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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Placing Agents

J.P.Morgan

J.P. Morgan Securities Ltd.

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C.

SUMMARY

On 29th April 2010, the Vendor and the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Vendor has conditionally agreed to sell up to an aggregate of 449,000,000 existing Shares (representing approximately 19.85% of the issued share capital of the Company as at the date of the Placing Agreement) and the Placing Agents have conditionally agreed to, severally and not jointly nor jointly and severally,

- (a) purchase or procure purchasers to acquire 387,500,000 existing Shares on a fully underwritten basis; and
- (b) procure purchasers to acquire 61,500,000 existing Shares on a best effort basis,

at the Placing Price determined at HK\$10.40 per Share.

The Placing Price represents a discount of 9.9% to the closing price of HK\$11.54 per Share as quoted on the Stock Exchange on 29th April 2010 (being the last trading day prior to the publication of this announcement) and a discount of approximately 11.5% to the average closing price of approximately HK\$11.748 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 29th April 2010.

The Vendor had also on 29th April 2010 entered into the Subscription Agreement with the Company pursuant to which the Vendor has conditionally agreed to subscribe for the New Shares at the Placing Price. On the basis that all 449,000,000 Placing Shares are sold, the New Shares will represent approximately 19.85% of the issued share capital of the Company as at the date of the Subscription Agreement and approximately 16.56% of the issued share capital of the Company as enlarged by the Subscription.

On the basis that all 449,000,000 Placing Shares are sold such that 449,000,000 New Shares are subscribed by the Vendor under the Subscription, the gross proceeds from the Subscription are estimated to be approximately HK\$4,670 million and the net proceeds from the Subscription (after deduction of commission and expenses of the Placing and the Subscription agreed to be borne by the Company) are estimated to be approximately HK\$4,535 million. Based on such estimated net proceeds, the net subscription price per New Share is approximately HK\$10.10. The Company intends to use the net proceeds of the Subscription to fund acquisitions and investments such as the Sigma Acquisition, capital expenditure, general corporate purposes, as well as to further strengthen the balance sheet and liquidity position of the Company.

THE PLACING AGREEMENT

Date

29th April 2010

Parties

- (a) the Vendor, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of China COSCO (an intermediate controlling shareholder of the Company). China COSCO, through the Vendor and another of its wholly-owned subsidiary, is interested in approximately 51.20% of the issued share capital of the Company. As at the date of the Placing Agreement, the Vendor beneficially owns 955,710,725 Shares, representing approximately 42.24% of the existing issued share capital of the Company;
- (b) the Company; and
- (c) the Placing Agents.

Placing Shares

Pursuant to the Placing Agreement, the Vendor will sell up to 449,000,000 Shares, representing approximately 19.85% of the issued share capital of the Company as at the date of the Placing Agreement of 2,262,525,573 Shares.

Placing and underwriting

The Placing Agents have conditionally agreed to, severally and not jointly nor jointly and severally:

- (a) purchase or procure purchasers to acquire 387,500,000 existing Shares on a fully underwritten basis; and
- (b) procure purchasers to acquire 61,500,000 existing Shares on a best effort basis.

Placing Price

The Placing Price was determined at HK\$10.40 per Placing Share after arm's length negotiations between the Vendor, the Company and the Placing Agents. The Placing Price represents a discount of 9.9% to the closing price of HK\$11.54 per Share as quoted on the Stock Exchange on 29th April 2010 (being the last trading day prior to the publication of this announcement); and a discount of approximately 11.5% to the average closing price of approximately HK\$11.748 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 29th April 2010.

The Board considers that the Placing Price is fair and reasonable.

Rights attached to the Placing Shares

The Placing Shares will be sold free of all liens, charges and encumbrances, claims, options and third party rights and together with all rights attaching thereto as at the date of the Placing Agreement, including the right to receive all dividends or other distributions declared, made or paid on the Placing Shares at any time after the date of the Placing Agreement, including the final dividend of the Company for the year ended 31st December 2009 of 9.3 HK cents per Share.

Independence of Placing Agents and placees

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agents and their ultimate beneficial owners are not connected persons of the Company.

It is expected that there will be not less than six placees who will be independent individual, corporate, institutional or other professional investors selected and procured by the Placing Agents for the placing of the Placing Shares and so far as the Company is aware, such Placees and their ultimate beneficial owners shall be parties independent of and not connected with any of the Company, its subsidiaries, their respective directors, chief executives, substantial shareholders, and their respective associates (as defined under the Listing Rules).

So far as the Company is aware, the Placing will not result in any of the placees becoming a substantial shareholder of the Company.

