



## **COSCO Pacific Limited**

(Incorporated in Bermuda with Limited Liability)

### 2004 Final Results

The board of directors of COSCO Pacific Limited (“COSCO Pacific” or the “Company”) and its subsidiaries (the “Group”) achieved steady growth in overall results as at 31 December 2004, with excellent performances in its container leasing and container terminal operations. The year under review saw phenomenal business developments for the Company, underpinned by an expanded container fleet and steady gains in the market share for its container leasing operation and robust growth in throughput for its container terminal operation. Meanwhile, the Company took a further step towards its goal of developing into a global business group by exploring new projects and investment-related business.

- Profit attributable to shareholders rose by 33.7% to US\$206,292,000
- Proposed final cash dividend of HK24.6 cents per share (2003: HK18.0 cents), an increase of 36.7% over 2003. Full-year dividend payout ratio was 56.5%
- Return on total assets was 10.0%, up 1.5 percentage points
- Return on shareholders' equity was 14.8%, up 2.8 percentage points
- Total container fleet increased by 13.6% to 919,128 TEUs, enhanced the ranking to the fourth largest container leasing company in the world
- Total container terminal throughput increased by 39.6% to 23,492,425 TEUs, ranking fifth among global terminal operators
- Aggregate number of container berths increased from 51 to 72 with aggregate annual capacity of containers increased by 10,500,000 TEUs to 36,500,000 TEUs.
- COSCO Logistics topped the list of “Top 100 PRC Logistics Companies” and “Twenty Most Competitive Logistics Companies in 2004”
- CIMC continue to rank first among container manufacturers in the world in terms of annual production and sales volume
- Received five awards on corporate governance and investor relations

## **Container Leasing Business**

In 2004, benefiting from the recovery of the global economy, the container leasing market continued to improve. By keeping its business development abreast of the times, the Group made great efforts to expand its market reach and capture business opportunities through in-depth analysis of market trends and changes as well as ongoing enhancement of services. Despite fierce market competition, the market share of the Group has been on the rise and within the year enhanced the ranking to the fourth largest container leasing company in the world which reinforced the Group's leadership in the container leasing industry.

In 2004, Florens Container Holdings Limited and its subsidiaries (collectively referred to as "Florens") secured support of its target customer group by solidifying its efforts in market expansion and enhancing customer relationship. In line with customer demand, new containers of 155,526 TEUs (2003: 142,218 TEUs) were ordered and purchased during the year, accounting for approximately 13.0% of the new production of the container leasing industry in 2004 (2003: 12.9%). As at 31st December 2004, Florens had a container fleet of 919,128 TEUs (2003: 808,825 TEUs), accounting for approximately 10.1% (2003: 9.7%) of the global market share, an increase of 0.4 percentage points year-on-year, after deducting 5,380 TEUs under finance leases.

Florens principally provides 10-year container leasing services for COSCON, the PRC's largest and the world's seventh largest container liner operator, and both long term and master lease container leasing services for other International Customers. As at 31st December 2004, the total number of customers of Florens was 218 (2003: 202).

As at 31st December 2004, Florens leased a total of 327,845 TEUs (2003: 310,444 TEUs) to COSCON, representing 35.7% (2003: 38.4%) of Florens' container fleet. Containers available to International Customers rose to 591,283 TEUs (2003: 498,381 TEUs), representing 64.3% (2003: 61.6%) of the container fleet, of which long term and master leases accounted for 436,733 TEUs (2003: 326,608 TEUs) and 128,814 TEUs (2003: 121,959 TEUs) respectively.

In 2004, Florens' container fleet increased by 13.6% to 919,128 TEUs (2003: 808,825 TEUs), with an average age of 4.3 years (2003: 4.3 years).

