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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, 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 accompanying proxy form to the purchaser or transferee or to the bank, the licensed securities dealer 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, RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of COSCO Pacific Limited (“the Company”) to be held at 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Thursday, 17th May 2007 at 2:30 p.m. is set out on pages 15 to 18 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.

17th April 2007

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DEFINITIONS

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 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Thursday, 17th May 2007 at 2:30 p.m. or, where the context so admits, any adjournment thereof; |
| “AGM Notice” | the notice dated 17th April 2007 convening the AGM as set out on pages 15 to 18 of this circular; |
| “associate(s)” | 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 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” | 11th April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular; |
| “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 (Chapter 571 of the Laws of Hong Kong); |

DEFINITIONS

| | |
|--------------------------|---|
| “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); |
| “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; |
| “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. |

LETTER FROM THE CHAIRMAN



COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

Directors:

Dr. WEI Jiafu² (*Chairman*)
Mr. CHEN Hongsheng¹
Mr. LI Jianhong¹
Mr. XU Lirong²
Ms. SUN Yueying¹
Mr. XU Minjie¹ (*Vice Chairman and 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
Mr. Timothy George FRESHWATER³

Company Secretary:

Ms. HUNG Man

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director

Registered Office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Place of Business:

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

17th April 2007

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

At the annual general meeting of the Company held on 18th May 2006, 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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- (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.

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

2. GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the AGM, 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.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,238,925,298 Shares. Subject to passing of the Ordinary Resolution no. 5(A) in the AGM Notice and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed to allot, issue and deal with a maximum of 447,785,059 Shares, representing not more than 20% of the issued share capital of the Company at the Latest Practicable Date.

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 the power 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.

The following 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.

LETTER FROM THE CHAIRMAN

Explanatory Statement

(a) *Share Capital*

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,238,925,298 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 223,892,529 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 (i) the capital paid up on the relevant shares or (ii) 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 of the Company as contained in the Company's annual report for the year ended 31st December 2006 in the event that the power to repurchase Shares pursuant to the Repurchase Mandate was 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 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.

LETTER FROM THE CHAIRMAN

(d) *Share Price*

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

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|--|-------------------------------|------------------------------|
| April 2006 | 18.60 | 15.55 |
| May 2006 | 18.65 | 15.10 |
| June 2006 | 17.45 | 14.20 |
| July 2006 | 18.15 | 16.15 |
| August 2006 | 18.20 | 16.82 |
| September 2006 | 18.08 | 15.20 |
| October 2006 | 16.08 | 14.46 |
| November 2006 | 17.20 | 15.42 |
| December 2006 | 18.58 | 16.16 |
| January 2007 | 20.50 | 18.10 |
| February 2007 | 22.95 | 19.30 |
| March 2007 | 20.70 | 17.76 |
| April 2007 (up to the Latest Practicable Date) | 21.10 | 19.10 |

(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 the Repurchase Mandate 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.

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 51.10% of the issued share capital of the Company. In the event that the Directors exercise in full the power to

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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 56.78% 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. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of fourteen directors, namely Dr. WEI Jiafu (*Chairman*), Mr. CHEN Hongsheng, Mr. LI Jianhong, Mr. XU Lirong, Ms. SUN Yueying, Mr. XU Minjie (*Vice Chairman and Managing Director*), Dr. SUN Jiakang, Mr. WONG Tin Yau, Kelvin, Mr. WANG Zhi, Mr. QIN Fuyan, Dr. LI Kwok Po, David, Mr. LIU Lit Man, Mr. CHOW Kwong Fai, Edward and Mr. Timothy George FRESHWATER.

Pursuant to the Bye-laws, Mr. LI Jianhong, Ms. SUN Yueying, Mr. XU Minjie, Mr. WONG Tin Yau, Kelvin, Dr. LI Kwok Po, David, Mr. LIU Lit Man shall retire from office at the AGM. These retiring Directors, being eligible for re-election, will offer themselves for re-election at the AGM. Details of the retiring Directors proposed for re-election at the AGM are set out in the appendix to this circular.

