of the water area connecting the Nansha Port Terminal Phase 2 and the dredging of the channel thereunder, GZ South China requires the supervision of such project. GZ Port Project Management has been chosen to provide the project management services by open tender.

### **Lighting Project Agreement**

The lamp posts and the related electricity facilities to be constructed or installed at the Nansha Port Terminal Phase 2 pursuant to the Lighting Project Agreement are required as part of the facilities of the Nansha Port Terminal Phase 2. GZ Port Construction Project has been chosen for to carry out the lighting project by open tender.

### **Surveying Services Agreement**

The surveying services provided under the Surveying Services Agreement are required to monitor the depth of water at the relevant areas to determine whether it is at a suitable level to allow vessels to navigate to and from the Nansha Port Terminal Phase 2 and thus using the port services at Nansha Port Terminal Phase 2. Such surveying services form a necessary part of the infrastructure of the Nansha Port Terminal Phase 2 and are required to ensure the proper operations of the terminal. The fee for the surveying services charged by GZ Engineering is only half of the price charged by the surveying unit of Marine Bureau.

### **Commercial Centre Cooperation Agreement**

The entering into of the Commercial Centre Cooperation Agreement is for making better use of the resources of the parties, increasing the sales of port services and raising the competitiveness of the Nansha Port Terminal Phase 1 and Nansha Port Terminal Phase 2. The Commercial Centre Cooperation Agreement can promote, and help customers to gain a better understanding of, the Nansha Port Terminal Phase 1 and Nansha Port Terminal Phase 2.

### **Pontoon Lease Agreement**

The pontoon leased under the Pontoon Lease Agreement is required for the berthing of



maritime surveillance ships which carry out surveillance work in respect of vessels entering into and departing from the Nansha Port Terminal Phase 2 to ensure safety in the area.

### **Security Services Agreement**

The security services provided under the Security Services Agreement can ensure the safety of assets of the Nansha Port Terminal Phase 2. GZ Port Security was subordinated to Public Security Bureau of Guangzhou Port, its security guards have received strict and formal training and it has employed a sufficient number of security guards. Therefore, the quality and amount of security services provided could be ensured. Moreover, the fee for the security services is reasonable.

### **Inspection Centre Related Agreements**

Cargo inspection services are required for the customs clearance of the cargoes at the Nansha Port. The Inspection Centre is formed to provide the cargo inspection services at the Nansha Port and therefore, better port services can be provided for the customers using the Nansha Port. According to the Inspection Centre Services Agreement, GZ South China and GZ Port Nansha Affairs shall provide certain machinery to GZ Port Logistics for the operation of the Inspection Centre and the Inspection Centre Machinery Lease Agreement forms part of the Inspection Centre Services Agreement. In relation to the cooperation in the management and operation of the Inspection Centre, GZ South China shall be responsible for the transport of cargoes into and/or out of the Inspection Centre, and therefore it has entered into the Inspection Centre Transportation Services Agreement with GZ Port Logistics, which is responsible for managing the operation of the Inspection Centre.

### **Cleaning Services Agreements**

The provision of cleaning services under the Cleaning Services Agreements can ensure a hygienic and clean environment in the office area and port area, and can raise the working efficiency and ensure safety operation of the Nansha Port Terminal Phase 2. GZ Port Property Management has been chosen to provide the cleaning services by open tender. It has years of experience in the provision of cleaning services and the quality of its cleaning services is high.

### **Cargo Handling Services Agreement**

The provision of cargo handling services is required by the vessels berthing at the Nansha Port Terminal Phase 2. The fee arrangement under the Cargo Handling Services Agreement can simplify the relevant procedures for GZ Tally to collect the fees from the shipping companies and GZ South China can receive handling fee from the shipping companies for such fee arrangement.

### **Portable Terminal Equipment Usage Agreement**

The portable terminal equipment to which a right to use is granted by GZ South China to GZ Tally under the Portable Terminal Equipment Usage Agreement is used for communication between GZ South China and GZ Tally in connection with the provision of cargo handling services by GZ Tally pursuant to the Cargo Handling Services Agreement. The entering into of the Portable Terminal Equipment Usage Agreement is for the better management of the portable terminal equipment owned by GZ South China.