During the year, the overall annual average utilisation rate of Florens rose to 97.0% (2003: 95.2%), above the industry average of around 92% (2003: 89%), while the utilisation rate for those containers leased to COSCON remained at 100%. The increase was primarily attributable to a strong demand driven by continued market improvement, as well as Florens' enhanced marketing efforts to capture market opportunities and improve customer service quality, which proved beneficial in securing the support from customers.

## **Terminal and Related Businesses**

Operating upon solid foundations in China with full support from its parent company COSCO, the largest shipping group in the nation, COSCO Pacific's profile as an international terminal operator is coming into shape. While the focus of COSCO Pacific's future investment and development remains in China, the most promising country in the world in terms of potential demand for terminal services, the Company will also seize any opportunity presented by the development of the global container

terminal industry to increase its investment in major overseas terminals, on the back of its expanding container fleet.

COSCO Pacific will ensure stable business volumes with growth potential and prospects for profitability for all terminals in its investment portfolio by enhancing existing partnerships with operators with shipping fleet background, thereby capitalising on such advantage.

While continuing with focused development and expansion of container terminals on the back of its own expertise, COSCO Pacific will also investigate, on the basis of in-depth research and assured return, the possibility of investing in and operating specialised bulk-cargo terminals with sound business potentials, such as terminals handling minerals, coal and grain, etc, utilising fully the favourable factor represented by COSCO's versatile shipping fleet.

As a major international terminal operator, COSCO Pacific will continue to reinforce its position in the industry by upgrading its terminal operation and management capabilities in all areas and increasing holdings of terminals where the company has control.

During the year, the container terminals gave an excellent performance. The total throughput was 23,492,425 TEUs (2003: 16,825,899 TEUs), representing a year-on-year increase of 39.6%. In particular, the performance of terminals in overseas and Bohai Rim regions was outstanding. They recorded an increase in throughput of 496.7% and 132.3% respectively. Next in the line were terminals in the Yangtze River Delta, which registered an increase in throughput of 18.8%, followed by terminals in the Pearl River Delta with a growth rate of 11.3%. COSCO Pacific was ranked fifth among global terminal operators as at the end of 2004 by Drewry Shipping Consultants Limited.

<b>Terminal throughput (Unit: TEUs)</b>	<b>Shareholding</b>	<b>2004<sup>Note 1</sup></b>	<b>2003<sup>Note 1</sup></b>	<b>+/-</b>
<b><u>PEARL RIVER DELTA</u></b> <sup>Note 2</sup>		<b>9,006,145</b>	<b>8,094,900</b>	<b>+11.3%</b>
COSCO-HIT	50%	1,697,212	1,513,559	+12.1%
Yantian Internatinal Terminals (Phases I, II and III)	4.45%-5%	6,259,515	5,258,106	+19.0%
Shekou Terminals	17.5%	1,049,418	1,323,235	-20.7%
<b><u>YANGTZE RIVER DELTA</u></b>		<b>6,430,443</b>	<b>5,413,855</b>	<b>+18.8%</b>
Shanghai Terminals	10%	3,650,319	3,400,963	+7.3%
Shanghai Pudong International Terminals	20%	2,336,740	1,765,586	+32.3%
Zhangjiagang Win Hanverky Terminal	51%	328,199	247,306	+32.7%
Yangzhou Yuanyang International Ports	55.59%	115,185	N/A	N/A
<b><u>BOHAI RIM</u></b>		<b>7,483,974</b>	<b>3,221,314</b>	<b>+132.3%</b>
Qingdao Qianwan Terminal	20%	4,532,769	1,332,746	+240.1%
Qingdao Cosport Terminals	50%	385,856	244,159	+58.0%
Dalian Port Container Co.	8%	2,172,252	1,644,409	+32.1%
Yingkou Terminals	50%	393,097	N/A	N/A
<b><u>OVERSEAS</u></b>		<b>571,863</b>	<b>95,830</b>	<b>+496.7%</b>
COSCO-PSA Terminal	49%	571,863	95,830	+496.7%
<b>Total throughput</b>		<b>23,492,425</b>	<b>16,825,899</b>	<b>+39.6%</b>

Note 1: The data represents container throughput as from the effective date of the Group's acquisition of respective equity interests.