5. ANNUAL GENERAL MEETING

Pages 15 to 18 of this circular set out the AGM Notice, which contains resolutions to 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 2006, the declaration of a final dividend, the re-election of retiring 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 and the extension of the Issue Mandate).

6. 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 you from attending and voting in person at the AGM if you so wish.

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7. PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is 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; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

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

8. 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 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 to retire, and proposed to be re-elected, at the AGM:

1. **Mr. LI Jianhong**, aged 50, has been an Executive Director of the Company since October 1997. He is also an Executive Vice President of China Ocean Shipping (Group) Company, a Director of China COSCO Holdings Company Limited (a controlling shareholder of the Company and a public listed company in Hong Kong), COSCO International Holdings Limited (a public listed company in Hong Kong) and COSCO Corporations (Singapore) Limited (a public listed company in Singapore) and Chairman of the Board of Directors of China International Marine Containers (Group) Co., Ltd. (a public listed company in Shenzhen), COSCO Shipyard Group, COSCO International Ship Trading Company Limited and Sino-Tanzania Joint Shipping Company. Mr. LI graduated from the University of East London in the United Kingdom with a Master of Business Administration degree and holds a Master of Business Administration degree from Jilin University. He is a senior economist. He is also the Vice Chairman of China's Society of Naval Architecture & Marine Engineering and China Association of the Shipbuilding Trade. He had been the General Manager of Nantong Shipyard and Managing Director of COSCO Industry Co., Ltd. and COSCO Property Ltd., Assistant to the President and Chief Commercial Officer of China Ocean Shipping (Group) Company. He has more than 20 years of experience in corporate management and over 10 years of experience in shipping enterprise management. He also has extensive experience in corporate governance and capital operation.

Save as disclosed above, Mr. LI has not held any directorships in other listed public companies during the past three years, does not hold any other position with the Company or other members of the Group and does not have any other relationships with any of the other directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Mr. LI. Mr. LI 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. LI and his director's fee will be determined by the Board with reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM. For the year ended 31st December 2006, Mr. LI was entitled to a director's fee amounting to HK\$120,000.

As at the Latest Practicable Date, Mr. LI beneficially owns share options granted by the Company to subscribe for 1,000,000 Shares at exercise price of HK\$13.75 each, share options granted by COSCO International Holdings Limited, an associated corporation of the Company, to subscribe for 1,800,000 and 1,200,000 shares of COSCO International Holdings Limited at exercise price of HK\$0.57 and HK\$1.37 each respectively, share options granted by COSCO Corporation (Singapore) Limited, an associated corporation of the Company, to subscribe for 700,000 shares of COSCO Corporation (Singapore) Limited at exercise price of S\$1.23 each and share appreciation rights in respect of 600,000 units and 600,000 units granted by China COSCO Holdings Company Limited, an associated corporation of the Company, at exercise price of HK\$3.195 and HK\$3.588 each respectively within the meaning of Part XV of the SFO. He also beneficially owns 1,300,000 shares of COSCO Corporation (Singapore) Limited within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. LI has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

2. **Ms. SUN Yueying**, aged 48, has been an Executive Director of the Company since March 2002. She is currently the Chief Financial Officer of China Ocean Shipping (Group) Company and a Director of China COSCO Holdings Company Limited (a controlling shareholder of the Company and a public

listed company in Hong Kong), COSCO (Hong Kong) Group Limited, COSCO Container Lines Company Limited, COSCO Corporation (Singapore) Limited (a public listed company in Singapore) and China Merchants Bank Co., Ltd. (a public listed company in Hong Kong and Shanghai). Ms. SUN graduated from Shanghai Maritime University in 1982 majoring in shipping finance and accounting. She is a certified accountant and a senior accountant. She had been the Vice Director of the Finance Division of Tianjin Ocean Shipping Co., Finance Manager of COSCO Japan Co., Ltd. and the General Manager of the Finance and Capital Division of and the Deputy Chief Financial Officer of China Ocean Shipping (Group) Company. She has extensive experience in the shipping industry and corporate finance management.