## **Port Related Fees Agreement**

Pursuant to the Measures for Charging of Port Construction Fee (港口建設費征收辦法), the Rules for Implementing the Measures for Charging of Port Construction Fee (港口建設費征收辦法實施細則) and the Clarification Notice on the Management of the Charging of the Port Construction Fee after the Organizational Reform of the Ports Directly Subordinated to the State and under Dual Leadership (關於明確原中央直屬和雙重領導港口體制改革後港口建設費征收管理有關問題的通知) issued by the PRC government, port construction fee (港口建設費) in respect of the cargoes entering into and departing from open ports in the PRC, including the Nansha Port Terminal Phase 2, is payable to the PRC government. GZ Port Holding is authorised to charge the port construction fee (港口建設費) in respect of the Nansha Port Terminal Phase 2. As the Nansha Port Terminal Phase 2 is owned and operated by GZ South China, GZ South China is required to charge such fee on behalf of GZ Port Holding. Moreover, pursuant to the Notice for High-frequency Wireless Communication Service Fee (關於甚高頻無線電通訊服務費的通知) issued by GZ Port Holding to operators at the Guangzhou port, high-frequency communication fee (甚高頻通訊費) is payable by 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, to GZ Port Holding. As the Nansha Port Terminal Phase 2 is owned and operated by GZ South China, GZ South China is required to charge/collect the high-frequency communication fee (甚高頻通訊費) on behalf of GZ Port Holding.

As GZ South China is required to charge the port construction fee (港口建設費) and the high-frequency communication fee (甚高頻通訊費) in accordance with the appointment and authorisation of GZ Port Holding, and the Company is required to comply with the requirement for a written agreement in respect of the relevant fee arrangements pursuant to Chapter 14A of the Listing Rules, the Port Related Fees Agreement is entered into by GZ South China and GZ Port Holding. The transactions under the Port Related Fees Agreement can bring income to GZ South China.

## **APM Logistic Project Cooperation Agreement**

The entering into of the APM Logistic Project Cooperation Agreement is for the purpose of integrating the road transportation services of the Nansha Port terminals, enabling the effective use of the port resources, stabilizing and increasing the transaction amount of the logistics services provided by GZ Port Logistics thereunder, and speeding up the development of foreign trade container business at the Nansha Port, which is beneficial to the parties. The entering into of the APM Logistic Project Cooperation Agreement can increase the profits generated by GZ South China and is significant in the building up of the continuing cooperation between the parties in the long run.

## **Terminal Areas Lease Agreement**

Due to the operation circumstances of the stevedoring business in respect of commercial vehicles of GZ Port Vehicle at its own port terminal at the Nansha Port, additional terminal areas are required by GZ Port Vehicle for part of its operation. GZ South China can make better use of its resources at the Nansha Port Terminal Phase 2 and can generate income from the leasing of terminal areas to GZ Port Vehicle under the Terminal Areas Lease Agreement.

## **Manpower Services Agreement**

The board of directors of GZ South China considers that as GZ Port Group is engaged in the business of managing and operating container terminal, certain of the management officials should be appointed by GZ Port Development, a shareholder directly holding a 41% equity interest in GZ South China, for providing manpower services to GZ South China. Similarly, certain of the management officials are appointed by the Group for providing manpower services to GZ South China. The management officials appointed by GZ Port Development remain as employees of GZ Port Development and will not be employees of GZ South China. Therefore, GZ South China should pay GZ Port Development for such provision of manpower services.

The Board, including the independent non-executive directors, believes that the Transactions were entered into in the ordinary and usual course of business of the Group and on normal commercial terms and that the terms thereunder are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **GENERAL INFORMATION**

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

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.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:

“APM Logistic Project Cooperation Agreement”	the agreement dated 4th November 2009 between GZ Port Nansha Affairs, GZ South China and GZ Port Logistics in relation to the cooperation in the provision of certain logistics services for a term from 1st September 2009 to 31st December 2009
“Board”	the board of directors of the Company
“Cargo Handling Services Agreement”	The agreement dated 4th November 2009 between GZ South China and GZ Tally in relation to the provision of cargo handling services for an initial term from 1st January 2009 to 31st December 2009 and the extended term of 1 year thereafter
“Cleaning Services Agreements”	the Office and Residential Area Cleaning Services Agreement, the Office and Residential Area Cleaning Services Supplemental Agreement No. 1, the Office and Residential Area Cleaning Services Supplemental Agreement No. 2, the Port Area Cleaning Services Agreement and the Office, Residential and Port Area

