



COSCO Pacific Limited (中遠太平洋有限公司)

Welcome to our 1999 annual report. We trust that you will find this electronic version informative and user-friendly. For further corporate information please visit our website at www.coscopac.com.hk

歡迎閱覽中遠太平洋1999年年報。這年報電子版本能為閣下提供一個更方便之閱覽方式去了解本公司1999年度業績之詳情。如需進一步資料，請瀏覽本公司網址 www.coscopac.com.hk

Please select language, then press **F5** for full list of contents with links to pages

請選擇語言後按 **F5** 鍵列出所有目錄

English

中文

The **growth** opportunity

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COSCO Pacific Limited
(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)



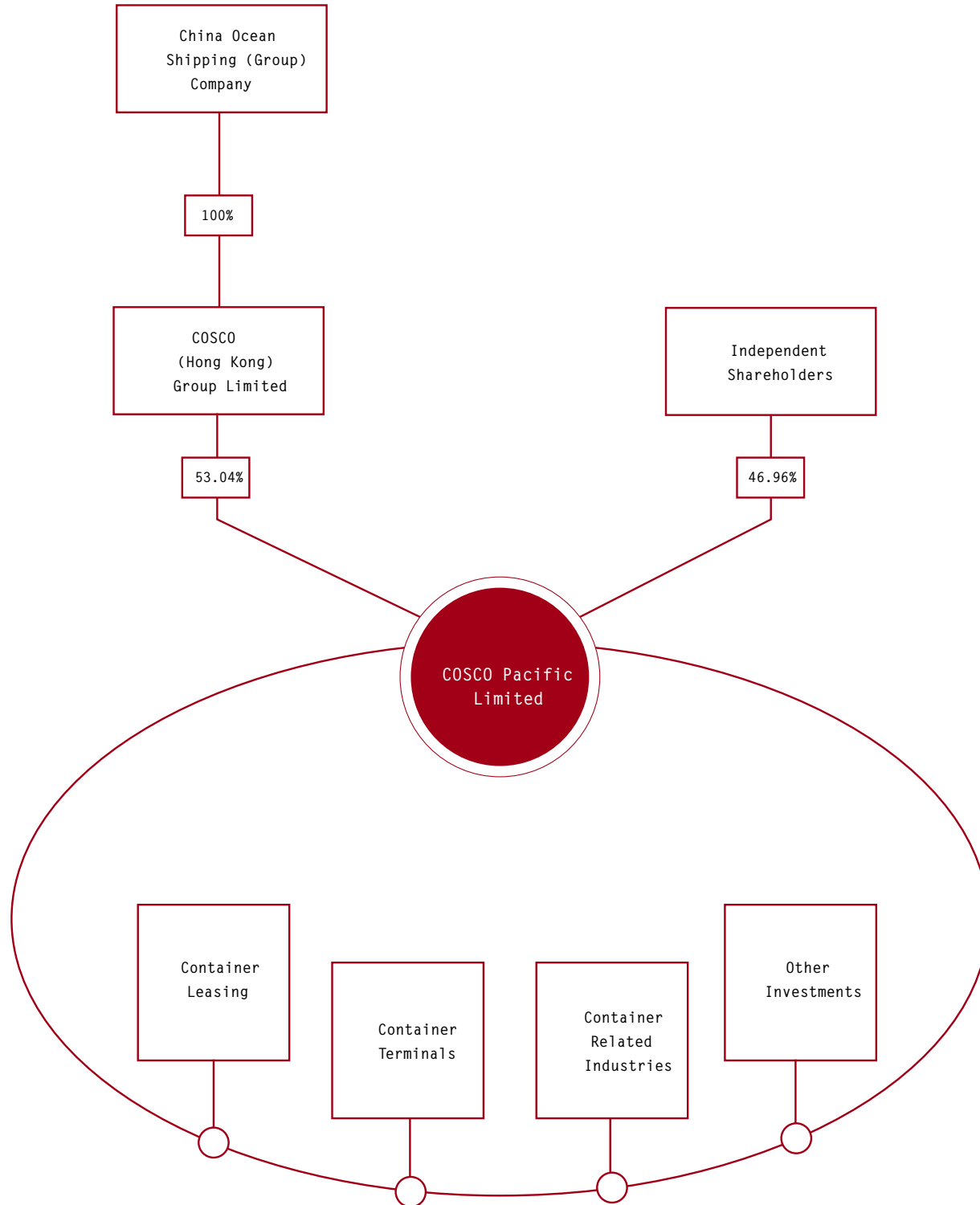
Contents

2	Corporate Profile
3	Operational Highlights
4	Chairman's Statement
14	Vice Chairman's Report
18	Worldwide Ports, Offices and Depots
20	Review of Operations
28	Management Discussion and Analysis
32	Directors & Senior Management Profiles
40	Significant Events
42	Report of the Directors
49	Auditors Report
50	Consolidated Profit and Loss Account
51	Consolidated Balance Sheet
52	Balance Sheet
53	Consolidated Cash Flow Statement
54	Statement of Recognised Gains and Losses
55	Notes to the Accounts
94	Five-year Financial Summary
95	Notice of Annual General Meeting
98	Analysts Contact Details
100	Corporate Information