Save as disclosed above, Ms. SUN has not held any directorships in other listed public companies during the past three years, does not hold any other position with the Company or other members of the Group and does not have any other relationships with any of the other directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Ms. SUN. Ms. SUN is not appointed for a specific term except that she 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 Ms. SUN and her director's fee will be determined by the Board with reference to the prevailing market conditions and subject to the Shareholders' approval at the AGM. For the year ended 31st December 2006, Ms. SUN was entitled to a director's fee amounting to HK\$120,000.

As at the Latest Practicable Date, Ms. SUN beneficially owns share options granted by the Company to subscribe for 1,000,000 Shares at exercise price of HK\$13.75 each, share options granted by COSCO Corporation (Singapore) Limited, an associated corporation of the Company, to subscribe for 700,000 shares of COSCO Corporation (Singapore) Limited at exercise price of S\$1.23 each and share appreciation rights in respect of 600,000 units and 600,000 units granted by China COSCO Holdings Company Limited, an associated corporation of the Company, at exercise price of HK\$3.195 and HK\$3.588 each respectively within the meaning of Part XV of the SFO. She also beneficially owns 1,400,000 shares of COSCO Corporation (Singapore) Limited within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. SUN has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with her re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

- 3. Mr. XU Minjie**, aged 48, has been an Executive Director of the Company since January 2007 and is the Vice Chairman of the Board and the Managing Director of the Company. He is also the Chairman of the Investment and Strategic Planning Committee, a member of the Executive Committee, the Nomination Committee and the Remuneration Committee of the Company and director of a number of subsidiaries of the Company. He is currently a director of COSCO (Hong Kong) Group Limited. Mr. XU graduated from the Marine Navigation Department of Qingdao Ocean Shipping Mariners College and obtained his Master of Business Administration degree from Shanghai Maritime University and also obtained a Master Degree in Management from Maastricht School of Management in the Netherlands (荷蘭馬斯特里赫特商學院). Mr. XU joined COSCO Group in 1980 and was appointed as Managing Director of COSCO Shanghai International Freight Company Limited in November 1998. He was the Vice Chairman of Shanghai City Freight Forwarders Association (上海市貨運代理協會) during the period from December 1998 to September 2003 and was appointed as the Managing Director of the Transportation Division of China Ocean Shipping (Group) Company in September 2003. He had been a former marine captain on COSCO's ocean-going ships, General Manager of the Container Division, Operation Division, Export Division of Shanghai Ocean Shipping Company and

Deputy Managing Director of Shanghai International Freight Forwarding Company. During the period from June 2005 to January 2007, Mr. XU was an Executive Committee member of China Communications and Transportation Association (中國交通運輸協會). Mr. XU has accumulated around 30 years of experience in the shipping industry and has demonstrated excellent enterprise operation and management skills. His outstanding vision and management power has been highly appreciated by the industry. After joining the Company in January 2007 as the Vice Chairman and Managing Director, he leads the Company's overall management, strategic development, corporate governance and financial management.

Mr. XU has not held any directorships in other listed public companies during the past three years. Save as disclosed above, Mr. XU does not hold any other position with the Company or other members of the Group. He does not have any other relationships with any of the other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. XU has entered into a service agreement with COSCO Pacific Management Company Limited, a wholly owned subsidiary of the Company, on 24th January 2007 for a term of three years commencing from 24th January 2007. The agreement is renewable automatically for successive terms of three years subject to termination by either party giving not less than three month's notice in writing to the other party pursuant to the terms of the service agreement. He is subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. Mr. XU is, currently, entitled to an annual salary amounting to HK\$5,000,000 which was fixed according to the terms of the service agreement and by reference to his senior management position in the Company, his level of responsibilities and the remuneration policy of the Group plus an annual bonus determined by the Board.

As at the Latest Practicable Date, Mr. XU beneficially owns share appreciation rights in respect of 100,000 units and 90,000 units granted by China COSCO Holdings Company Limited, an associated corporation of the Company, at exercise price of HK\$3.195 and HK\$3.588 each respectively within the meaning of Part XV of SFO.

