2014 Final Results

Press Conference

24 March 2015

Value Creation through Management Efficiency

COSCO Pacific Limited

Stock code:1199

2014 Results Highlights

- Turnover grew 8.9% YoY
- Profit attributable to equity holders from continuing operation grew 2.3%
- Payout ratio maintains at 40%

P&L	2014 US$ million	YoY	2013 US$ million
Turnover	**870.1**	**8.9%**	798.6
Gross Profit	**323.9**	**1.8%**	318.2
Operating profit	**227.4**	**-7.9%**	246.8
Operating profit after finance income & costs	**180.7**	**0.1%**	180.4
Share of profits less losses of	**171.2**	**11.3%**	153.9
- Joint ventures	**99.7**	**22.5%**	81.4
- Associates	**71.5**	**-1.4%**	72.5
Income tax expenses	**39.0**	**16.4%**	33.5
Profit attributable to equity holders from continuing operation	**292.8**	**2.3%**	286.2
- Share of profit from CIMC	**-**	**n/c**	23.1
- Net gain on disposal of CIMC	**-**	**n/c**	393.4
Profit attributable to equity holders	**292.8**	**-58.3%**	702.7
EPS (US cents) Note	**10.01**	**-8.8%**	**10.98**
DPS (US cents) Note	**4.004**	**-7.6%**	**4.332**
Payout ratio Note	**40.0%**	**--**	**40.0%**

Note: Excluding a special dividend of US5.648 cents that was distributed in 2013 on non-recurring profit of US13.97 cents per share arising from disposal of CIMC.

Terminals business review

Terminals division	2014	YoY	2013
Divisional revenue (US$ m)	**517.0**	**+13.6%**	**455.1**
% of total revenue	**59.4%**	**+2.4pp**	**57.0%**
Divisional profit (US$ m)	**221.0**	**+18.3%**	**186.8**
Total throughput (TEU)	**67,326,123**	**+9.9%**	**61,284,891**
Equity throughput (TEU)	**19,047,214**	**+10.8%**	**17,196,297**
Annual handling capacity (TEU)	**65,750,000**	**+4.8%**	**62,750,000**
No. of operating container berths	**108**	**+4**	**104**

Leasing Business Review

Container leasing division	2014	YoY	2013
Divisional revenue (US$ m)	357.1	+2.7%	347.8
- Container leasing revenue	295.8	+1.7%	290.9
- Disposal of returned containers	47.8	+11.2%	43.0
- Management income	6.4	-13.8%	7.4
- Others	7.2	+10.0%	6.5
% of total revenue	41.0%	-2.5pp	43.5%
Divisional profit (US$ m)	95.8	-23.6%	125.3
Net profit margin	26.8%	-9.2pp	36.0%
Overall average utilisation rate	95.3%	+0.8pp	94.5%
Fleet capacity (TEU)	1,907,778	+1.0%	1,888,200

Capital Expenditure

- Acquisition of 40% effective equity interest in Asia Container Terminal
- Consideration was approximately US$212m

(US$ million)	2014
Terminals	387.6
Leasing	305.8
Total	693.4

2014 Awards

- Won "**Special Mention in the H-share Companies and Other Mainland Enterprises Category**" in the "2014 Best Corporate Governance Disclosure Awards" by Hong Kong Institute of Certified Public Accountants
- "**Gold Award for Financial Performance, Corporate Governance, Environmental Responsibility and Investor Relations**" by The Asset magazine
- "**Corporate Governance Asia Recognition Award**" for the eighth consecutive year and "**Best Investor Relations Company**" for the third consecutive year by Corporate Governance Asia magazine; we also won "**Asian Company Secretary of the Year Recognition Award**" by the magazine for the second consecutive year
- "**Outstanding China Enterprise Award**" by Capital magazine for the third consecutive year
- "**Shipping In-House Team of the Year Award**" by Asian Legal Business for the second consecutive year
- "**Hong Kong Outstanding Enterprise**" by Economist Digest magazine for the tenth consecutive year; and
- The 2013 Annual Report was recognised with "**Bronze in the Cover Design**" in shipping services category at 2014 ARC Awards.

2015 Outlook

Improving global port container throughput

- Despite uncertain global economy, global port container throughput growth will improve
- Global container handling growth of 5.3%, up 0.3pp yoy

China's new policies to stimulate trade activities, favorable to port industry

- **"One Belt, One Road" -** Ports along the Maritime Silk Road to benefit from increasing trades
- **New Free Trade Zone -** FTZs in China to promote cross-straits trades and financial reform
- **Free trade agreement with S. Korea -** FTA likely to boost trade activities when effective

"New Normal" in Shipping industry

- **"New Normal" -** "excessive capacity" and "a slowdown in demand"
- **Trend of shipping alliance and mega vessels**
  - Shipping companies' increasing emphasis on the quality and efficiency of terminal services, provide opportunities for the Group to increase market share.
  - The Group has a balanced terminal portfolio with operations mainly in hub ports, perfectly positioned for the mega vessels trend
- **Lower oil prices -** reduce operating costs of shipping lines, posing positive effect to the Group's core businesses

Q & A