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### **COSCO Pacific Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1199)**

## **ISSUANCE OF US\$300,000,000 4.375% GUARANTEED NOTES DUE 2023**

Reference is made to the announcement of the Company dated 18th January 2013 in respect of the Notes Issue. The Board is pleased to announce that on 24th January 2013, the Company, the Issuer, BOC International, Deutsche Bank, J.P. Morgan and UBS entered into the Subscription Agreement in connection with the Notes Issue in the aggregate principal amount of US\$300,000,000.

The Issuer currently intends to on-lend the net proceeds of the Notes to the Company and/or its subsidiaries, which will be used primarily for the capital investment for the expansion of the Group's terminal and container leasing businesses, the repayment of the Group's existing indebtedness and general corporate purposes.

The Issuer will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company or the Notes.

**As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

## **SUBSCRIPTION AGREEMENT**

Dated: 24th January 2013

Parties:

- (1) the Issuer;
- (2) the Company; and
- (3) BOC International, Deutsche Bank, J.P. Morgan and UBS

UBS is the sole global coordinator and BOC International, Deutsche Bank, J.P. Morgan and UBS are the joint bookrunners and the joint lead managers in respect of the offer and sale of the Notes. Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, BOC International, Deutsche Bank, J.P. Morgan and UBS each severally and not jointly agree to subscribe and pay for, or procure subscribers to subscribe and pay for, the Notes. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of BOC International, Deutsche Bank, J.P. Morgan and UBS is an independent third party and not a connected person of the Company.

The Notes have not been and will not be registered under the Securities Act or any state securities law. The Notes will only be offered and sold outside the United States in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong or placed to any connected persons of the Company.

## **PRINCIPAL TERMS OF THE NOTES**

### *Notes offered*

Subject to closing conditions, the Issuer will issue the Notes in the aggregate principal amount of US\$300,000,000 which will mature on 31st January 2023, unless earlier redeemed or purchased and cancelled in accordance with the Conditions.

### *Offer Price*

The offer price of the Notes will be 99.320% of the principal amount of the Notes.

### *Interest*

The Notes will bear interest on their outstanding principal amount from and including 31st January 2013 at a rate of 4.375% per annum, payable semi-annually on 31st January and 31st July each year.

### *Status of the Notes*

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 4(A) of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### *Guarantee*

The Company will guarantee the due and punctual payment by the Issuer under the Notes pursuant to the Guarantee. The Guarantee constitutes a direct, general, unconditional, unsubordinated and (subject to Condition 4(A) of the Conditions) unsecured obligation of the Company which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Company is a holding company, and accordingly, payments under the Guarantee are effectively subordinated to all existing and future liabilities of each of the Company's subsidiaries (other than the Issuer).

### *Events of Default*

The Notes contain certain events of default including, among other things:

- (a) failure to pay any amount of principal in respect of the Notes on the due date and such failure continues for a period of seven days, or failure to pay any amount of interest in respect of the Notes on the due date and such failure continues for a period of 14 days;
- (b) default by the Issuer, the Company or any Material Subsidiary (as defined in the Conditions) in the repayment of indebtedness (excluding Project Financings as defined in the Conditions) which, individually or in the aggregate, exceeds US\$30,000,000; and
- (c) the insolvency or winding-up of or the inability to pay its debts when due for a continuous period of 60 days or more of the Issuer, the Company or any Material Subsidiary.

If an event of default under the Notes occurs, the principal amount of the Notes, together with accrued interest, may become immediately due and payable, subject to the notice provisions and other applicable provisions under the Conditions.

### *Covenants*

In accordance with the Conditions, as long as any Note remains outstanding,

- (a) neither the Issuer nor the Company shall, and the Issuer and the Company shall procure that, save for any Permitted Security Interest (as defined in the Conditions), none of their respective subsidiaries will, create or permit to subsist any Security Interest (as defined in the Conditions) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness (as defined in the Conditions) or Guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Notes equally and rateably therewith or (ii) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of Noteholders;
- (b) the Company shall maintain a Consolidated Tangible Net Worth (as defined in the Conditions) of not less than US\$850,000,000;



“BOC International”	BOCI Asia Limited, one of the joint bookrunners and the joint lead managers in respect of the Notes Issue
“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“Conditions”	the terms and conditions of the Notes
“connected person(s)”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and the joint lead managers in respect of the Notes Issue
“Directors”	the directors of the Company
“Fiscal Agency Agreement”	the fiscal agency agreement to be dated on or around 31st January 2013 and entered into amongst the Issuer, the Company, Deutsche Bank Luxembourg S.A. as registrar and Deutsche Bank AG, Hong Kong Branch as fiscal agent, transfer agent and paying agent
“Group”	the Company and its subsidiaries
“Guarantee”	the deed of guarantee to be dated on or around 31st January 2013 and entered into by the Company in favour of the Beneficiaries defined therein
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	COSCO Pacific Finance (2013) Company Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint bookrunners and the joint lead managers in respect of the Notes Issue
“Notes”	the USD guaranteed notes to be issued by the Issuer and guaranteed by the Company
“Notes Issue”	the issue of Notes by the Issuer

“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 24th January 2013 entered into amongst the Issuer, the Company, BOC International, Deutsche Bank, J.P. Morgan and UBS in relation to the Notes Issue
“UBS”	UBS AG, Hong Kong Branch, the sole global coordinator and one of the joint bookrunners and the joint lead managers in respect of the Notes Issue
“US\$”	U.S. dollars, the lawful currency of the United States of America

By Order of the Board  
**COSCO Pacific Limited**  
**WANG Xingru**  
*Vice Chairman & Managing Director*

Hong Kong, 25th January 2013

As at the date of this announcement, the Board comprises Mr. LI Yunpeng<sup>2</sup> (Chairman), Dr. WANG Xingru<sup>1</sup> (Vice Chairman & Managing Director), Mr. WAN Min<sup>2</sup>, Mr. HE Jiale<sup>1</sup>, Mr. FENG Jinhua<sup>1</sup>, Mr. FENG Bo<sup>1</sup>, Mr. WANG Haimin<sup>2</sup>, Mr. WANG Wei<sup>2</sup>, Dr. WONG Tin Yau, Kelvin<sup>1</sup>, Mr. YIN Weiyu<sup>1</sup>, Mr. CHOW Kwong Fai, Edward<sup>3</sup>, Mr. Timothy George FRESHWATER<sup>3</sup>, Dr. FAN HSU Lai Tai, Rita<sup>3</sup>, Mr. Adrian David LI Man Kiu<sup>3</sup> and Mr. IP Sing Chi<sup>3</sup>.

<sup>1</sup> Executive Director

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

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