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COSCO Pacific Limited
中遠太平洋有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

ANNOUNCEMENT

CONNECTED TRANSACTION

Reference is made to the announcement of COSCO Pacific Limited (the “**Company**”) dated 18 March 2016. Unless otherwise defined herein, terms defined in or for the purpose of that announcement have the same meanings in this announcement.

On 27 June 2013, Jinzhou New Age (a subsidiary of CSPD which has become a member of the Group following completion of the Acquisition), CS Finance and ICBC (through its Shanghai Municipal Waitan sub-branch) entered into the Syndicated Loan Agreement, pursuant to which CS Finance and ICBC agreed to provide a term loan of up to RMB285,000,000 to Jinzhou New Age for a term commencing from 27 June 2013 to 27 June 2025. As CS Finance is a member of the CS Group and members of the CS Group are connected persons of the Company, the Syndicated Loan Agreement constitutes a connected transaction of the Company.

Pursuant to the Pledge Agreement dated 27 June 2013, the outstanding loan amount and other obligations of Jinzhou New Age under the Syndicated Loan Agreement are secured by certain fixed assets of Jinzhou New Age.

As the highest of the applicable percentage ratios in respect of the Syndicated Loan Agreement is more than 0.1% and less than 5%, the transaction is subject to the announcement and reporting but exempt from independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

Syndicated Loan Agreement

On 27 June 2013, Jinzhou New Age, CS Finance and ICBC (through its Shanghai Municipal Waitan sub-branch) entered into the Syndicated Loan Agreement. Following completion of the Acquisition, Jinzhou New Age (which is a subsidiary of CSPD) has become a member of the Group. As CS Finance is a member of the CS Group and members of the CS Group are

connected persons of the Company, the Syndicated Loan Agreement constitutes a connected transaction of the Company.

The principal terms of the Syndicated Loan Agreement are set out below:

| Date: | 27 June 2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|--|-----------------|-------------------|------------------|--------------|--------------|--------------|------------------|--------------|--------------|--------------|------------------|--------------|--------------|---------------|------------------|--------------|--------------|---------------|------------------|--------------|--------------|---------------|------------------|--------------|--------------|---------------|------------------|--------------|--------------|---------------|
| Parties: | Jinzhou New Age (as borrower); CS Finance (as lender); and ICBC (through its Shanghai Municipal Waitan sub-branch)(as mandated lead arranger, lender and agent bank). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Duration: | From 27 June 2013 to 27 June 2025 (the “ Last Repayment Date ”). The Last Repayment Date may be extended with the consent of all lenders under the Syndicated Loan Agreement. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nature of transaction: | Provision of a RMB285,000,000 term loan by CS Finance and ICBC to Jinzhou New Age. Under the Syndicated Loan Agreement, the maximum commitments of ICBC and CS Finance were RMB171,000,000 and RMB114,000,000 respectively. The commitments of ICBC and CS Finance under the Syndicated Loan Agreement were several. The outstanding principal amount of the loan owed to CS Finance under the Syndicated Loan Agreement upon completion of the Acquisition was RMB105,000,000. No further drawdowns under the Syndicated Loan Agreement will be made by Jinzhou New Age. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest rate: | 10% discount to the benchmark RMB loan interest rate for one-year-loans published by PBOC from time to time as at the relevant interest rate reference date under the Syndicated Loan Agreement. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Repayment Schedule: | Repayment of the loan to the lenders shall be made on a scheduled basis as follows: <table><thead><tr><th>Repayment Date:</th><th>Repayment Amount:</th></tr></thead><tbody><tr><td>27 December 2013</td><td>RMB2,400,000</td></tr><tr><td>27 June 2014</td><td>RMB5,600,000</td></tr><tr><td>27 December 2014</td><td>RMB3,000,000</td></tr><tr><td>27 June 2015</td><td>RMB7,000,000</td></tr><tr><td>27 December 2015</td><td>RMB4,500,000</td></tr><tr><td>27 June 2016</td><td>RMB10,500,000</td></tr><tr><td>27 December 2016</td><td>RMB6,000,000</td></tr><tr><td>27 June 2017</td><td>RMB14,000,000</td></tr><tr><td>27 December 2017</td><td>RMB7,500,000</td></tr><tr><td>27 June 2018</td><td>RMB17,500,000</td></tr><tr><td>27 December 2018</td><td>RMB8,100,000</td></tr><tr><td>27 June 2019</td><td>RMB18,900,000</td></tr><tr><td>27 December 2019</td><td>RMB8,700,000</td></tr><tr><td>27 June 2020</td><td>RMB20,300,000</td></tr></tbody></table> | Repayment Date: | Repayment Amount: | 27 December 2013 | RMB2,400,000 | 27 June 2014 | RMB5,600,000 | 27 December 2014 | RMB3,000,000 | 27 June 2015 | RMB7,000,000 | 27 December 2015 | RMB4,500,000 | 27 June 2016 | RMB10,500,000 | 27 December 2016 | RMB6,000,000 | 27 June 2017 | RMB14,000,000 | 27 December 2017 | RMB7,500,000 | 27 June 2018 | RMB17,500,000 | 27 December 2018 | RMB8,100,000 | 27 June 2019 | RMB18,900,000 | 27 December 2019 | RMB8,700,000 | 27 June 2020 | RMB20,300,000 |
| Repayment Date: | Repayment Amount: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2013 | RMB2,400,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2014 | RMB5,600,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2014 | RMB3,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2015 | RMB7,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2015 | RMB4,500,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2016 | RMB10,500,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2016 | RMB6,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2017 | RMB14,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2017 | RMB7,500,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2018 | RMB17,500,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2018 | RMB8,100,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2019 | RMB18,900,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 December 2019 | RMB8,700,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 June 2020 | RMB20,300,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|------------------|---------------|
| 27 December 2020 | RMB9,000,000 |
| 27 June 2021 | RMB21,000,000 |
| 27 December 2021 | RMB9,000,000 |
| 27 June 2022 | RMB21,000,000 |
| 27 December 2022 | RMB9,000,000 |
| 27 June 2023 | RMB21,000,000 |
| 27 December 2023 | RMB9,000,000 |
| 27 June 2024 | RMB21,000,000 |
| 27 December 2024 | RMB9,300,000 |
| 27 June 2025 | RMB21,700,000 |

