

# INVESTOR RELATIONS



COSCO Pacific strongly believes that good investor relations play an essential role in creating shareholder value. This corporate activity combines the disciplines of communications and finance, thereby providing stakeholders with an accurate portrayal of the Company's performance and prospects. Effective investor relations have a positive effect on shareholder value relative to that of the overall market and reduce our cost of capital.

## ROLE OF INVESTOR RELATIONS

The expanding role of COSCO Pacific's investor relations is driven by increased disclosure and reporting requirements. While investor relations officers are providing a greater contribution to the board of directors' decision making processes, there is a growing recognition among senior management of the strategic role of the investor relations function.

## TWO-WAY COMMUNICATIONS CHANNEL

COSCO Pacific endeavours to develop an effective two-way communications process between the financial community and senior management. Investor relations manages the dissemination of financial, strategic and legal information to stakeholders including institutional and retail investors, financial analysts, stockbrokers, regulatory bodies and the media.

Our communication process includes:

- Establishing and updating senior management regarding the most up-to-date disclosure policies and practices, while being aware of developments in corporate governance and disclosure regulations locally and internationally.
- Providing senior management and board of directors with a clear understanding of the market's views and why those views are held.
- Communicating clear, accurate, credible and consistent corporate information to the financial community with the aim of ensuring all investors are fully and fairly informed about all material information, thereby enabling them to make rational decisions that should result in the Company's securities trading at fair value over the long term.

- Analysing the Company's ownership structure, including regular analysis of the securities register to determine the identity and mix of institutional and retail securities holders.
- Building a high quality shareholder base to ensure long-term access to diversified sources of capital at the lowest possible cost.
- Developing trust and credibility for the Company in the capital markets.

## ANNUAL INVESTOR RELATIONS CYCLE

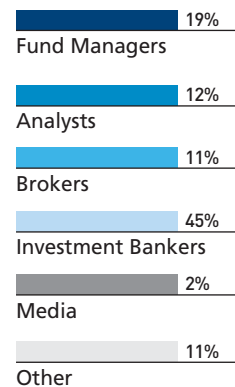
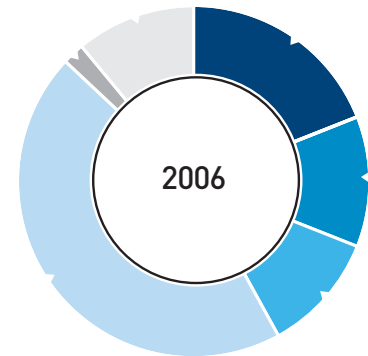
Key events in the annual investor relations cycle include an examination of what is required from a statutory view point and of recommended practices that assist in successfully communicating the Company's message to the public.

The investor relations cycle includes the following corporate activities with our stakeholders:

- (1) Briefings of the Company's interim and final results announcements
- (2) Public announcements
- (3) Delivery of annual and interim reports
- (4) Annual general meetings or extraordinary shareholders meetings
- (5) One-on-one meeting, group briefings and conference calls
- (6) Domestic and international roadshows
- (7) Terminal site visits
- (8) Web-based communication

COSCO Pacific endeavours to establish an investor relations cycle with activities well beyond and above the statutory requirements. The Company releases monthly terminal throughput on its corporate website and this is recognised as a very useful operational update for both the financial market and media. The Company also sends the latest updates, corporate news, press releases, announcements, interim and annual reports to analysts, fund managers, media and the public by email alert.

## SEGMENTS OF ONE-ON-ONE MEETING IN 2006



## INVESTOR RELATIONS

### INVESTOR RELATIONS CALENDAR IN 2006

A number of activities were arranged for the interim and final results announcements respectively including media briefing, fund managers and analyst briefing, telephone conferences, luncheon presentations, as well as domestic and international roadshows.