Note 2: The disposal of a 10% interest in River Trade Terminal Holdings Limited was completed on 27th June 2003.

## **COSCO-HIT**

COSCO Pacific has a 50% equity interest in COSCO-HIT Terminals (Hong Kong) Limited ( " COSCO-HIT " ). Located at Terminal 8 East in Kwai Chung, the terminal occupies an area of 292,360 square metres. It has a quay length of 640 metres and a depth alongside of 15.5 metres.

In 2004, the throughput of COSCO-HIT increased by 12.1% to 1,697,212 TEUs (2003: 1,513,559 TEUs), representing a 12.6% market share of the total throughput of the Hong Kong Kwai Chung Terminals (2003: 12.5%). The increase in throughput was mainly due to the rapid economic growth in southern China, fuelling the increase in the import and export of goods.

## **Handling and storage of containers**

Plangreat Limited, a wholly owned subsidiary of the Company, and its subsidiaries are engaged in the provision of container handling, stevedoring, storage, repairs and transportation services. During the year, despite the slight increase in the operation of the water level berth in Hong Kong, there were different degrees of decrease in the container storage and drayage at the depots in Hong Kong.

## **Yantian International Terminals**

The Group effectively owns a 5% interest in Yantian International Container Terminals Limited ( " Yantian International Terminals " ) (Phases I and II) and a 4.45% interest in Yantian International Terminals Phase III. The terminal is located at Dapeng Bay in Shenzhen and is a major container terminal in southern China. During the year, the total throughput of Phases I, II and III of Yantian International Terminals was 6,259,515 TEUs (2003: 5,258,106 TEUs), representing a growth of 19.0% and accounting for a 46.0% (2003: 49.5%) share of the handling capacity of the Shenzhen port.

## **Shekou Terminals**

The Group has a 17.5% equity interest in Shekou Container Terminals Limited ( " Shekou Terminals " ) located at the southwestern part of the Shenzhen Special Economic Zone. During the year, the total throughput of Shekou Terminals was 1,049,418 TEUs (2003: 1,323,235 TEUs), representing a year-on-year decrease of 20.7%, and accounting for a 7.7% (2003: 12.5%) share of the handling capacity of Shenzhen port.

## **Shanghai Terminals**

The Group has a 10% equity interest in Shanghai Container Terminals Limited ( " Shanghai Terminals " ), which has three terminals located in Zhanghuabang, Jungonglu and Baoshan at the entry of Huangpu River in Baoshan District, Shanghai. During 2004, Shanghai Terminals handled 3,650,319 TEUs (2003: 3,400,963 TEUs), a year-on-year growth of 7.3% over last year, representing approximately 25.1% (2003: 30.1%) of Shanghai's overall throughput.

### **Shanghai Pudong International Terminals**

The Group holds a 20% interest in Shanghai Pudong International Container Terminals Limited ( " Shanghai Pudong International Terminals " ). Situated in the Shanghai Waigaoqiao free trade zone area A, the terminal is well-equipped and prestigiously located. In 2004, the terminal handled a cargo volume of 2,336,740 TEUs (2003: 1,765,586 TEUs), representing a year-on-year growth of 32.3% over last year and accounting for 16.1% (2003: 15.6%) of the aggregate throughput of the container terminals in Shanghai. Given their prime location in Shanghai, Shanghai Pudong International Terminals has a prosperous future.

### **Zhangjiagang Win Hanverky Terminal**

The Group has a 51% equity interest in Zhangjiagang Win Hanverky Container Terminal Co., Ltd. ( " Zhangjiagang Win Hanverky Terminal " ). During the year, the throughput of Zhangjiagang Win Hanverky Terminal increased by 32.7% to 328,199 TEUs (2003: 247,306 TEUs). With increased container cargo shipping along the Yangtze River, the throughput of Zhangjiagang Win Hanverky Terminal as the only container terminal in Zhangjiagang is expected to maintain its growth momentum.

