

INVESTOR RELATIONS

In June 2003, COSCO Pacific was accredited as “The Asian Conglomerate Enterprise with the Best Investor Relations” by the globally renowned Institutional Investor Research Group. With active participation of institutional investors in the poll, the ranking can better represent the impression of institutional investors on investor relations of listed companies. The poll was marked by 200 analysts in total. Classified as an Asian Conglomerate Enterprise, COSCO Pacific received the highest score from analysts by industry category, and ranked top in the Best Investor Relations.

COSCO Pacific is glad to have achieved such excellent award, which is investors’ affirmation of the long term efforts made by COSCO Pacific. In keeping abreast with the times, COSCO Pacific will continue to raise its standard of corporate governance and transparency, and strive for excellence in investor relations over its counterparts, so as to enhance its market value and generate wealth for its shareholders.

PROSPECTS

On 9th June 2003, COSCO Pacific became a constituent stock of the Hang Seng Index, representing the first PRC shipping related company ever incorporated into the index. This has proved that our performance and efforts are widely recognised. We will continue to strengthen investors’ confidence through our good management and sound corporate governance. It is one of our committed long term goals to become a highly profitable and effectively managed conglomerate.

Looking into the second half of the year, business sentiment should improve on the back of a recovering US economy and a relaxed global monetary regime. However, as structural imbalance still exists in the world’s major economies, we remain cautiously optimistic in the longer term, in anticipation of a moderate and uneven economic recovery. China’s economy is set to benefit from its accession to the World Trade Organisation, the hosting of the 2008 Beijing Olympic Games and the 2010 Shanghai World Expo. Meanwhile, Hong Kong’s economy will be revitalised by the signing of Mainland-Hong Kong Closer Economic Partnership Arrangement.

The overall utilisation rate of the Group’s container fleet in the first half of the year was higher than the industry’s average. Business proportion of International Customers continued to grow, an evidence that the Group’s container leasing business is increasingly competitive. The Group will rise to any opportunities to further expand its container leasing business so as to exploit economies of scale and strengthen its world leading position in container leasing.

It is expected that the China’s import and export trade will maintain its growth momentum, which should benefit container terminal operations in China mainland and Hong Kong. To this end, the Group’s container terminal business will continue to grow in the second half of the year. The Group will adhere to its investment strategy in seizing suitable opportunities of container terminal investment so as to strengthen its container terminal business and command a leading position in the industry in Asia.

The Group will capitalise on the positioning of its core business laid down by its parent company and expand into logistics and other operations so as to cultivate new sources of profit and become a leading logistics service provider in China mainland and Hong Kong.

As a constituent stock of the Hang Seng Index, the Group has attached great importance to better corporate governance and transparency and is committed to creating shareholders' value and providing customers with quality services.

By Order of the Board
SUN Jiakang
Managing Director

Hong Kong, 22nd September 2003