

COMPANY PROFILE

COSCO Pacific's largest shareholder is China COSCO (Stock Code: 1919.HK), whose parent company, COSCO, is one of the largest shipping enterprises in the world.

COSCO Pacific is the world's fourth largest container terminal operator and one of the five largest container leasing companies. Benefiting from the synergies among COSCO companies and the long-term support from large-scale shipping companies in China and overseas, we enjoy competitive advantages that have allowed us to expand steadily our two core businesses of terminals and container leasing, management and sale.

COSCO Pacific is committed to balanced development and its corporate strategy is based on four areas of focus as the major driving forces of business expansion.

- Focus on seizing development opportunities in hub ports in line with the trend towards mega-ships.
- Focus on enhancing COSCO Pacific's brand value by optimising the operational model of the terminal subsidiaries.
- Focus on strengthening the profitability of the terminals business through innovative approaches to equity investments in terminal projects.
- Focus on driving the development of a global terminal portfolio by capitalising on the opportunities from the "One Belt, One Road" and Yangtze River Economic Belt initiatives.

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 2014, we operated and managed 123 berths at 21 ports worldwide, 17 of them in mainland China, Hong Kong and Taiwan and four overseas. Among the 123 berths, 108 were for containers, with a combined annual handling capacity of 65.75 million TEU. The Group's total throughput represents a global market share of approximately 9.3%.

For the container leasing, management and sale businesses, our fleet size had reached 1,907,778 TEU as of 31 December 2014, representing approximately 11.0% of the global container leasing market. The Group has adhered to its prudent investment strategy and operational 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 operational 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 risks, most lease contracts are long-term and revenue from long-term leasing accounted for 96.2% of total container leasing revenue in 2014. Our key customers include the world's top ten shipping lines, with revenue from these lines accounting for 79.5% of total container leasing revenue in 2014.