

## INTERIM DIVIDEND

The directors have declared an interim cash dividend of HK11.0 cents per share for the six months ended 30th June 2002 (2001: HK9.5 cents per share). The interim dividend will be payable on 4th October 2002 to shareholders whose names appear on the register of members of the Company on 26th September 2002.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23rd September 2002 to Thursday, 26th September 2002, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrars, Secretaries Limited of 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong, for registration not later than 4:00 p.m. on Friday, 20th September 2002.

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF OPERATIONS

#### Overall Results

Profit attributable to shareholders of COSCO Pacific for the six months ended 30th June 2002 amounted to US\$72,916,000, representing a decrease of 13.1% compared with US\$83,929,000 for the corresponding period in the previous year. However, profit for the corresponding period in the previous year included a profit of US\$14,137,000 from the disposal of investment securities. Excluding this non-recurring profit, profit attributable to shareholders for the first half of the year would have been increased by 4.5% over the corresponding period in the previous year. During the period, the core businesses of the Group made steady progress on the whole.

#### Financial Review

Turnover for the first half of 2002 amounted to US\$116,004,000, up 7.1% from the corresponding period in the previous year, which was mainly due to an increase of 6.8% in turnover of the container leasing business to US\$107,558,000. During the period, the number of containers leased to international customers continued to increase. Turnover of Zhangjiagang Win Hanverky Container Terminal Co., Ltd. increased by 38.4% to US\$3,780,000 as a result of satisfactory increase in throughput, whereas the turnover from container handling and storage businesses recorded a slight decline.

Cost of sales mainly comprised depreciation, depot rental and maintenance expenses, among which, depreciation accounted for 81.8% of the cost of sales for the first half of the year (corresponding period of 2001: 82.2%). Cost of sales during the period increased by US\$4,126,000, mainly due to increase in depreciation of containers.