Pledge Agreement

On 27 June 2013, Jinzhou New Age and ICBC (through its Shanghai Municipal Waitan sub-branch and acting on behalf of all lenders under the Syndicated Loan Agreement) entered into the Pledge Agreement, pursuant to which certain fixed assets of Jinzhou New Age (including certain machinery and land use rights) were pledged as security for the outstanding loan amount and other obligations owed by Jinzhou New Age under the Syndicated Loan Agreement.

Connected relationship

China COSCO Shipping Corporation Limited (“**COSCO SHIPPING**”) is an indirect controlling shareholder of the Company. COSCO SHIPPING is also the controlling shareholder of China Shipping. Therefore, members of the CS Group (including CS Finance) are connected persons of the Company.

Listing Rules implications

The Syndicated Loan Agreement constitutes a connected transaction of the Company. As the highest of the applicable percentage ratios in respect of the Syndicated Loan Agreement is more than 0.1% and less than 5%, the transaction is subject to the announcement and reporting requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

Jinzhou New Age was a former member of the CS Group and following the completion of the Acquisition, became a member of the Group. The funds borrowed by Jinzhou New Age under the Syndicated Loan Agreement was used to refinance certain project loans of Jinzhou New Age.

None of the Directors has any material interest in the connected transaction under the Syndicated Loan Agreement. The Board does not consider Directors who also hold positions in other members of the CS Group to have any material interest in the Syndicated Loan Agreement and such Directors will not be required to abstain from voting on the relevant resolutions approving the Syndicated Loan Agreement.

The Directors including all the independent non-executive Directors are of the view that the Syndicated Loan Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms and that the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Group is principally engaged in the businesses of managing and operating terminals, and related businesses.

CS Finance is an indirect non wholly owned subsidiary of China Shipping. CS Finance is a company incorporated in the PRC with its principal business in deposit services, credit services, financial and financing consultation, credit verification and related consultation and agency services, settlement, and liquidation.

ICBC is an independent commercial bank based in the PRC.

DEFINITIONS

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| “associate(s)” | has the meaning ascribed thereto in the Listing Rules |
| “connected person(s)” | has the meaning ascribed thereto in the Listing Rules |
| “China Shipping” | China Shipping (Group) Company* (中國海運(集團)總公司), a state-owned enterprise of the PRC |
| “CS Finance” | China Shipping Finance Company Ltd.* (中海集團財務有限責任公司), a company established in the PRC |
| “CS Group” | China Shipping and its subsidiaries and their respective associates |
| “Group” | the Company and its subsidiaries |
| “ICBC” | Industrial and Commercial Bank of China Limited |
| “Jinzhou New Age” | Jinzhou New Age Container Terminal Co., Ltd.* (錦州新時代集裝箱碼頭有限公司), a company established in the PRC |
| “PBOC” | People’s Bank of China 中國人民銀行, the central bank of the PRC |
| “PRC” | the People’s Republic of China |
| “percentage ratios” | percentage ratios calculated by the Company pursuant to Rule 14.07 of the Listing Rules |
| “Pledge Agreement” | the pledge agreement dated 27 June 2013 between Jinzhou New Age and ICBC (through its Shanghai Municipal Waitan sub-branch and acting on behalf of all lenders under the Syndicated Loan Agreement) in relation to the pledge arrangements securing the outstanding loan amount and other obligations of Jinzhou New Age under the Syndicated Loan Agreement |
| “subsidiary(ies)” | has the meaning ascribed thereto in the Listing Rules |

“Syndicated Loan Agreement”

the RMB285,000,000 syndicated loan agreement dated 27 June 2013 between Jinzhou New Age, CS Finance and ICBC (through its Shanghai Municipal Waitan sub-branch)

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
ZHANG Wei
Vice Chairman & Managing Director

Hong Kong, 24 May 2016

As at the date of this announcement, the Board comprises Mr. HUANG Xiaowen² (Chairman), Mr. ZHANG Wei¹ (Vice Chairman & Managing Director), Mr. FANG Meng¹, Mr. DENG Huangjun¹, Mr. TANG Runjiang¹, Mr. FENG Bo¹, Mr. WANG Wei², Mr. WANG Haimin², Dr. WONG Tin Yau, Kelvin¹, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. IP Sing Chi³, Mr. FAN Ergang³ and Mr. LAM Yiu Kin³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director