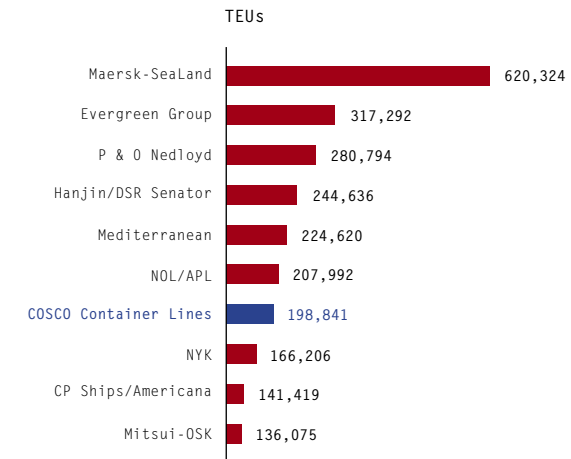
Introduction

A leading player in the business of container transportation, COSCO Pacific Limited's integrated services cover container leasing, container terminals and container related industries. As the world's 6th largest container leasing company, COSCO Pacific's sales offices and depots are strategically located around the globe. Now with China geared toward joining the World Trade Organization, COSCO Pacific is poised to take advantage of the Growth Opportunity this WTO membership represents, and to expand its earnings potential even further.

Corporate Profile



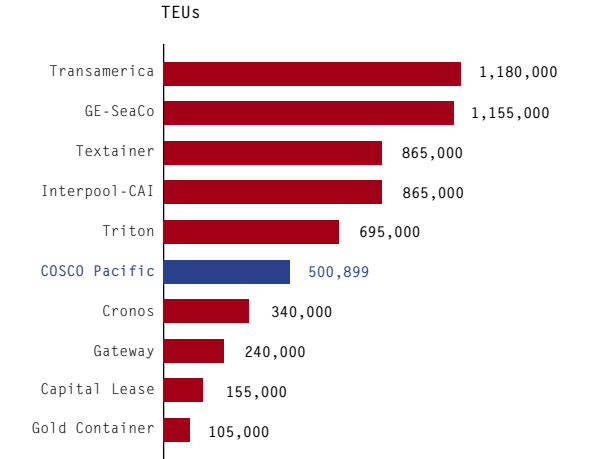
World ranking of the top 10 container ship operators



Source: Alphaliner

The ultimate parent Company, COSCO Group, owns the world's 7th largest container ship operator, COSCO Container Lines (COSCON) which is undergoing a fleet expansion plan to become the world's top 5 in 2 years. COSCON is COSCO Pacific's major customer for container leasing and container terminal businesses.

World ranking of the top 10 container leasing companies

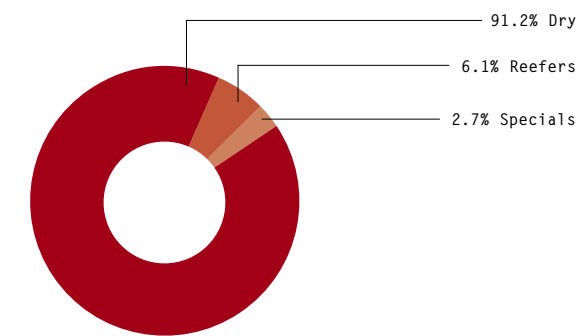


Source: Institute of International Container Lessor (IICL)

COSCO Pacific's container leasing fleet is the world's 6th largest with approximately 8% of the global market share.