### **Yangzhou Yuanyang International Ports**

The Group has a 55.59% equity interest in Yangzhou Yuanyang International Ports Co., Ltd. ( " Yangzhou Yuanyang International Ports " ). The terminal owns and operates four berths with a quay length of 1,046 metres and depth alongside of 11 metres. It occupies a total area of 350,000 square metres. During the year, Yangzhou Yuanyang International Ports handled a total of 115,185 TEUs and 2,991,926 tonnes of bulk cargo.

### **Zhenjiang Jinyuan Terminals**

COSCO Ports (Zhenjiang) Limited, a wholly owned subsidiary of COSCO Pacific, entered into an agreement on 17th June 2004 to acquire a 25% equity interest in Zhenjiang Jinyuan Container Terminals Co., Ltd. ("Zhenjiang Jinyuan Terminals"), which has a total investment amount of RMB132,000,000 (equivalent to approximately US\$16,000,000) and registered capital of RMB52,800,000 respectively, and manages and operates a container terminal situated at Zhenjiang, Jiangsu in China within the Yangtze River Delta. This project is pending for the approval from the authority concerned in the PRC.

### **Qingdao Qianwan Terminal**

In July 2003, the Group entered into an agreement to acquire an equity interest in Qingdao Qianwan Terminal Phase II. Subsequently, COSCO Pacific formed a joint venture — Qingdao Qianwan Container Terminal Co., Ltd. ( " Qingdao Qianwan Terminal " ) with Qingdao Port (Group) Co., Ltd., Denmark's A.P. Moller and the UK's P&O Group. The company officially opened for business on 1st January 2004 operating both Phase II and Phase III. Currently, the Group holds a 20% equity interest in the joint venture company.

During the year, Qingdao Qianwan Terminal handled a throughput of 4,532,769 TEUs (2003: 1,332,746 TEUs), representing a year-on-year increase of 240.1% and accounting for 88.2% (2003: 31.4%) of the aggregate throughput of the terminals in Qingdao. The substantial increase in throughput was due to the sharp rise in the container throughput at Qingdao port. In addition, Qingdao

Qianwan Terminal operated a total of 8 berths at Phases II and III in 2004, compared with operating 3 berths only at Phase II in 2003.

### **Qingdao Cosport Terminals**

The Group has a 50% equity interest in Qingdao Cosport International Container Terminals Co., Ltd. (“Qingdao Cosport Terminals”). The terminal is located in the old harbour zone of Qingdao. During the year, Qingdao Cosport Terminals saw a 58.0% increase in its throughput to 385,856 TEUs (2003: 244,159 TEUs), representing 7.5% (2003: 5.8%) of the aggregate throughput of the terminals in Qingdao.

### **Dalian Port Container Co.**

The Group holds an 8% equity interest in Dalian Port Container Co., Ltd. (“Dalian Port Container Co.”), which in turn holds a 51% equity interest in Dalian Container Terminal Co., Ltd. Dalian Port Container Co. is also a substantial shareholder of Dalian Dagang China Shipping Container Terminal Co., Ltd. and Dalian Port Container Terminal Co., Ltd.

During the year, terminals operated by the joint venture handled a throughput of 2,172,252 TEUs (2003: 1,644,409 TEUs), representing a year-on-year growth of 32.1% and accounting for 98.2% (2003: 98.5%) of the aggregate throughput of Dalian port. The increase is primarily attributable to the growth in production and transportation of containers in Dalian.