Conditions of the Placing

Completion of the Placing is conditional upon (among other things): -

- (a) the entering into of a legally binding sale and purchase agreement for the Sigma Acquisition by the Company and the parties thereto, and such agreement not being terminated on the Closing Date;
- (b) there not having come to the attention of any of the Placing Agents at any time prior to Completion (i) any breach of, or any event rendering untrue, incorrect or breached in any respect, any of the representations, warranties or undertakings given by the Vendor and/or the Company in the Placing Agreement or (ii) any breach of, or failure to perform, any of the other agreements, conditions and/or obligations of the Company and/or the Vendor which are required to be performed at or before Completion which would, in the opinion of the Placing Agents after consultation with the Company to the extent practicable, make the Placing impractical or inadvisable;
- (c) there not having come to the attention of any of the Placing Agents at any time prior to Completion (i) any change in local or international financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls or (ii) any suspension of dealings in the Shares for any period whatsoever (even if such suspension is subsequently lifted prior to Completion) other than as a result of the Placing, the Sigma Acquisition or a suspension which is routine in nature, or any cancellation of the listing of the Shares, on the Stock Exchange or (iii) any adverse announcement, determination or ruling of any governmental or other regulatory body (including delay in approval of this announcement or any other relevant announcement by any relevant stock exchange if such prior approval is required) or (iv) any new law or legislation or any change or development involving a prospective change in existing laws or regulations, which would in the opinion of the Placing Agents, prejudice materially the success of the Placing.

If any of the above conditions shall not have been fulfilled or waived by the Placing Agents by Completion, the Placing Agreement shall cease and terminate.

The Placing Agents shall also have the right exercisable at any time by notice in writing to the Vendor to terminate the Placing Agreement if any of the Placing Shares are not delivered on behalf of the Vendor in accordance with the terms of the Placing Agreement.

Completion of the Placing

Subject to fulfilment of the conditions as set out in the Placing Agreement, completion of the Placing is expected to take place at 10:00 a.m. on 4th May 2010 or such other time or date as the Vendor and the Placing Agents shall agree.

Lockup Undertaking

The Company has undertaken to each Placing Agent that (except for (i) the New Shares to be allotted and issued pursuant to the Subscription Agreement; (ii) any new Shares or options to be issued pursuant to any existing or previous share option schemes of the Company; (iii) any Shares or other securities or rights issued or granted to shareholders by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its Bye-laws or on the exercise of rights existing at the date of the Placing Agreement) from the date of the Placing Agreement and on and prior to the date being 90 calendar days after the date of the Placing Agreement it will not without the prior written consent of the Placing Agents (which

consent shall not be unreasonably withheld or delayed) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

THE SUBSCRIPTION AGREEMENT

Date

29th April 2010

Parties

- (a) the Vendor; and
- (b) the Company.

The New Shares

Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for such number of new Shares as are equal to the number of Placing Shares which the Subscriber has sold pursuant to the Placing Agreement (in any event not exceeding 449,000,000 Shares). On the basis that all 449,000,000 Placing Shares are sold, the New Shares will represent approximately 19.85% of the issued share capital of the Company as at the date of the Subscription Agreement or approximately 16.56% of the issued share capital of the Company as enlarged by the Subscription.

Subscription price

The subscription price for the New Shares is the same as the Placing Price, being HK\$10.40 per New Share. The Company will reimburse the Vendor for the costs and expenses (save as legal costs) incurred by it in connection with (i) the Placing according to the Placing Agreement and (ii) the Subscription. The Vendor shall be entitled to keep the interest earned on the net proceeds from the Placing during the period from completion of the Placing up to completion of the Subscription.

General mandate to issue New Shares

The New Shares will be issued pursuant to the general mandate granted by the shareholders of the Company to the Directors on 27th May 2009 and shareholders' approval is therefore not required for the allotment and issue of the New Shares. The maximum number of Shares which may be issued by the Company pursuant to the general mandate mentioned above is 449,005,859 Shares. As at the date of this announcement, no Shares have been issued by the Company pursuant to the general mandate mentioned above.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be issued pursuant to the Subscription.

Ranking

The New Shares, when issued and fully paid, will rank equally with the Shares in issue as at the date of allotment of the New Shares and in particular will rank in full for all dividends and other distributions declared made or paid at any time after 29th April 2010, including the final dividend of the Company for the year ended 31st December 2009 of 9.3 HK cents per Share irrespective of the record date for such final dividend.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (a) the completion of the Placing; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all the New Shares (and such listing and permission have not been subsequently revoked prior to the delivery of definitive share certificate(s) representing the New Shares under the Subscription Agreement).

In the event that the above conditions are not fulfilled on or before the date which is 13 days following the date of the Placing Agreement or such later date as may be agreed between the Company and the Vendor in writing subject to compliance with the Listing Rules, the Subscription Agreement and all rights and obligations thereunder will cease and terminate save for the obligation of the Company to reimburse the Vendor for cost and expenses (save as legal cost) incurred by the Vendor in connection with the Placing and the Subscription.

