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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

ANNOUNCEMENT

MAJOR DISPOSAL AND CONNECTED TRANSACTION DISPOSAL OF 49% EQUITY INTEREST IN COSCO LOGISTICS CO., LTD.

DELAY IN LONG STOP DATE AND COMPLETION DATE

Reference is made to the announcement and the circular of the Company in relation to the disposal of 49% equity interest in COSCO Logistics dated 27th August 2009 and 17th September 2009 respectively.

Pursuant to the Agreement, all Conditions shall be fulfilled by the Long Stop Date (being 20th December 2009). However, the Outstanding Conditions have not been fulfilled by such date. Given the delay in fulfillment of the Outstanding Conditions, the Completion will not be able to take place by 31st December 2009. Pursuant to clauses 4.3 and 5.1 of the Agreement, China COSCO and CP Logistics are in negotiation for an extension of the Long Stop Date and the Completion Date, however, no agreement has been reached as at the date of this announcement.

Further announcement in respect of the results of the negotiations will be made by the Company as soon as practicable.

Reference is made to the announcement of the Company dated 27th August 2009 and the circular of the Company dated 17th September 2009 (the “**Circular**”), both in relation to the disposal of 49% equity interest in COSCO Logistics. Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

As stated in the paragraph headed “Conditions Precedent” in the section entitled “Letter from the Board” of the Circular, Completion is conditional upon the satisfaction of the Conditions on or before the Long Stop Date (being 20th December 2009); and if any of the Conditions has not been satisfied on or before the Long Stop Date, CP Logistics and China COSCO shall negotiate for an extension of such date or the termination of the Agreement, and use their respective endeavours to reach a consensus within 20 business days from the Long Stop Date.

As at the date of this announcement, all of the Conditions, except for the obtaining by COSCO Logistics of the approval of the Ministry of Commerce of the PRC or its authorized departments in respect of the transfer; and the completion of the procedures regarding change in business registration of COSCO Logistics and the obtaining of a new business licence by COSCO Logistics (the “**Outstanding Conditions**”), have been fulfilled. Application for approval in respect of the transfer was accepted for processing by an authorized department of the Ministry of Commerce of the PRC in mid December 2009.

As more time is required to complete the relevant governmental approval and registration procedures in order to fulfill the Outstanding Conditions, pursuant to clause 4.3 of the Agreement, China COSCO and CP Logistics are negotiating for an extension to the deadline for fulfillment of the Conditions but no agreement has been reached as at the date of this announcement.

As mentioned in the Circular, Completion shall take place within 10 business days after the procedures in respect of tax payment and foreign exchange approval are completed (applications in relation to such procedures shall be made by CP Logistics and China COSCO upon fulfillment of all the Conditions) and such date shall not be later than 31st December 2009, unless an extension has been agreed between CP Logistics and China COSCO as mentioned therein.

Given the delay in fulfillment of the Outstanding Conditions, the tax payment and foreign exchange approval procedures are unable to be completed in time for the Completion to take place on or before 31st December 2009. Therefore, pursuant to clause 5.1 of the Agreement, China COSCO and CP Logistics are also negotiating for an extension to the Completion Date but no agreement has been reached as at the date of this announcement.

Further announcement in respect of the results of the negotiations will be made by the Company as soon as practicable.

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

Hong Kong, 20th December 2009

As at the date of this announcement, the Board 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. 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