



Investor relations

Investor relations creates shareholders' value

We believe that sound investor relations helps investors and stakeholders evaluate the intrinsic value of the Company, which will translate into a share price that truly reflects the market value of the Company. Good investor relations also gives the Company an edge over competitors by opening up favorable financing channels, hence creating value for shareholders.

Investor relations is a crucial part in corporate marketing. The company has to adhere to statutory disclosure requirements, communicate with investors through various means, provide appropriate and timely company information and financial data of the Company to explain the business environment of the industry and the management's visions on the investment strategy and future prospects of the Group. In recent years the standard of corporate governance of listed companies has been the focus of concern in capital markets. In evaluating the standard of corporate governance, corporate transparency has become a significant benchmark.

Acclaims on the corporate governance and investor relations activities of COSCO Pacific

COSCO Pacific's endeavors to improve its management system, and corporate governance and transparency have established for itself a corporate image of solid integrity and dedication to excellence. As a result, it is well regarded by institutional investors.

2003 proved to be a year of reward for COSCO Pacific and brought along 6 encouraging achievements.

- The first award: COSCO Pacific was named one of the Chinese companies "Most Committed to Creating Shareholder Value", and with the "Best Corporate Governance" and the "Best Financial Management" in China by Finance Asia in its Asia's Best Companies survey in March 2003.



The management honour awarded to COSCO Pacific is a clear indication of market recognition. We are convinced that sound corporate management principles are the key to winning the trust of investors as well as confidence of business partners.

- The second accolade: In the “Corporate Governance Report” released by CLSA Ltd. in April 2003, COSCO Pacific was recognised as one of the “Best Corporate Governance” PRC enterprises, the third consecutive year the Company received such honour.

The CLSA Report is an authoritative publication. The scope of the survey covers 380 enterprises in 10 regions in Asia. The report pointed out that the standard of management of a company has a direct bearing on share price and that investors place a high value on corporate governance. The report accredited COSCO Pacific for its business focus, continued efforts in creating shareholders’ value and high transparency. It also highlighted the fact that COSCO Pacific is the only Chinese corporation in the survey with a corporate governance committee.

- The third encouraging compliment – Institutional Investor Research Group, the most authoritative magazine in the world, released its yearly Asian Equity Investment Report in June 2003. COSCO Pacific was voted by analysts “The Conglomerate Enterprise with the Best Investor Relations in Asia”.



- The fourth honour: In September 2003, COSCO Pacific China Investments Co., Ltd. was rated among the Top 100 Model Foreign Invested Enterprises in China by the Ministry of Commerce. The fact that the company made it to the list among the heated competition is an indication of recognition of the Group by the Ministry of Commerce. It is also an approval of the Company’s effort in guarding the corporate image, establishing the brand name and reputation of COSCO and laying a solid foundation for its future operation and development.



- The fifth prize: COSCO Pacific was granted the Significant Improvement Award (Hang Seng Index Category) in the Best Corporate Governance Disclosure Awards 2003 by the Hong Kong Society of Accountants on 11th November 2003, making it the first China mainland company winning such award. The panel of judges passed favorable comments on the 2002 annual report of the Company. The report is reflective of the Company’s solid integrity and dedication to excellence and that it has made significant improvement in corporate governance and information disclosure.
- The sixth pleasure: COSCO Pacific was given Honorable Mention in the 2003 Best Annual Reports Awards of the Hong Kong Management Association on 15th December 2003, the fourth time the Company was granted this honour.

