

COMPANY PROFILE

The ultimate parent company of COSCO Pacific is COSCO, the largest shipping enterprise in China and the second largest in the world.

COSCO Pacific is the world's fourth largest container terminal operator and fourth largest container leasing company. Strong support from our ultimate parent company and its affiliated subsidiaries has provided us with competitive advantages that have allowed us to steadily expand our two core businesses: terminals and container leasing, management and sale.

Backed by our parent company's powerful shipping fleet, COSCO Pacific is focusing on the development of its terminals business and is progressively acquiring majority stakes in terminals. We are also pursuing opportunities for expansion through investment in terminals overseas, in order to optimise our container terminal portfolio. The terminals business will continue to be our key growth driver.

In its terminal investment strategy, COSCO Pacific emphasises maintaining a balanced geographical distribution. The Group's terminal portfolio covers four main port regions in mainland China, Hong Kong and Taiwan, as well as overseas hub ports. As of 31 December 2013, we operated and managed 117 berths at 21 ports worldwide, 17 of them in mainland China, Hong Kong and Taiwan and four overseas. Among the 117 berths, 104 were for containers, with a combined annual handling capacity of 62.75 million TEU. The Group's total throughput represents a global market share of approximately 9.0%.

For the container leasing, management and sale businesses, our fleet size had reached 1,888,200 TEU as of 31 December 2013, representing approximately 11.3% of the global market. The Group has adhered to its prudent investment strategy and operation model in business development. We seek the balanced development of our fleets of owned containers, sale-and-leaseback containers and managed containers with a view to minimising the investment risks, so as to ensure a stable business.

We provide comprehensive long and short-term container leasing and container management services to our customers. To minimise market cycle risk, most lease contracts are long-term and revenue from long-term leasing accounted for 95.5% of total container leasing revenue in 2013. Our key customers include the world's top ten shipping lines, with revenue from these lines accounting for 74.9% of total container leasing revenue in 2013.