

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **COSCO Pacific Limited**, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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## **COSCO Pacific Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 1199)**

**PROPOSALS INVOLVING  
GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES,  
AMENDMENTS TO BYE-LAWS,  
RE-ELECTION OF RETIRING DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of COSCO Pacific Limited to be held at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong on Friday, 20th May 2005 at 2:30 p.m. is set out on pages 13 to 17 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company in Hong Kong at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the meeting should they so wish.

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at 49th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 20th May 2005 at 2:30 p.m.;
“AGM Notice”	the notice dated 31st March 2005 convening the AGM as set out in pages 13 to 17 of this circular;
“associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of directors of the Company or a duly authorised committee thereof for the time being;
“Bye-laws”	the Bye-laws of the Company as may be amended from time to time;
“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company for the time being;
“Group”	the Company and/or its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China;
“Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution no. 5(A) of AGM Notice up to 20% of the issued share capital of the Company as at the date of passing this resolution;
“Latest Practicable Date”	21st March 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice;
“Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in the Ordinary Resolution no. 5(B) of AGM Notice up to 10% of the issued share capital of the Company as at the date of passing this resolution;
“SFO”	The Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Share(s);
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange;
“Special Resolution”	the proposed special resolution as referred to in the AGM Notice;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

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# LETTER FROM THE CHAIRMAN

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## COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

*Executive Directors:*

Mr. WEI Jiafu (*Chairman*)  
Mr. LIU Guoyuan (*Vice Chairman*)  
Mr. ZHANG Fusheng  
Mr. WANG Futian  
Mr. CHEN Hongsheng  
Mr. LI Jianhong  
Mr. MA Zehua  
Mr. MA Guichuan  
Mr. LI Yunpeng  
Ms. SUN Yueying  
Mr. ZHOU Liancheng  
Mr. SUN Jiakang (*Managing Director*)  
Mr. XU Lirong  
Mr. HE Jiale  
Mr. WONG Tin Yau, Kelvin  
Mr. MENG Qinghui  
Mr. LU Chenggang  
Mr. QIN Fuyan

*Registered Office:*

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business:*

49th Floor, COSCO Tower  
183 Queen's Road Central  
Hong Kong

*Independent Non-executive Directors:*

Dr. LI Kwok Po, David  
Mr. LIU Lit Man  
Mr. Alexander Reid HAMILTON

*Non-executive Director:*

Mr. KWONG Che Keung, Gordon

*Company Secretary:*

Ms. HUNG Man

31st March 2005

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS INVOLVING  
GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES,  
AMENDMENTS TO BYE-LAWS,  
RE-ELECTION OF RETIRING DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

At the special general meeting of the Company held on 21st May 2004, resolutions of the Shareholders were passed, amongst other things, giving general unconditional mandates to the Directors to exercise the powers of the Company to:

- (1) allot, issue and deal with Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at that date;

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## LETTER FROM THE CHAIRMAN

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- (2) repurchase Shares representing up to 10% of the aggregate nominal value of the issued share capital of the Company as at that date; and
- (3) extend the general mandate for issuing Shares as mentioned in paragraph (1) above by an amount representing the aggregate nominal amount of any Shares repurchased by the Company pursuant to the general mandate to repurchase shares as mentioned in paragraph (2) above.

The above general mandates shall lapse at the conclusion of the AGM. It is therefore proposed that your approval of the Ordinary Resolutions be sought at the AGM to grant new general mandates to the Directors.

In addition, your attention is drawn to the Special Resolution to approve amendments to the existing Bye-laws relating to the means for participating general meeting by a director of the Company and the retirement of directors by rotation.

The purpose of this circular is to provide you with information regarding the Issue Mandate, Repurchase Mandate, extension of Issue Mandate, the proposed amendments to the Bye-laws and re-election of retiring directors and to seek your approval of the Ordinary Resolutions and the Special Resolution relating to these matters at the AGM.