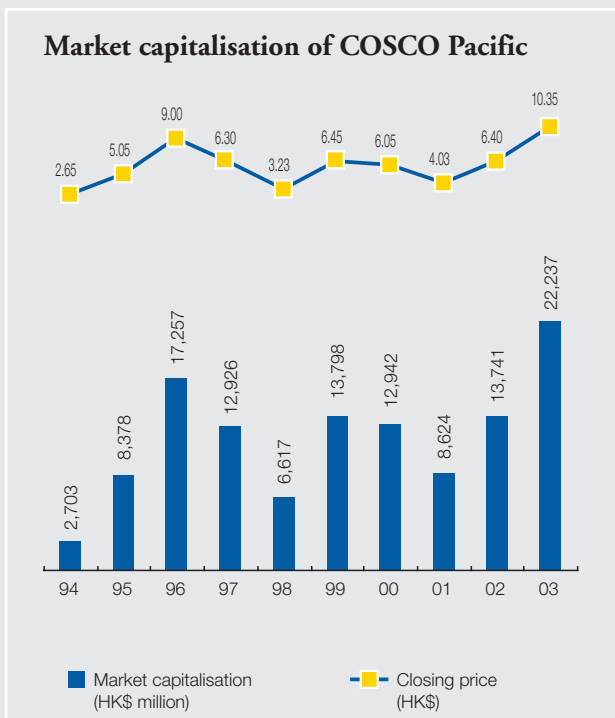
Market capitalisation on the rise

Owing to its good performance and aggressive development, as well as its efforts on investor relations, COSCO Pacific has been included as constituent stock of several major global market indexes, including the Hong Kong Hang Seng China-Affiliated Corporations Index (also known as Red Chips Index), Standard and Poor's Asia 100 index, MSCI China Free Index and FTSE Global Style Index. On 9th June 2003, COSCO Pacific was selected as a constituent stock of Hong Kong Hang Seng Index, and it has been outperforming the market and actively traded since then, driving its share price higher and higher.

On 31st December 2003, the closing price was HK\$10.35 and a total of 2,148,542,298 shares were in issue, making a market capitalisation of HK\$22,237,413,000. COSCO Pacific accounted for 0.58% and 2.5% of the total market capitalisation of the Hang Seng Index and Red Chips Index and ranked the 29th and 6th in the two indexes respectively.

Share price outperformed the market

The share price of COSCO Pacific performed satisfactorily in 2003. During the year, share price averaged at HK\$8.334, representing an increase of 46.8% as compared with HK\$5.679 in 2002. The share price of COSCO Pacific outperformed those of others in the market with a gain of 61.7% from the end of 2002 to the end of 2003. For the same period, Hang Seng Index was up 34.9% whereas Red Chips Index soared 41.2%. Total trading turnover of COSCO Pacific's shares in 2003 jumped to HK\$14,095,290,800, an increase of 91.1% from 2002.



COSCO Pacific	2003	2002	+/-
Highest trading price (HK\$)	10.750	7.050	+52.5%
Lowest trading price (HK\$)	5.850	3.975	+47.2%
Average trading price (HK\$)	8.334	5.679	+46.8%
Closing price as at 31st December (HK\$)	10.350	6.400	+61.7%
Total trading turnover (no. of shares)	1,704,359,609	1,316,223,282	+29.5%
Total trading turnover (HK\$)	14,095,290,800	7,377,015,700	+91.1%
Total number of shares issued	2,148,542,298	2,147,012,298	+0.1%
Market capitalisation as at 31st December (HK\$)	22,237,413,000	13,740,879,000	+61.8%
Market capitalisation ranking at HSI	29	N/A	N/A
Market capitalisation ranking at HSCCI	6	5	-1

Hang Seng Index (HSI)	2003	2002	+/-
Highest	12,741	12,022	+6.0%
Lowest	8,332	8,772	-5.0%
Average	10,291	10,454	-1.6%
Closing level as at 31st December	12,576	9,321	+34.9%

Hang Seng China-Affiliated Corporations Index (HSCCI)	2003	2002	+/-
Highest	1,477	1,405	+5.1%
Lowest	837	945	-11.4%
Average	1,129	1,164	-3.0%
Closing level as at 31st December	1,428	1,011	+41.2%

Source: Bloomberg

Our investor relations activities

- Monitoring the expectations and concerns of the market and investors
- Participating in investor forums
- Regularly meeting fund managers and analysts, conducting quarterly investor forums
- Regularly updating the media and the public about our latest business operations
- Explaining our development strategies to investors
- Keeping a high standard of transparency
- Maintaining best practice in terms of disclosure of corporate information
- Website updating to disseminate information in an effective manner