## Cleaning Services Agreement

“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“Commercial Centre Cooperation Agreement”	the agreement dated 4th November 2009 between GZ Port Holding, GZ Port Nansha Affairs, GZ South China, GZ Container Terminal, GZ Port Huangpu Branch, GZ Port Logistics and GZ Port Shipping Affairs in relation to the joint establishment of a commercial centre for container business for a term from 1st January 2009 to 31st December 2009
“connected person”	has the meaning ascribed thereto in the Listing Rules
“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 of the Company
“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 COSCO
“Dredging Project Management Agreement”	the agreement dated 4th November 2009 between GZ South China and GZ Port Project Management in relation to the provision of project management services for a term comprising the project management period of 395 days from 30th April 2009 and the warranty management period from 30th April 2009 to 31st May 2009
“Group”	the Company and its subsidiaries
“GZ Container Terminal”	Guangzhou Container Terminal Company Limited* (廣州集裝箱碼頭有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Engineering”	Guangzhou Navigation Route Engineering Co.* (廣州航道工程公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Construction Project”	Guangzhou Port Construction Project Company* (廣州港建設工程公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Development”	Guangzhou Port Container Comprehensive Development Co., Ltd. (廣州港集裝箱綜合發展有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Group”	GZ Port Holding and its subsidiaries, branches and associates, including GZ Port Project Management, GZ Port Construction Project, GZ Engineering, GZ Port Nansha Affairs, GZ Container

	Terminal, GZ Port Huangpu Branch, GZ Port Logistics, GZ Port Shipping Affairs, GZ Port Security, GZ Port Property Management, GZ Tally, GZ Port Vehicle and GZ Port Development
“GZ Port Holding”	Guangzhou Port Holding Company Limited* (廣州港集團有限公司), a company established in the PRC
“GZ Port Huangpu Branch”	Guangzhou Port Holding Company Limited Huangpu Port Affairs Branch* (廣州港集團有限公司黃埔港務分公司), a company established in the PRC and a branch of GZ Port Holding
“GZ Port Logistics”	Guangzhou Port Holding Logistics Company Limited* (廣州港集團物流有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Property Management”	Guangzhou Port Haiyin Property Management Co., Ltd* (廣州港海印物業管理有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Project Management”	Guangzhou Port Water Transportation Project Management Company* (廣州港水運工程監理公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Nansha Affairs”	Guangzhou Port Nansha Port Affairs Company Limited* (廣州港南沙港務有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Shipping Affairs”	Guangzhou Port Holding Shipping Affairs Company Limited* (廣州港集團船務有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Security”	Guangzhou Port Security Services Co.* (廣州港保安服務公司), a company established in the PRC and a subsidiary of GZ Port Holding
“GZ Port Vehicle”	Guangzhou Port Nansha Vehicle Terminal Company Limited* (廣州港南沙汽車碼頭有限公司), a company established in the PRC and an associate of GZ Port Holding
“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 which is a non wholly-owned subsidiary of the Company
“GZ Tally”	Guangzhou Ocean Shipping Tally Company* (廣州外輪理貨有限公司), a company established in the PRC and a subsidiary of GZ Port Holding
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Inspection Centre”	the central inspection centre (集中查驗中心) at the Nansha Port where cargo inspection services are provided
“Inspection Centre Machinery Lease Agreement”	the agreement dated 4th November 2009 between GZ South China, GZ Port Nansha Affairs and GZ Port Logistics in relation to the leasing of machinery and provision of manpower services for a term from 1st March 2009 to 31st December 2009
“Inspection Centre Related Agreements”	the Inspection Centre Services Agreement, the Inspection Centre Machinery Lease Agreement and the Inspection Centre Transportation Services Agreement
“Inspection Centre Services Agreement”	the agreement dated 4th November 2009 between GZ South China, GZ Port Nansha Affairs and GZ Port Logistics in relation to the cooperation in the management and operation of the Inspection Centre for a term from 1st September 2008 to 31st December 2009
“Inspection Centre Transportation Services Agreement”	the agreement dated 4th November 2009 between GZ South China and GZ Port Logistics in relation to the provision of transportation services for a term from 1st April 2009 to 31st December 2009
“Lighting Project Agreement”	the agreement dated 4th November 2009 between GZ South China and GZ Port Construction Project in relation to the engagement to carry out a lighting project for a term of 68 days from the date of its signing and for a warranty period of 1 year after the verification of the completion of the project
“Line”	entities trading under the names of Maersk Line, Safmarine, MCC or any other future names with majority ownership by A.P. Moller – Maersk A/S, a company incorporated in Denmark with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manpower Services Agreement”	the agreement dated 31st March 2008 between GZ South China and GZ Port Development in relation to the provision of manpower services for a term expiring on 31st December 2010
“Nansha Port”	the Nansha Port, Guangzhou, the PRC
“Nansha Port Terminal Phase 1”	the phase 1 terminal at the Nansha Port, which is owned by GZ Port Holding
“Nansha Port Terminal Phase 2”	the phase 2 terminal at the Nansha Port, which is owned by GZ South China
“Office and Residential Area Cleaning Services Agreement”	the agreement dated 1st October 2007 between GZ South China and GZ Port Property Management in relation to the provision of cleaning services for a term from 1st October 2007 to 30th September 2009