### **Dalian Automobile Terminal**

On 29th January 2004, Dalian Automobile Terminal Co., Ltd. (“Dalian Automobile Terminal”), in which the Group has a 30% equity interest, was established by the Group in joint venture with Dalian Port Group Co., Ltd. and Nippon Yusen Kabushiki Kaisha. The terminal is a vehicle terminal situated at Dayaowan, Dalian and is COSCO Pacific's first investment in a roll-on/roll-off vehicle terminal. It is expected to commence operation in 2005 with an annual handling capacity of 600,000 vehicles.

### **Dalian Port Terminal**

The Group has a 20% equity interest in Dalian Port Container Terminal Co., Ltd. (“Dalian Port Terminal”), the total investment and registered capital of which are RMB720,000,000 and RMB240,000,000 respectively. Dalian Port Terminal will take over two berths from Phase II of the Dalian Dayao Wan Terminal in the first half of 2005. In connection with this, the joint venture will obtain the operating right of such berths by way of a lease. The two berths occupy an area of 250,000 square metres with a quay length of 652 metres, a depth alongside of 13.5 metres, and a handling capacity of 1,000,000 TEUs.

### **Tianjin Five Continents International Terminal**

On 23rd December 2003, the Group entered into a joint venture contract with Tianjin Port (Group) Co., Ltd., CSX World Terminal New World (Tianjin) Limited to form a joint venture company, China Shipping Terminal Development Co., Ltd. and China Merchants International Terminals (Tianjin) Limited to jointly invest, manage and operate the Dongtudi container terminal in Tianjin. The Group held a 14% interest in the joint venture company. Due to changes in the shareholders of the joint venture company, the Group entered into another joint venture contract with Tianjin Port Holdings Co., Ltd., NWS Ports Management Limited, China Shipping Terminal Development Co., Ltd. and China

Merchants International Terminals (Tianjin) Limited on 16th December 2004 to form Tianjin Five Continents International Container Terminal Co., Ltd. ( " Tianjin Five Continents International Terminal " ). Except for slight changes in shareholders and a revised total investment amount of RMB2,378,000,000 as compared to RMB2,250,000,000 previously, the terms of the new joint venture contract were substantially the same as the 2003 joint venture contract. This project is pending for the approval from the authority concerned in the PRC.

Tianjin Five Continents International Terminal has four berths with a quay length of 1,202 metres and a water depth alongside of 15.7 metres, occupying an area of 516,000 square metres with an designed annual handling capacity of 1,500,000 TEUs.

### **Yingkou Terminals**

The Group entered into an agreement with COSCO on 15th June 2004 regarding the acquisition of 50% interest in Yingkou Container Terminals Co., Ltd. ( " Yingkou Terminals " ). for a cash consideration of RMB22,500,000. During the year, the terminal handled a throughput of 393,097 TEUs, accounting for 67.4% of the total container throughput at the port of Yingkou. It is currently the only terminal in Yingkou dedicated exclusively to the handling of containers.

### **COSCO-PSA Terminal**

COSCO-PSA Terminal Private Limited ( " COSCO-PSA Terminal " ) is a joint venture between the Group and PSA Corporation Limited and the Group holds a 49% equity interest in it. The terminal will operate two berths in Pasir Panjang Terminals in the port of Singapore in two phases. In Phase I, the joint venture will operate one berth. The joint venture company will expand to operate two berths, by which time it will have an annual handling capacity of 1,000,000 TEUs. During the year, the terminal recorded a throughput of 571,863 TEUs (2003: 95,830 TEUs), accounting for 2.7% (2003: 0.5%) of Singapore's total container throughput.

### **Antwerp Terminal**

The Group entered into an agreement with P&O Ports Europe NV on 16th November 2004 to acquire a 25% equity interest in Antwerp Gateway N.V. ( " Antwerp Terminal " ) in order to participate in the development and operation of a container terminal situated in the east of Deurganckdock in Antwerp. Antwerp is one of the fastest growing container ports in Europe. It was the third largest port in Europe and the tenth largest in the world. Antwerp Terminal will be completed in three phases. Upon completion, the terminal will have six berths with an annual handling capacity of approximately 3,500,000 TEUs. Phase I, which includes four berths, is expected to be completed and commence operation by July 2005.