### **2. GENERAL MANDATE TO ISSUE SHARES**

It will be proposed at the AGM the Ordinary Resolutions nos. 5(A) and 5(C) in the AGM Notice for granting to the Directors a general mandate to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the Ordinary Resolution no. 5(A) in the AGM Notice and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution no. 5(B) in the AGM Notice. Such general mandate to allot, issue and deal with new Shares shall be exercisable during the period from the passing of the Ordinary Resolutions nos. 5(A) and 5(C) in the AGM Notice until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in such Ordinary Resolutions are revoked or varied by an ordinary resolution or ordinary resolutions of the Shareholders in general meeting.

### **3. GENERAL MANDATE TO REPURCHASE SHARES**

It will also be proposed at the AGM the Ordinary Resolution no. 5(B) in the AGM Notice for granting to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution no. 5(B) in the AGM Notice.

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## LETTER FROM THE CHAIRMAN

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This is an explanatory statement as required to be sent to the Shareholders under the Share Repurchase Rules to provide requisite information to you for your consideration of the Ordinary Resolution no. 5(B) in the AGM Notice in respect of the Repurchase Mandate.

### **(a) Share Capital**

As at the Latest Practicable Date, the issued share capital of the Company comprised of 2,190,244,298 Shares.

Subject to the passing of the Ordinary Resolution no. 5(B) in the AGM Notice and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 219,024,429 Shares during the period from the passing of the Ordinary Resolution no. 5(B) in the AGM Notice until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in such Ordinary Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

### **(b) Reasons for the Repurchase**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders.

### **(c) Funding of Repurchase**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the applicable laws and regulations of Bermuda. Bermuda laws provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2004 in the event that the power to repurchase Shares pursuant to the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such extent as would, in the

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## LETTER FROM THE CHAIRMAN

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circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### (d) Share Price

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
March 2004	12.20	10.80
April 2004	13.30	9.80
May 2004	10.85	8.20
June 2004	10.95	9.20
July 2004	11.45	9.95
August 2004	11.75	10.10
September 2004	13.35	11.55
October 2004	14.00	12.55
November 2004	14.45	13.10
December 2004	16.20	13.70
January 2005	16.25	14.05
February 2005	17.65	15.75
March 2005 (up to the Latest Practicable Date)	17.90	16.70

### (e) Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws and regulations of Bermuda and the Memorandum of Association and the Bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

### (f) Takeover Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeover Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.



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## LETTER FROM THE CHAIRMAN

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As at the Latest Practicable Date, COSCO Pacific Investment Holdings Limited together with its associates are beneficially interested in 1,144,166,411 Shares representing approximately 52.24% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, then (if the present shareholdings remain the same), the shareholdings of COSCO Pacific Investment Holdings Limited together with its associates will be increased to approximately 58.04% of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

### **(g) Share Repurchase made by the Company**

The Company and its subsidiaries had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

## **4. AMENDMENTS TO THE BYE-LAWS**

The Stock Exchange has recently amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (“the Code”). In the Listing Rules, the Code replaces the Code of Best Practice in Appendix 14 of the Listing Rules. Pursuant to paragraph A.4.2 of the Code, every director should be subject to retirement by rotation at least once every three years. The existing Bye-law 87(1) of the Bye-laws does not comply with the said paragraph A.4.2 of the Code and the Directors therefore propose the Special Resolution as set out in the AGM Notice to amend the existing Bye-law 87(1). In addition, the Directors also propose amendments to the existing Bye-law 63 of the Bye-laws to allow a director of the Company to participate in any general meeting of the Company by means of a conference telephone, electronic or other communications equipment, and this is also set out in the AGM Notice.

## **5. RE-ELECTION OF RETIRING DIRECTORS**

The Board of Directors currently consists of twenty-two directors, namely Mr. WEI Jiafu (Chairman), Mr. LIU Guoyuan (Vice Chairman), Mr. ZHANG Fusheng, Mr. WANG Futian, Mr. CHEN Hongsheng, Mr. LI Jianhong, Mr. MA Zehua, Mr. MA Guichuan, Mr. LI Yunpeng, Ms. SUN Yueying, Mr. ZHOU Liancheng, Mr. SUN Jiakang (Managing Director), Mr. XU Lirong, Mr. HE Jiale, Mr. WONG Tin Yau, Kelvin, Mr. MENG Qinghui, Mr. LU Chenggang, Mr. QIN Fuyan, Dr. LI Kwok Po, David, Mr. LIU Lit Man, Mr. Alexander Reid HAMILTON and Mr. KWONG Che Keung, Gordon.

