

# The 21st Century Presents Both Opportunities and Challenges

>> COSCO Pacific Limited (“COSCO Pacific” or the “Company”) is committed to progressing with times. While strengthening and expanding its existing businesses of container leasing and container terminal operations, COSCO Pacific will expand new profit growth streams to further enhance the Company’s profitability. Our development strategies include further strengthening the existing core businesses, namely, container terminal operations and container leasing business, coordinating with the hub port development strategy of our parent China Ocean Shipping (Group) Company (“COSCO”) to introduce new projects for expanding the container terminal business, and collaborating with COSCO’s core business development strategy to actively explore business opportunities in the logistics sector in order to develop new profit growth streams.

>> China has become a member of the World Trade Organisation (“WTO”) and is expected to deregulate its capital markets. This will provide huge opportunities for Chinese enterprises. Moreover, the growth of China trade will be a major driving force to the development of the logistics industry in China. COSCO Pacific has been well positioned to capitalise on these opportunities lying ahead of us and will explore ways to participate in logistics related projects in China and abroad by coordinating with the business development of COSCO.

>> Participating in the logistics and related businesses is part of COSCO Pacific’s strategy for generating further growth. As an extension of the Company’s core operations, the logistics and related businesses have enormous market potential that we can leverage on our existing competitive advantages. With extensive experience and network in container transportation and its related logistics, the strong support from our parent company, a solid financial position and financial flexibility, COSCO Pacific is well positioned to further increase the market shares of its core businesses and to yield from the economy-of-scale benefits. The Company will take advantage of its favourable position in the capital markets to further strengthen its finance, improve its capital structure and debt portfolio, and increase its asset utilisation, with a view to generating higher returns for shareholders.