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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

CONTINUING CONNECTED TRANSACTIONS

Further to the announcement of the Company dated 23 March 2007 regarding provisions of logistics services by Yangzhou Ports Modern Logistics, a wholly-owned subsidiary of Yangzhou Ports, to Yangzhou Yuanyang, a subsidiary of the Company for a term from 1 March 2004 to 28 February 2007, the Board would like to announce that on 20 April 2007, Yangzhou Yuanyang entered into the New Yangzhou Ancillary Loading and Unloading Transportation Services Agreement with Yangzhou Ports Modern Logistics which constituted continuing connected transactions of the Company.

Since one or more of the relevant percentage ratio(s) for the Yangzhou Logistics Continuing Connected Transactions calculated on an annual basis by reference to the service fees payable under the New Yangzhou Ancillary Loading and Unloading Transportation Services Agreement by Yangzhou Yuanyang to Yangzhou Ports Modern Logistics are more than 0.1%, but are all less than 2.5% and the total consideration is more than HK\$1 million, in accordance with Rule 14A.34 of the Listing Rules, the transactions contemplated thereunder are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement of the Listing Rules.

YANGZHOU LOGISTICS CONTINUING CONNECTED TRANSACTIONS

(A) Particulars of the New Yangzhou Ancillary Loading and Unloading Transportation Services Agreement

Date:	20 April 2007
Parties:	Yangzhou Yuanyang Yangzhou Ports Modern Logistics, a wholly-owned subsidiary of Yangzhou Ports
Duration:	1 March 2007 to 31 December 2009
Nature of transaction:	Provision of logistics services by Yangzhou Ports Modern Logistics to Yangzhou Yuanyang, including (1) operation and management of cargo loading and unloading, and transshipment etc, (2) tallying of all goods and materials (other than containers but including loading and unloading of bulk goods) within a port area, warehouse management, preparation of various invoices and establishment of complete essential data, (3) operations and normal maintenance of cranes, forklifts loaders (other than forklifts for empty containers) and equipment for levelling bulk goods, and (4) provision and management of tools (including steel wires, nets, anchor chains, locks, straps, lifting tools, etc.)

Service fees: The service fees charged by Yangzhou Ports Modern Logistics on Yangzhou Yuanyang are payable monthly by reference to volume of work handled by Yangzhou Ports Modern Logistics. Yangzhou Ports Modern Logistics shall be responsible to meet the safety, quality and quantity, and equipment management criteria and to achieve the targeted volume of handling work. If Yangzhou Ports Modern Logistics cannot fulfill such criteria or achieve such targeted volume, the services fees will be deducted monthly according to the stipulated fee scale as agreed between the parties.

(B) Proposed annual cap for the transaction:

Consideration payable by Yangzhou Yuanyang:

For the year ending 31 December 2007	For the year ending 31 December 2008	For the year ending 31 December 2009
US\$3,735,000 (<i>Note</i>)	US\$4,109,000	US\$4,518,000

Note: The annual cap for the year ending 31 December 2007 comprises the amount of consideration for the sum of US\$446,976 paid by Yangzhou Yuanyang to Yangzhou Ports Modern Logistics for the two months ended 28 February 2007 as disclosed in the announcement of the Company dated 23 March 2007.

(C) Basis of the proposed cap:

By reference to the nature of transactions, the aggregate annual values of the transactions for the three years ended 31 December 2006 of US\$2,451,038, US\$3,861,925 and US\$4,452,972 respectively, the existing scale and operations of the businesses of Yangzhou Yuanyang, the anticipated growth and development of the businesses of Yangzhou Yuanyang and the anticipated demand for logistics services.

RELATIONSHIP BETWEEN THE COMPANY AND THE COUNTERPARTY TO THE AGREEMENT

Yangzhou Ports holds a 40% equity interest in Yangzhou Yuanyang, which is a subsidiary of the Company, and therefore Yangzhou Ports Group (which includes Yangzhou Ports Modern Logistics) is a connected person of the Company. Yangzhou Ports Group is principally engaged in containers and cargos loading and unloading, warehouse and transportation businesses.

Since one or more of the relevant percentage ratio(s) for the Yangzhou Logistics Continuing Connected Transactions calculated on an annual basis by reference to the service fees payable under the New Yangzhou Ancillary Loading and Unloading Transportation Services Agreement by Yangzhou Yuanyang to Yangzhou Ports Modern Logistics are more than 0.1%, but are all less than 2.5% and the total consideration is more than HK\$1 million, in accordance with Rule 14A.34 of the Listing Rules, the transactions contemplated thereunder are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement of the Listing Rules.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in the businesses of container leasing, container management, managing and operating container terminals, logistics, container manufacturing and related businesses and other investments. The principal business activities of Yangzhou Yuanyang include construction and management of public terminal facilities, and construction and management of storage facilities relating to loading, unloading and conveyance businesses.

The Board considers that the Yangzhou Logistics Continuing Connected Transactions are 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. The independent non-executive directors of the Company have concurred with such views of the Board.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	COSCO Pacific Limited
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Yangzhou Ancillary Loading and Unloading Transportation Services Agreement”	the Ancillary Loading and Unloading Transportation Services Agreement dated 20 April 2007 entered into between Yangzhou Ports Modern Logistics and Yangzhou Yuanyang
“PRC”	People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Yangzhou Logistics Continuing Connected Transactions”	the provision of logistics services contemplated under the New Yangzhou Ancillary Loading and Unloading Transportation Services Agreement
“Yangzhou Ports”	Yangzhou Ports (Group) Limited (揚州港務集團有限公司), a company established in the PRC which holds a 40% equity interest in Yangzhou Yuanyang
“Yangzhou Ports Group”	Yangzhou Ports and its subsidiaries
“Yangzhou Ports Modern Logistics”	Yangzhou Ports Modern Logistics Centre (揚州港現代物流中心), a company established in the PRC and a wholly-owned subsidiary of Yangzhou Ports

“Yangzhou Yuanyang”	Yangzhou Yuanyang International Ports Co. Ltd. (揚州遠揚國際碼頭有限公司), a sino-foreign equity joint venture company established in the PRC which is owned as to more than 50% equity interest by the Group and thus is a subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of PRC
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 20 April 2007

As at the date of this announcement, members of the Board are Dr. WEI Jiafu² (Chairman), Mr. CHEN Hongsheng¹, Mr. LI Jianhong¹, Mr. XU Lirong², Ms. SUN Yueying¹, Mr. XU Minjie¹ (Vice Chairman & Managing Director), Dr. SUN Jiakang², Mr. WONG Tin Yau, Kelvin¹, Mr. WANG Zhi¹, Mr. QIN Fuyan¹, Dr. LI Kwok Po, David³, Mr. LIU Lit Man³, Mr. CHOW Kwong Fai, Edward³ and Mr. Timothy George FRESHWATER³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director

*Please also refer to the published version of this announcement in **The Standard**.*