Pursuant to the Bye-laws, Mr. ZHOU Liancheng, Mr. XU Lirong, Mr. WONG Tin Yau, Kelvin, Mr. MENG Qinghui, Mr. LIU Lit Man and Mr. KWONG Che Keung, Gordon shall retire from office at the AGM. Mr. ZHOU Liancheng and Mr. MENG Qinghui do not seek for re-election. Mr. XU Lirong, Mr. WONG Tin Yau, Kelvin, Mr. LIU Lit Man and Mr. KWONG Che Keung, Gordon being eligible, offer themselves for re-election. Details of retiring Directors proposed for re-election at the AGM are set out in the appendix of this circular.

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## LETTER FROM THE CHAIRMAN

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### 6. ANNUAL GENERAL MEETING

Set out on pages 13 to 17 of this circular is the AGM Notice at which resolutions will be proposed to the shareholders in respect of the ordinary business of the Company to be considered at the AGM, being the adoption of the audited financial statements and the directors' and auditors' reports of the Company for the year ended 31st December, 2004, the declaration of a final dividend, the re-election of Directors, the fixing of the remuneration of directors and the re-appointment of auditors as well as fixing their remuneration and the special business of the Company to be considered at the AGM, being the proposed grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the amendments to the Bye-Laws.

### 7. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the principal place of business of the Company in Hong Kong at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM if they so wish.

### 8. PROCEDURE FOR DEMANDING A POLL

Pursuant to the Bye-law 66, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or
- (d) by any member or members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a member of the Company or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member of the Company.

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## LETTER FROM THE CHAIRMAN

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### 9. RECOMMENDATION

The Board believes that the re-election of retiring Directors, the granting of Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, and the amendments to the Bye-laws as set out in the AGM Notice are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,  
**WEI Jiafu**  
*Chairman*

The followings are the particulars of the Directors retired and proposed to be re-elected at the AGM:

1. **Mr. XU Lirong**, aged 47, has been an Executive Director of the Company since March 2000. He is also the Managing Director of COSCO Container Lines Company Limited. Mr. XU graduated from Marine Navigation Department of the Adult Education College in Dalian Maritime University and obtained his Master of Business Administration degree from Shanghai Maritime University thereafter. Mr. XU had been Second Chief Officer, Chief Officer and Captain on board the vessels of Shanghai Ocean Shipping Company. He had also been the Deputy Managing Director of Shanghai Ocean Shipping Company and the President of Shanghai Shipping Exchange. He has extensive experience in shipping and corporate management. Save as disclosed above, Mr. XU does not hold any directorships in other listed public companies in the past three years and has no relationships with any other Directors, senior management of the Company, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

As at the Latest Practicable Date, Mr. XU has personal interests in share options granted by the Company to subscribe for 800,000 Shares and 1,000,000 Shares at exercise prices of HK\$9.54 and HK\$13.75 each respectively. There is no service contract entered into between the Company and Mr. XU. Mr. XU is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. There is no agreement as to the director's fee of Mr. XU and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM. For the year ended 31st December 2004, Mr. XU was entitled to a director's fee amounting to HK\$120,000.

2. **Mr. WONG Tin Yau, Kelvin**, aged 44, is a Deputy Managing Director of the Company and the Chairman of Corporate Governance Committee of the board of directors of the Company. He is also a director of Bauhinia 97 Ltd., Hang Shing Investment Limited, Fentalic Limited and COSCO Pacific Nominees Limited, all are wholly owned subsidiaries of the Company. He is also an Assistant to the President of COSCO (Hong Kong) Group Limited and an Independent Non-executive Director and Chairman of the Audit Committee of the board of directors of China Metal International Holdings Inc., a company being listed on the Stock Exchange. Save as disclosed above, Mr. WONG does not hold any directorships in other listed public companies in the past three years. Mr. WONG is an associate member of the Chartered Institute of Bankers, Deputy Chairman and fellow member of the Hong Kong Institute of Directors, a member of the Hong Kong Securities Institute, a member of the Chartered Institute of Marketing, a member of the National Investor Relations Institute in the USA and a council member of the Hong Kong Chinese Orchestra. He obtained his Master of Business Administration degree from Andrews University in Michigan, the USA in 1992. He has more than 20 years of working experience in the banking and securities industries. He is now responsible for the overall management and investor relations of the Company.