### **Logistics Business**

Prominent results were accomplished by COSCO Logistics in the area of modern logistics in 2004, as the company carried its exploration of various target logistics markets to further depth while effectively consolidating achievements secured in the past two years. In November 2004, COSCO Logistics ranked first in the "Top 100 PRC Logistics Companies" selected by eight industry associations including China Communication and Transportation Association and China Railway Society. In December, COSCO Logistics topped the list again in the "Twenty Most Competitive Logistics Companies in 2004" selected by China Federation of Logistics and Purchasing.

COSCO Logistics continued to expand its shipping agency and freight-forwarding businesses in 2004. The year also proved decisive as COSCO Logistics assumed leadership in the domestic market of logistics services for household appliances, underscoring further expansion of its strategic core customer base that included companies such as Changhong, TCL and Hitachi, etc. Meanwhile, an effective business pattern was initially formed by utilising on a complementary basis both Qingdao Hisense and Guangzhou Attend Logistics, two major platforms for household appliances logistics.

During the year under review, COSCO Logistics succeeded in expanding its market share in automobile logistics as increasing efforts were being made to develop customised automobile logistics solutions on the back of complementary, asset-based cooperation with renowned domestic car manufacturers, leveraging its edge in overall system resources to capitalise on opportunities presented by China's fast-growing automobile industry.

COSCO Logistics further consolidated its prestigious position in the market of power supply logistics during the year under review by making inroads in the development of power supply logistics solutions through consistent and effective marketing efforts on the back of its expertise in facilitating power supply logistics.

COSCO Logistics also made progress in the chemical sector during the year under review as it succeeded in developing logistics solutions with significant impact both in China and abroad, laying solid foundations for entering the market in 2005 in a more advantageous position.

COSCO Logistics won several tenders in 2004 to provide international logistics solutions in connection with convention and exhibition activities as it continued to aim at raising its corporate profile and increasing public exposure. The professional, efficient and quality services subsequently offered by COSCO Logistics were highly commended by its clients.

As an overall strategy, COSCO Logistics will continue to pursue and achieve the goal of extensive business development with continuous rapid growth in the next five years, with logistics, shipping agency and freight forwarding as its principal businesses.

### **Container businesses**

On 19th August 2004, the Group acquired an approximately 16.23% equity interest from COSCO in China International Marine Containers (Group) Co., Ltd. ("CIMC"). The transfer procedures were completed at the end of 2004.

CIMC, being a listed company on the Shenzhen Stock Exchange, is one of the first container manufacturers and Sino-foreign joint ventures established in the PRC. It is principally engaged in the manufacturing and sale of modern traffic and transport equipment such as containers, modern road transport vehicles and airport ground equipment. CIMC has 13 production bases located in the southern, eastern and northern parts of the PRC. Since 1996, it has been ranked number one container manufacturer in the world in terms of annual container output and sales volume. Its customers include world leading shipping companies and container leasing companies.

The above investment in CIMC, the world's largest container manufacturer, is considered beneficial for the Group in strengthening its foothold in the growing container manufacturing and selling

industry. During the year, production of the three container businesses (with CIMC as the major shareholder) directly invested in by the Group all rose from last year due to the increase in market demand.

<b>Container Factories</b>	<b>Shareholding</b>	<b>Production Volume 2004 (TEUs)</b>	<b>Production Volume 2003 (TEUs)</b>	<b>+/-</b>
Shanghai CIMC Reefer Containers Co., Ltd.	20%	40,320	35,398	+13.9%
Shanghai CIMC Far East Container Co., Ltd.	20%	136,486	124,537	+9.6%
Tianjin CIMC North Ocean Container Co., Ltd.	22.5%	133,968	98,306	+36.3%

### **Other investments**

#### **Liu Chong Hing Bank**

The Group has a 20% interest in Liu Chong Hing Bank, which contributed US\$11,482,000 (2003: US\$9,762,000) to the Group's profit before taxation, an increase of 17.6% compared with 2003.