Save as disclosed above, Mr. XU has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

4. **Mr. WONG Tin Yau, Kelvin**, aged 46, has been an Executive Director of the Company since July 1996. He is a Deputy Managing Director of the Company, the Chairman of Corporate Governance Committee, member of the Executive Committee and director of a number of subsidiaries of the Company. Mr. WONG is Deputy Chairman, Chairman of the Corporate Governance Committee and fellow member of the Hong Kong Institute of Directors, Chairman and council member of the Hong Kong Chinese Orchestra Limited, a member of the China Trade Advisory Committee of the Hong Kong Trade Development Council, a member of the Auditing and Assurance Standards Committee of the Hong Kong Institute of Certified Public Accountants and a member of the OECD/World Bank Asian Corporate Governance Roundtable. He obtained his Master of Business Administration degree from Andrews University in Michigan, USA in 1992. He is an associate member of the Chartered Institute of Bankers, a member of the Hong Kong Securities Institute, a member of the Chartered Institute of Marketing and a member of the National Investor Relations Institute in the USA. He has more than 22 years of working experience in management, banking and securities industries. Currently, Mr. WONG is an Independent Non-executive Director, Chairman of the Audit Committee of China Metal International Holdings Inc., an Independent Non-executive Director, Chairman of both the Audit Committee and the Remuneration Committee of Tradelink Electronic Commerce Limited and an Independent Non-executive Director of CIG Yangtze Ports PLC, all of these companies are

listed public companies in Hong Kong. Mr. WONG held various senior positions in several listed companies in Hong Kong before he joined the Company in July 1996. He is responsible for the overall management, corporate governance and investor relations of the Company.

Save as disclosed above, Mr. WONG has not held any directorships in other listed public companies during the past three years and does not hold any other position with the Company or other members of the Group. He does not have any other relationships with any of the other directors, senior management, substantial shareholders or controlling shareholders of the Company.

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 the provision in respect of his annual salary (which is subject to adjustment from time to time) under his service agreement, Mr. WONG is currently entitled to an annual salary of HK\$2,040,000. In addition, he is also entitled to a discretionary bonus. His remuneration is based on his senior position in the Company, his level of responsibilities and the remuneration policy of the Group.

As at the Latest Practicable Date, Mr. WONG beneficially owns share options granted by the Company to subscribe for 300,000, 800,000 and 1,000,000 Shares at exercise price of HK\$8.80, HK\$9.54 and HK\$13.75 each respectively and share options granted by COSCO International Holdings Limited, an associated corporation of the Company, to subscribe for 800,000 and 500,000 shares of COSCO International Holdings Limited at exercise price of HK\$0.57 and HK\$1.37 each respectively within the meaning of Part XV of the SFO. He also beneficially owns 1,802,500 shares of China COSCO Holdings Company Limited, an associated corporation of the Company, within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. WONG has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

5. **Dr. LI Kwok Po, David**, aged 68, has been an Independent Non-executive Director of the Company since February 1998. He is also the Chairman of Nomination Committee and a member of the Audit Committee and the Remuneration Committee of the Company.

Dr. LI is a member of both the Executive Council and the Legislative Council of Hong Kong. He is the Chairman of The Chinese Bank's Association, Limited and the Hong Kong Management Association. He is also a member of the Banking Advisory Committee and the Council of the Treasury Markets Association.

Dr. LI is the Chairman and Chief Executive of The Bank of East Asia, Limited, a Director of China Merchants China Direct Investments Limited, China Overseas Land & Investment Limited, Dow Jones & Company, Inc., Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, Hong Kong Interbank Clearing Limited, The Hong Kong Mortgage Corporation Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. He was a director of AviChina Industry & Technology Company Limited, Chelsfield Plc., Henderson Cyber Limited and Sime Darby Berhad.

Save as disclosed above, Dr. LI has not held any directorships in other listed public companies during the past three years, does not hold any other position with the Company or other members of the Group and does not have any other relationships with any of the other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Pursuant to the letter of appointment entered into between the Company and Dr. LI, the Company appointed Dr. LI for a term of 3 years and his appointment will be subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. The director's fee of Dr. LI which is not fixed in the letter of appointment, will be determined by reference to his duties and responsibilities and prevailing market conditions and subject to the Shareholders' approval at the AGM. For the year ended 31st December 2006, Dr. LI was entitled to a director's fee amounting to HK\$290,000.