Completion of the Subscription

Completion of the Subscription will take place at a time to be fixed between the Company and the Vendor and in any event within one business day following the receipt by the Vendor of written confirmation that the conditions to the Subscription have been satisfied and in any event no later than 13 days following the date of the Placing Agreement or such later date as may be agreed between the Company and the Vendor subject to compliance with all applicable requirements in relation to connected transactions under the Listing Rules. If the Subscription is not completed and the New Shares are not issued to the Vendor within 13 days following the date of the Placing Agreement, the Subscription will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Further announcement will be made by the Company if this occurs.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The shareholdings in the Company as at the date of the Placing Agreement and Subscription Agreement and immediately after the Placing and the Subscription are summarised as follows:

	As at the date of the Placing Agreement and Subscription Agreement		Immediately after completion of the Placing but before the Subscription (on the basis that all 449,000,000 Placing Shares are sold)		Immediately after completion of the Placing and the Subscription (on the basis that all 449,000,000 Placing Shares are sold)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Vendor (Note 1)	955,710,725	42.24	506,710,725	22.39	955,710,725	35.25
COSCO Investments Limited (Note 1)	202,592,613	8.96	202,592,613	8.96	202,592,613	7.47
Directors (Note 2)	291,187	0.01	291,187	0.01	291,187	0.01
Public shareholders (including the places)	1,103,931,048	48.79	1,552,931,048	68.64	1,552,931,048	57.27
Total	2,262,525,573	100.00	2,262,525,573	100.00	2,711,525,573	100.00

Notes:

1. The Vendor and COSCO Investments Limited are all wholly-owned subsidiaries of China COSCO, which in aggregate is interested in approximately 51.20% of the existing issued share capital of the Company as at the date of the Placing Agreement and the Subscription Agreement. China COSCO's interests in the issued share capital of the Company (held through its above mentioned subsidiaries) will be decreased to approximately 31.35% immediately after completion of the Placing and will be increased to approximately 42.72% immediately after completion of the Subscription.
2. These Shares include 261,187 Shares held by Dr. LI Kwok Po David and 30,000 Shares held by Mr. Timothy George FRESHWATER, representing approximately 0.012% and 0.001% of the issued share capital of the Company as at the date of the Placing Agreement and the Subscription Agreement.

Immediately after completion of the Placing and the Subscription, China COSCO's interest in the Company will be approximately 42.72% and will remain the largest shareholder of the Company.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

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

The Directors consider that the Placing and the Subscription represent an opportunity to raise capital opportunistically from the market to strengthen the Company's balance sheet and cash resources, and support the Sigma Acquisition. This will also allow the Company to be strategically and financially flexible and nimble to be in a position to capture future expansion and acquisition growth opportunities as the Company continues its strategic transformation. Accordingly, the Placing and the Subscription are in the interest of the Company and its shareholders taken as a whole.

On the basis that all 449,000,000 Placing Shares are sold such that 449,000,000 New Shares are subscribed by the Vendor under the Subscription, the gross proceeds from the Subscription are estimated to be approximately HK\$4,670 million and the net proceeds from the Subscription (after deduction of commission and expenses of the Placing and the Subscription agreed to be borne by the Company) are estimated to be approximately HK\$4,535 million. Based on such estimated net proceeds, the net subscription price per New Share is approximately HK\$10.10. The Company intends to use the net proceeds of the Subscription to fund acquisitions and investments such as the Sigma Acquisition, capital expenditure, general corporate purposes, as well as to further strengthen the balance sheet and liquidity position of the Company.

The Company has not had any equity fund raising activities over the past 12 months.

DEFINITIONS

“China COSCO”	China COSCO Holdings Company Limited (中國遠洋控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which shares are listed on the main board of the Stock Exchange (Stock Code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange in the PRC, and the intermediate controlling shareholder of the Company
“Closing Date”	10:00 a.m. on 4th May 2010 or such other date as the Vendor and the Placing Agents may agree
“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Stock Exchange
“Completion”	completion of the Placing pursuant to the Placing Agreement
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	such number of new Shares as are equal to the number of Shares which the Subscriber has sold pursuant to the Placing Agreement (in any event not exceeding 449,000,000 new Shares) to be subscribed by the Vendor under the Subscription
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement

“Placing Agents”	J.P. Morgan Securities Ltd. and Goldman Sachs (Asia) L.L.C.
“Placing Agreement”	the conditional placing agreement dated 29th April 2010 between the Vendor, the Company and the Placing Agents relating to the Placing
“Placing Price”	HK\$10.40 per Placing Share
“Placing Shares”	up to 449,000,000 existing Shares to be sold by the Vendor pursuant to the Placing Agreement
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Sigma Acquisition”	the acquisition of approximately 13.70% effective interest in Sigma Enterprises Limited, the details of which are disclosed in an announcement of the Company dated 29th April 2010
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Vendor of the New Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 29th April 2010 between the Vendor and the Company relating to the Subscription
“Vendor”	COSCO Pacific Investment Holdings Limited, a company incorporated in Hong Kong which is a wholly-owned subsidiary of China COSCO (an intermediate controlling shareholder of the Company)

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

Hong Kong, 29th April 2010

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