As at the Latest Practicable Date, Mr. WONG has personal interests in share options granted by the Company to subscribe for 1,500,000, 800,000 and 1,000,000 Shares at exercise prices of HK\$8.80, HK\$9.54 and HK\$13.75 each respectively and share options granted by COSCO International Holdings Limited ("CIHL") to subscribe for 800,000 and 500,000 shares of CIHL at exercise prices of HK\$0.57 and HK\$1.37 each

respectively. Mr. WONG has no relationships with any other Directors, senior management of the Company, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules). Mr. WONG has entered into a service agreement with the Company commencing from 22nd July, 1996. The agreement is terminable by either party giving to the other party not less than one month's prior notice in writing. Pursuant to his service agreement, he is entitled to an annual salary of HK\$1,600,000 which is subject to adjustment from time to time. His current annual salary is HK\$1,968,000. In addition, he is also entitled to a discretionary bonus. His emoluments is based on his senior position in the Company, his level of responsibilities and the remuneration policy of the Group.

3. **Mr. LIU Lit Man**, aged 75, has been an Independent Non-executive Director of the Company since September 1996 and the Chairman of the Remuneration and Assessment Committee of the board of directors of the Company. He is the Executive Chairman of Liu Chong Hing Bank Limited, the Chairman of Liu Chong Hing Investment Limited and an Independent Non-executive Director of The Hong Kong and China Gas Company Limited, companies being listed on the Stock Exchange and a director of Asia Commercial Bank Limited. He had been an Independent Non-executive Director of Shanghai Land Holdings Limited, a company being listed on the Stock Exchange. Save as disclosed above, Mr. LIU has not held any directorships in other listed public companies in the past three years and does not have any relationships with any other Directors, senior management of the Company or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

As at the Latest Practicable Date, Mr. LIU does not have any interest in Shares within the meaning of Part XV of the SFO. Mr. LIU is appointed for a term of 3 years and subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. There is no agreement as to the director's fee of Mr. LIU and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM.

4. **Mr. KWONG Che Keung, Gordon**, aged 55, has been a Director of the Company since May 1998. Before his re-designation as a Non-executive Director in March 2003, Mr. KWONG served as an Executive Director. He graduated from the University of Hong Kong in 1972, qualifying as a chartered accountant in England in 1977. He was a partner of Price Waterhouse from 1984 to 1998. He is currently an Independent Non-executive Director of COSCO International Holdings Limited, Tianjin Development Holdings Ltd., Beijing Capital International Airport Co. Ltd., Vision Century Corporation Ltd., NWS Holdings Ltd., China Oilfield Services Ltd., Concepta Investments Ltd., China Chengtong Development Group Ltd., Global Digital Creations Holdings Ltd., Ping An Insurance (Group) Company of China, Ltd., Quam Limited, Tom Online Inc., China Power International Development Ltd., New World Mobile Holdings Ltd., Henderson Land Development Company Ltd., Henderson Investment Ltd. and Henderson China Holdings Ltd., companies being listed on the Stock Exchange. In the public sector services, he was a part-time panel member of the Hong Kong Government's Central Policy Unit from 1993 to 1995 and was an independent member of the Council of the Stock Exchange from 1992 to 1997. He was a member of the Panel of Inquiry appointed by the Financial Secretary on the Penny Stocks Incident in 2002. Save as disclosed above, Mr. KWONG has not held any directorships in other listed public companies in the past three years. Mr. KWONG

does not have any relationship with any Directors, senior management of the Company or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

As at the Latest Practicable Date, Mr. KWONG has personal interest in 250,000 Shares within the meaning of Part XV of the SFO. Mr. KWONG is appointed for a term of 3 years and subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. There is no agreement as to the director's fee of Mr. KWONG and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM.