As at the Latest Practicable Date, Dr. LI beneficially owns 258,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. LI has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

6. **Mr. LIU Lit Man**, aged 77, has been an Independent Non-executive Director of the Company since September 1996. He is also a member of Audit Committee, Nomination Committee and Remuneration Committee of the Company. He is the Executive Chairman of Chong Hing Bank Limited (formerly: Liu Chong Hing Bank Limited) (a public listed company in Hong Kong), Chairman of both Liu Chong Hing Investment Limited (a public listed company in Hong Kong) and Chong Hing Insurance Company Limited. Mr. LIU is also Director of The Hong Kong and China Gas Company Limited (public listed company in Hong Kong). Mr. LIU was a Director of Shanghai Land Holdings Limited which was a public listed company in Hong Kong. Mr. LIU was also a Director of Tung Wah Group of Hospitals, the President of the Hong Kong Chiu Chow Chamber of Commerce (now Permanent Honorary President), a founder and a Permanent Honorary Chairman of the Chiu Chow Association Building (Property Holding) Limited, a founder and the first Chairman of Teochew International Convention (now Permanent Honorary Chairman). Presently, he is a Permanent Honorary Chairman of The Chinese General Chamber of Commerce, Hong Kong, the founder and the Manager of Liu Po Shan Memorial College, a Director of New Asia College of The Chinese University of Hong Kong and the founder of Chiu Chow Association Secondary School. In 1975, he was appointed a Justice of the Peace and was elected Fellow of the International Banker Association. He had been a member of the Consultative Committee for the Basic Law from 1985 to 1990 and was a member of the Selection Committee of the First Government of the Hong Kong Special Administrative Region and a member of the First Election Committee constituted under the Chief Executive Election Ordinance. Mr. LIU was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in July 2001.

Save as disclosed above, Mr. LIU has not held any directorships in other listed public companies during the past three years, does not hold any other position with the Company or other members of the Group and does not have any other relationships with any of the other directors, senior management, substantial shareholders or controlling shareholders of the Company.

Pursuant to the letter of appointment entered into between the Company and Mr. LIU, the Company appointed Mr. LIU for a term of 3 years and his appointment will be subject to retirement by rotation and re-election in accordance with the Company's Bye-laws. The director's fee of Mr. LIU which is

not fixed in the letter of appointment, will be determined by reference to his duties and responsibilities and prevailing market conditions and subject to the Shareholders' approval at the AGM. For the year ended 31st December 2006, Mr. LIU was entitled to a director's fee amounting to HK\$270,000.

As at the Latest Practicable Date, Mr. LIU does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. LIU has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

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

NOTICE OF ANNUAL GENERAL MEETING



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 47th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Thursday, 17th May 2007 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 2006.
2. To declare a final dividend for the year ended 31st December 2006.
3. To re-elect the retiring directors and to fix the remuneration of the directors.
4. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without modification, 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 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

NOTICE OF ANNUAL GENERAL MEETING

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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

- (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).”

By Order of the Board
HUNG Man
Company Secretary

Hong Kong, 17th April 2007

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 Monday, 14th May 2007 to Thursday, 17th May 2007, 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, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 11th May 2007.

NOTICE OF ANNUAL GENERAL MEETING

4. With regard to item no. 3 in this notice, the Board of Directors of the Company proposes that the retiring Directors, namely, Mr. LI Jianhong, Ms. SUN Yueying, Mr. XU Minjie, Mr. WONG Tin Yau, Kelvin, Dr. LI Kwok Po, David and Mr. LIU Lit Man be re-elected as Directors of the Company. Details of these retiring Directors are set out in the appendix to the Company's circular to shareholders dated 17th April 2007.
5. A circular containing 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 in item 5(B) above will be despatched to members together with the 2006 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 the following directors:

Dr. WEI Jiafu² (*Chairman*), Mr. CHEN Hongsheng¹, Mr. LI Jianhong¹, Mr. XU Lirong², Ms. SUN Yueying¹, Mr. XU Minjie¹ (*Vice Chairman and 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