



## **COSCO Pacific Limited**

(中遠太平洋有限公司)

(Incorporated in Bermuda with limited liability)

### 2002 Final Results

The board of directors of COSCO Pacific Limited ("COSCO Pacific" or the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31<sup>st</sup> December 2002. COSCO Pacific achieved a net profit of US\$154,560,000 (2001: US\$154,340,000). Excluding the major non-recurring profits made in 2002 and 2001, the net profit increased 4.9% over 2001. During the year, despite the slow recovery of the global economy, the Group continued to expand its market shares, revenue and profits from container leasing and container terminal, as a result of the robust of China trade growth. At the same time, the Company also exercised stringent cost control program in order to improve operating efficiency.

- Turnover increased 7.6% to US\$241,644,000
- Profit attributable to shareholders slightly increased to US\$154,560,000 (2001: US\$154,340,000)
- Exclude the major non-recurring profits, profit attributable to shareholders increased by 4.9%
- Earnings per share were 7.2017cents (2001: US7.2081 cents)
- Return on equity was 12.4%
- Container leasing fleet increased 16.0% to 707,890 TEUs ranking the world 5<sup>th</sup> largest and capturing a market share of 9.3%
- Container terminals throughput rose 26.2% to 13,420,000TEUs
- Net assets per share up 7.1% to HK\$ 4.68
- Proposed final dividend HK18.0 cents (2001: HK14.0 cents)
- Dividend payout ratio raised to 51.6% (2001: 41.8%). The Company has always been maintaining a stable dividend payout ratio for long-term interests. The higher dividend payout ratio for the year of 2002 reflects our strong cash position, our confidence towards a prosperous future and our effort to increase return on shareholders' equity.

## **Container Leasing**

As at 31<sup>st</sup> December 2002, we increased our container fleet capacity by 16.0% to 707,890 TEUs, representing a 9.3% of the global market share and ranking as 5<sup>th</sup> largest container leasing company in the world. The Group leased a total of 329,028 TEUs (2001: 327,370 TEUs) to COSCO Container Lines Company Limited (“COSCON”), which represents 46.5% (2001: 53.7%) of the total fleet. Containers available to International Customers rose by 34.0% to 378,862 TEUs (2001: 282,649 TEUs), representing 53.5% (2001: 46.3%) of the total fleet. Our new container purchases in the financial year allowed us to maintain our fleet efficiency. Container fleet’s average age is 4.4 years (2001: 4.3 years).

While containers leased to COSCON remained 100% utilised, overall average utilisation rate increased to 93.4% (2001: 91.4%), well above the industry average of about 83% (2001: 75%). While capturing opportunities of the improving market and providing customers with quality services turning in trust that they placed in us, we successfully expanded our market share and achieved a higher utilisation rate during the year.

## **Container Terminal and Related Businesses and Others**

The Group’s container terminal business continued grew satisfactorily during the year. Compared with 2001, the aggregate throughput of our terminals business rose 26.2% to 13,420,639 TEUs.

<b>TEUs</b>	<b>2002</b>	<b>+/-</b>	<b>2001</b>
COSCO-HIT	<b>1,526,074</b>	+17.2%	1,301,966
Shanghai Terminals	<b>3,049,080</b>	+16.8%	2,609,800
Qingdao Cosport International Terminals	<b>454,528</b>	-24.3%	600,329
Zhangjiagang Win Hanverky Teminals	<b>202,348</b>	+25.5%	161,208
Yantian International Terminal	<b>4,181,478</b>	+51.9%	2,751,885
Shekou Terminal	<b>883,572</b>	+17.7%	750,689
Dalian Container Terminal	<b>1,326,463</b>	+10.7%	1,198,076
River Trade Terminal	<b>1,797,096</b>	+42.4%	1,262,235
<b>Total</b>	<b>13,420,639</b>	<b>+26.2%</b>	<b>10,636,188</b>

Our wholly-owned subsidiary, Plangreat Limited, and its subsidiaries provide container stevedoring, container storage and container repair and transport services. During the year, revenues declined as a result of reduced business.

The Group has various equity interests in Shanghai CIMC Reefer Containers Co., Ltd., Shanghai CIMC Far East Container Co., Ltd., Tianjin CIMC North Ocean Container Co., Ltd., Shanghai Kansai Paint & Chemical Co., Ltd. and Tianjin Kansai Paint and Chemical Co., Ltd. These companies recorded profits during the year.

The Group has a 20% equity interest in Liu Chong Hing Bank Limited, which contributed US\$ 6,848,000 to the Group’s profit attributable to shareholders, a decrease of 11.8% over 2001.

## **Prospects**

China's emergence as a major player in international trade and its accession to WTO is an important step forward for economic integration in the region. Reliance on trade has helped Asia immensely over the past two decades and we expect Asia to play an even more important role in trade, both beyond and within the region. While maintaining outward orientation as its core component for future development strategy, Asian countries' domestic demands have been emerged in the region. This inward oriented trade pattern will certainly play a more supportive role in trade growth that should continue to generate sizeable benefits for both China and its trading partners. Hence, we still remain cautiously optimistic in 2003 about the global recovery and perceive enough opportunities and challenges lying ahead of us.

We are confident that, through our professional management team will their dedicated efforts, could further improve our shareholders value by constantly improving our internal efficiency. Externally, we will look for outstanding opportunity of potential investments in the logistics industry to further grow our profit.

We look at our future with great optimism. Rough time and high standards nurture great companies. Our mission is to become a highly profitable, independent, large, effectively managed, strategically balanced and socially responsible institution, with leadership position in our core businesses. By achieving this mission, we are confident that we could maximize our profitability, corporate value and shareholder value.

COSCO Pacific Limited  
26<sup>th</sup> March 2003

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Details of the annual results announcement will be available in our website (<http://www.coscopac.com.hk>), the South China Morning Post and Hong Kong Economic Times on 27<sup>th</sup> March 2003. For further inquiry, please contact our Mr. Raymond Yuan, the Deputy General Manager of the Public Relations and Communications Department (Tel. 2809-8131; Fax: 2907-6088; E-mail: [yuanqing@coscopac.com.hk](mailto:yuanqing@coscopac.com.hk)) or Ms. May Liu, the senior officer of the Public Relations and Communications Department (Tel. 2809-8132; Fax: 2906-6088); E-mail: [mayliu@coscopac.com.hk](mailto:mayliu@coscopac.com.hk))