In 2006, the Company participated in 5 investor forums, organised 5 roadshows in Hong Kong, 4 overseas

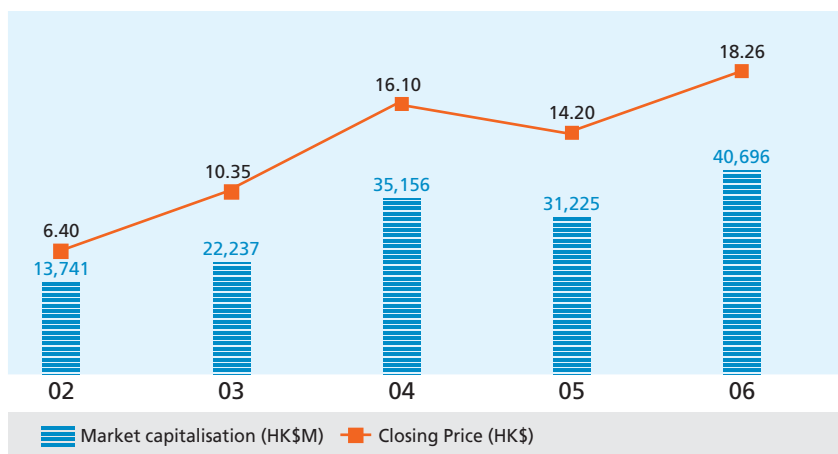
roadshows, 2 press conferences, 161 one-on-one meetings with analysts, investors and bankers, and 14 terminals site visits for investors.

More and more investors approach senior management through electronic communications including conference calls and emails. COSCO Pacific prepares comprehensive presentation materials to investors in order to ensure that our electronic communications are effectively conducted.

Months	Investor relations activities
January	"Greater China Conference 2006" in Shanghai organised by UBS Securities Asia Limited
February	"Access China Conference 2006" in Beijing organised by Deutsche Bank AG
March	Announcement of 2005 final results of COSCO Pacific – Press conference – Fund managers and analysts panel discussion Hong Kong and Singapore roadshows arranged by ABN AMRO Asia Limited
April	Japan roadshow arranged by ABN AMRO Asia Limited United Kingdom and U.S. roadshows arranged by BNP Paribas Peregrine Securities Limited
May	"11th Annual CLSA China Forum" held in Shanghai by CLSA Limited
July	Luncheon presentation in Hong Kong, organised by J.P. Morgan Securities (Asia Pacific) Limited
September	Announcement of 2006 interim results of COSCO Pacific – Press conference – Fund managers and analysts panel discussion Telephone conference with investors in Singapore, arranged by Macquarie Securities Limited Telephone conference with investors in Europe and U.S., arranged by J.P. Morgan Securities (Asia Pacific) Limited Hong Kong roadshow arranged by Macquarie Securities Limited "Nomura Asia Day" in Japan organised by Nomura International (Hong Kong) Limited
October	"Greater China Conference 2006" in Macau organised by Citigroup Global Markets Asia Limited

## MARKET RECOGNITION

During the year, COSCO Pacific was proud to receive the prestigious award of “Best Investor Relations” from IR Asia Magazine. While being committed to maximising shareholder value and improving corporate profitability, the Company is also determined to ensure the highest standards of corporate governance, transparency and accountability.



## SHARE PRICE PERFORMANCE

		2006	2005
Share price			
Highest	HK\$	18.65	17.90
Lowest	HK\$	14.20	12.15
Average	HK\$	16.37	15.28
Last as of 31st December	HK\$	18.26	14.20
Monthly average trading volume	Share	114,698,900	119,048,954
Monthly average trading turnover	HK\$	1,845,173,958	1,798,106,300
Share outstanding	Share	2,228,684,298	2,198,966,298
Market capitalisation as of 31st December	HK\$	40,695,775,000	31,225,321,000

## CORPORATE SOCIAL RESPONSIBILITY

Investors increasingly consider non-financial aspects in their assessment of the companies in their portfolios. Among these intangible factors, corporate social responsibility (CSR) has received a particular amount of attention. The Company receives more and more enquiries about our performance and management philosophy in regard to CSR. While we interact with investors to show how the Company is tackling CSR issues, we educate senior management about investor sentiment towards corporate social responsibility.

COSCO Pacific believes that high standards of environmental awareness and solutions, of corporate social responsibility and of economic performance are not conflicting targets but complementary to each other. They make good business sense. This is particularly important as the Company makes further strategic moves to expand our global industry platform.

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