#### **Major Financing Arrangement**

A subsidiary of the Group completed a six-year club loan of US\$205,000,000 which was participated by seven international banks. The all-in costs was calculated at the London Interbank Offered Rate ("LIBOR") plus 60 basis points. The proceeds were used for the purchase of new containers and for general working capital.

#### **Corporate Governance**

To ensure a higher level of corporate governance, the Board and management of COSCO Pacific will strictly adhere to the major principles of good corporate governance practices. They will act in the long term interests of the shareholders and stakeholders of the Company. In addition, they will endeavour to ensure a reasonable level of investment return for its funding partners in the finance sector.

#### **Investor Relations**

Since COSCO Pacific became a constituent stock of the Hang Seng Index ("HSI") on 9th June 2003, its shares been outperforming the market and in active trading due to its solid business performance, aggressive expansion strategies and sound relations with investors. As a result, COSCO Pacific's market capitalisation has been on the rise. On 31st December 2004, COSCO Pacific's closing price was HK\$16.10 (2003: HK\$10.35) and its total number of shares in issue was 2,183,630,298 (2003: 2,148,542,298 shares), making a market capitalisation of approximately HK\$35,156,448,000 (2003: HK\$22,237,413,000), representing an increase of 58.1% over the end of 2003. Accounting for 0.8% (2003: 0.6%) of the level of HSI then, COSCO Pacific was the 24th (2003: 29th) biggest constituent stock. As for the Red Chips Index ("RCI"), the stock accounted for 3.5% (2003: 2.5%) of its prevailing level then and ranked the 4th (2003: 6th) biggest constituent stock.

In 2004, COSCO Pacific won a number of awards from various well-known international institutions. They include:

- (1) Ranked among the “Top 10 Chinese Enterprises with the Best Dividend Policy” in the “Best Asia Companies Poll” conducted by Finance Asia
- (2) Rated as one of the “Conglomerate with the Best Investor Relations in Asia” by the Institutional Investor Research Group
- (3) Recognised as one of the enterprises with the “Best Corporate Governance” among the Hang Seng Index constituent stocks
- (4) LIU Guoyuan, the Vice Chairman of the Company and WONG Tin Yau, Kelvin, Deputy Managing Director of the Company, were both granted the Best Investor Relations Officer “award by the IR Magazine
- (5) Given the Company's fifth Honorable Mention in the Best Annual Reports Awards by the Hong Kong Management Association

### **Prospects**

COSCO Pacific is enjoying strong momentum for growth amid global economic recovery and a thriving international freight forwarding market coupled with robust economic growth in China. Backed by the concerted effort of our management and staff, we believe that COSCO Pacific is well-positioned to achieve new heights in its results.

We will continue to devise development strategies for the long term on the basis of our experience generated in a decade of operation for COSCO Pacific, striving to achieve our goal of developing into an international business group. While consolidating our market share in China, we will make dedicated efforts to tap the vast international market by diligently looking into opportunities for promising new projects. As our core businesses, namely container leasing, container terminal operations, logistics and container businesses are currently in the stage of solid business growth, COSCO Pacific will capitalise on this opportunity to further develop its logistics and container businesses and maintain its leadership in the industry by expanding its container terminal operations in China and abroad as well as its container fleet, on the back of effective application of financial resources.

Details of the annual results announcement will be available in our website (<http://www.coscopac.com.hk>). It will also be published in The Standard and Hong Kong Economic Times on 7th March 2005. For further inquiry, please contact our Mr. Raymond Yuan, General Manager of the Public Relations and Communications Department. (Tel. 2809-8188; Fax: 2907-6088; E-mail: [yuanqing@coscopac.com.hk](mailto:yuanqing@coscopac.com.hk)).