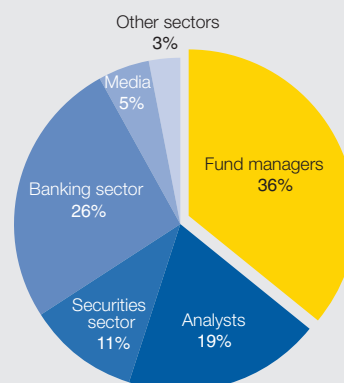
Maintaining effective investor relations is highly regarded by COSCO Pacific. In 2003, we met a total of 1,287 investors and stakeholders, including 662 investors in one-on-one meetings. These stakeholders include fund managers (36%), analysts (19%), brokers (11%), bankers (26%), media (5%) and others (3%). In addition, a total of 26 road shows and investor forums, which were attended by 625 investors, were conducted during the year.

Investors and stakeholders meeting (Unit: No. of investors)

Year	One-on-one meeting	Roadshow and investor forum	Total
2003	662	625	1,287
2002	581	615	1,196
2001	332	412	744
2000	317	643	960
1999	380	606	986
1998	538	677	1,215
1997	468	446	914

In order to facilitate investors to understand more about COSCO Pacific's terminal and logistics business, the Company organised three visits. Fund managers, analysts and the media were invited to visit our investments in Beijing, Shanghai, Qingdao and Xiamen. These events were all well received by the participants. In the future, the Company will continue to arrange similar events to improve communications with investors and stakeholders. Strengthening investor relations of the Company is one of our important work in 2004.

**Stakeholders' one-on-one meeting in 2003
(Breakdown by no. of investors)**



Investor relations activities

Date	Event
January 2003	Fund managers luncheon meeting being arranged by ING Financial Markets in Hong Kong Investor forum of Citigroup Global Markets Asia Limited in Singapore
March 2003	2003 Asian Transport Conference and the investor forum of UBS Warburg in Singapore Release of 2002 Final Results <ul style="list-style-type: none"> • Press Conference • Fund Managers and Analysts Briefings • Luncheon Presentation for investors • Analysts Panel Discussion
May 2003	Release of First Quarter Operational Briefings Press conference for the inclusion of COSCO Pacific as a constituent stock of the Hang Seng Index
June 2003	Ceremony of inclusion of COSCO Pacific as a constituent stock of the Hang Seng Index
July 2003	Investor forum of ABN ARMO Asia Ltd. in Singapore Port visits for fund managers and analysts to Shanghai Waigaoqiao Phase I, Shanghai Container Terminals and Qingdao Qianwan Container Terminal, and meeting with the management of Shanghai Port Group Co., Ltd. and Qingdao Port Group Co., Ltd.
August 2003	Commencement of releasing monthly terminal throughput in which COSCO Pacific holds equity interests
September 2003	Release of 2003 Interim Results <ul style="list-style-type: none"> • Press Conference • Analysts Panel Discussion • Luncheon Presentation for investors Site visits for Hong Kong press and media to the COSCO LOGISTICS' Beijing headquarters, and its Qingdao and Xiamen branches, and Qingdao Qianwan Container Terminals Roadshow for the issuance of US\$300,000,000 notes
October 2003	Site visits for fund managers and analysts to the COSCO LOGISTICS' Beijing headquarters and its Qingdao branch, and Qingdao Qianwan Container Terminal Release of Third Quarter Operational Briefings Investor forums of Citigroup Global Markets Asia Limited in Hong Kong and Singapore
November 2003	China Business Summit 2003 of the World Economic Forum Investors relation seminar of The Asia Business Forum in Singapore 2003 Asia Investor Forum of Morgan Stanley Dean Witter Asia Limited in Singapore Port Visit for fund managers to COSCO-PSA Terminal
January 2004	Release of 2003 Operational Briefings