In the opinions of the Directors, other than the aforesaid matters, there is no other matters need to be brought to the attention of the shareholders of the Company in relation to the re-election of the above directors.

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# NOTICE OF ANNUAL GENERAL MEETING

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## **COSCO Pacific Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1199)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of COSCO Pacific Limited (the “Company”) will be held at 49th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 20th May 2005 at 2:30 p.m. for the following purposes:

1. To receive and consider the financial statements and the directors’ and auditors’ reports of the Company for the year ended 31st December 2004.
2. To declare a final dividend for the year ended 31st December 2004.
3. To re-elect the retiring directors and to fix the remuneration of directors.
4. To re-appoint auditors and to authorize the directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions of the Company:

### **ORDINARY RESOLUTIONS**

**(A) “THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period (as hereinafter defined) to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an

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## NOTICE OF ANNUAL GENERAL MEETING

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issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantee as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued Share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company and the applicable laws of Bermuda to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of Shares or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares, or any class of Shares, whose name appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;



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- (b) the aggregate nominal amount of the Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 % of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company and the applicable laws of Bermuda to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** subject to the passing of Ordinary Resolutions nos. 5(A) and 5(B) set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the Company (“Shares”) pursuant to the Ordinary Resolution no. 5(A) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Ordinary Resolution no. 5(B) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Ordinary Resolution no. 5(B).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution of the Company:

### SPECIAL RESOLUTION

“**THAT** the existing Bye-laws of the Company be and are hereby amended in the following manner:

- (i) by renumbering Bye-law 63 as Bye-law 63(1) and adding the following new paragraph (2) immediately after Bye-law 63(1):
  - (2) Any Director (whether he is a Member or not) may participate in any general meeting by means of a conference telephone, electronic or other communications equipment as the Board may from time to time determine through which all persons participating in such general meeting can communicate with each other simultaneously and instantaneously.

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- (ii) by deleting paragraph (1) of Bye-law 87 in its entirety and substituting therefor the following new paragraph:

87. (1) Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.”

By Order of the Board  
**HUNG Man**  
*Company Secretary*

Hong Kong, 31st March 2005

*Principal Place of Business:*

49th Floor, COSCO Tower  
183 Queen's Road Central  
Hong Kong

**Notes:**

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person to represent the member.
2. To be valid, the proxy form together with any power of attorney or other authority under which it is signed or a certified copy of such power or authority must be deposited at the principal place of business of the Company at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Tuesday, 17th May 2005 to Friday, 20th May 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms with share certificates must be lodged with the Company's Hong Kong Branch Registrar and Transfer Office, Secretaries Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 13th May 2005.
4. With regard to item no. 3 in this notice, the Board of Directors of the Company proposes that the retiring Directors, namely, Mr. XU Lirong, Mr. WONG Tin Yau, Kelvin, Mr. LIU Lit Man and Mr. KWONG Che Keung, Gordon be re-elected as Directors of the Company. Details of these retiring Directors are set out in appendix of the circular to shareholders dated 31st March 2005.

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5. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under ordinary resolution as referred to in item 5(B) above and amendments to existing Bye-laws under special resolution as referred to in item 6 above will be despatched to members together with the 2004 Annual Report of the Company.
6. Where there are joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. As at the date of this notice, the Board comprises 18 executive directors, namely, Mr. WEI Jiafu (Chairman), Mr. LIU Guoyuan (Vice Chairman), Mr. ZHANG Fusheng, Mr. WANG Futian, Mr. CHEN Hongsheng, Mr. LI Jianhong, Mr. MA Zehua, Mr. MA Guichuan, Mr. LI Yunpeng, Ms. SUN Yueying, Mr. ZHOU Liancheng, Mr. SUN Jiakang (Managing Director), Mr. XU Lirong, Mr. HE Jiale, Mr. WONG Tin Yau, Kelvin, Mr. MENG Qinghui, Mr. LU Chenggang and Mr. QIN Fuyan; 3 independent non-executive directors, namely, Dr. LI Kwok Po, David, Mr. LIU Lit Man and Mr. Alexander Reid HAMILTON and 1 non-executive director, namely, Mr. KWONG Che Keung, Gordon.