“Office and Residential Area Cleaning Services Supplemental Agreement No. 1”	the supplemental agreement dated 4th November 2009 between GZ South China and GZ Port Property Management in relation to the provision of sanitary items for a term from 1st October 2008 to 30th September 2009
“Office and Residential Area Cleaning Services Supplemental Agreement No. 2”	the supplemental agreement dated 4th November 2009 between GZ South China and GZ Port Property Management in relation to the extension of services under the Office and Residential Area Cleaning Services Agreement for a term from 1st January 2009 to 30th September 2009
“Office, Residential and Port Area Cleaning Services Agreement”	the agreement dated 4th November 2009 between GZ South China and GZ Port Property Management in relation to the provision of cleaning services for a term from 1st October 2009 to 30th September 2012
“Pan Asia”	Shanghai Panasia Shipping Co., Ltd.* (上海泛亞航運有限公司), a subsidiary of COSCON
“Pontoon Lease Agreement”	the agreement dated 4th November 2009 between GZ Port Shipping Affairs, GZ Port Nansha Affairs and GZ South China in relation to the leasing of a pontoon for an initial term of 1 year from 1st October 2008 and the extended term of 1 year thereafter
“Port Area Cleaning Services Agreement”	the agreement dated 1st October 2007 between GZ South China and GZ Port Property Management in relation to the provision of cleaning services for a term from 1st October 2007 to 30th September 2009
“Port Related Fees Agreement”	the letter agreement dated 4th November 2009 between GZ South China and GZ Port Holding in relation to the charging of the port construction fee and high-frequency communication fee for a term from 1st January 2009 to 31st December 2009
“Portable Terminal Equipment Usage Agreement”	the agreement dated 4th November 2009 between GZ South China and GZ Tally in relation to the granting of a right to use certain portable terminal equipment for an initial term from 1st January 2009 to 31st December 2009 and the extended term for 1 year thereafter
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Security Services Agreement”	the agreement dated 4th November 2009 between GZ South China and GZ Port Security in relation to the provision of security

services for a term from 10th November 2008 to 9th November 2009

“Surveying Services Agreement” the agreement dated 4th November 2009 between GZ South China and GZ Engineering in relation to the provision of surveying services for a term from 1st February 2009 to 31st January 2010

“Terminal Areas Lease Agreement” the agreement dated 4th November 2009 between GZ South China and GZ Port Vehicle in relation to the provision of berths and leasing of terminal areas and provision of machinery and manpower services for a term from 12th September 2009 to 31st March 2010

“Transactions” the transactions under the Dredging Project Management Services Agreement, the Lighting Project Agreement, the Surveying Services Agreement, the Commercial Centre Cooperation Agreement, the Pontoon Lease Agreement, the Security Services Agreement, the Inspection Centre Related Agreements, the Cleaning Services Agreements, the Cargo Handling Services Agreement, the Portable Terminal Equipment Usage Agreement, the Port Related Fees Agreement, the APM Logistic Project Cooperation Agreement, the Terminal Areas Lease Agreement and the Manpower Services Agreement

“HKD” Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

*For the purposes of this announcement, the exchange rate of HKD1 = RMB0.8718 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts 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**  
**XU Minjie**  
*Vice Chairman and Managing Director*

Hong Kong, 4th November 2009

As at the date of this announcement, the board of directors of the Company comprises Mr. CHEN Hongsheng<sup>2</sup> (Chairman), Mr. LI Jianhong<sup>1</sup>, Mr. XU Lirong<sup>2</sup>, Ms. SUN Yueying<sup>1</sup>, Mr. XU Minjie<sup>1</sup> (Vice Chairman & Managing Director), Dr. SUN Jiakang<sup>2</sup>, Mr. HE Jiale<sup>1</sup>, Dr. WONG Tin Yau, Kelvin<sup>1</sup>, Mr. YIN Weiyu<sup>1</sup>, Dr. LI Kwok Po, David<sup>3</sup>, Mr. CHOW Kwong Fai, Edward<sup>3</sup>, Mr. Timothy George FRESHWATER<sup>3</sup> and Dr. FAN HSU Lai Tai, Rita<sup>3</sup>.

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director