Operational Highlights

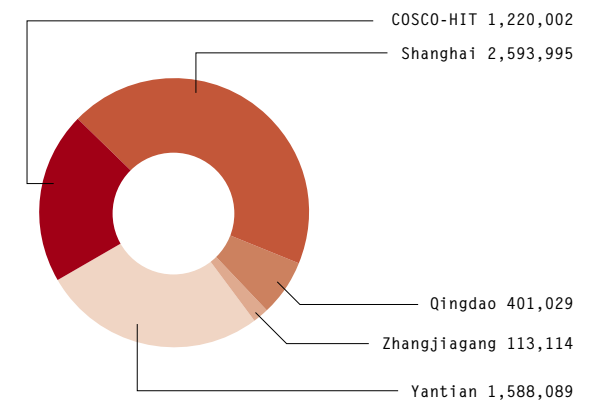
Container leasing capacity (TEUs)



Total capacity: 500,899

As at 31st December, 1999, COSCO Pacific's container leasing fleet was 500,899 TEUs. With 91.2% of its fleet in dry containers, the Group has sufficient capacity to capture most of the demand which is predominantly dry containers.

Container throughput (TEUs)



Total throughput: 5,916,229

COSCO Pacific has major investments in container terminals located in Hong Kong, Shanghai, Qingdao, Zhangjiagang and Yantian. While Hong Kong is the world's busiest port, Shanghai, Shenzhen and Qingdao are the top 3 busiest ports in mainland China. In 1999, the total throughput of our five terminals rose 25.2% to 5,916,229 TEUs.



Chairman's Statement

“With focused strategies and prudent financial management, we will further strengthen our operations and enhance our competitiveness in the market place with a view to achieving higher returns for our shareholders.”

1999 was a challenging and yet difficult year. During the year, COSCO Pacific Limited (“COSCO Pacific” or the “Company”) experienced some pressure in developing its core businesses – container leasing, container terminal operations and container related industries. By tightening up cost control and further improving operational efficiency, the Company and its subsidiaries (the “Group”) successfully surpassed the economic challenges it faced, including the liquidity crunch in the capital market. With the strong support from our parent company, China Ocean Shipping (Group) Company (“COSCO Group”), and our customers, we were able to strengthen our business and report another year of stable profit growth.

New Opportunities from China's WTO Entry

We believe that the worst of Asia's economic woes is over and 2000 will abound with new opportunities and challenges. Major changes will be seen in the global economies and trade systems in the 21st century. Amid this transformation, China's open door policy will play a highly significant role. Once China joins the World Trade Organization, the country will become an integral part of the world's economic, communications and financial framework. This will provide a strong impetus to trade development within Asia and across the world.

“When China joins the World Trade Organization, we expect many doors to open, opportunities on which we can capitalize. With an increase in China's trade and a diversification of her trading partners, the demand for containers and terminal services will soar as well. As one of the world's leading container transportation groups, we expect that this will be a golden opportunity for us, one which we will seize.”

A great opportunity

In 1999, China's total imports and exports amounted to US\$ 360.7 billion, representing an 11.3% increase over the previous year. It is even more encouraging that China's trade growth for the first two months of 2000 rose significantly by 47.1% to US\$ 60.3 billion, in comparison with the same period for 1999, indicating that China trade shows signs of a recovery from the Asian economic crisis, and is well back on track for growth.

Prospects for China's trade in 2000 are optimistic. While it is expected that this will lead to a rising demand for cargo transport, containerization of cargoes also shows an upward trend. As a result, shipping companies are expected to expand their

vessel fleet capacity and purchase, or lease more containers. The throughput of container terminals will increase correspondingly. These factors will certainly benefit COSCO Pacific's container leasing and container terminal operations.

Focusing on Core Businesses

To seize new opportunities, the management will continue to focus on the two core businesses – container leasing and container terminal operations. We will also closely monitor the changes introduced by the Internet, and its effect on the business environment, information technology and customer services.



"We believe that focusing on our strengths is very important. To us, our two core businesses really represent one focus, with two complementary strengths – container leasing and container terminal operations. In an increasingly competitive market, our challenge is to provide services better, cheaper and with closer monitoring than ever before. Leveraging on our new developments in information technology and e-commerce, we are well equipped to meet this challenge."

The right focus

As the Internet becomes increasingly popular, information technology will attain new heights and cause structural changes to global economies and trade systems. The transformation will be fast and far-reaching. As the global economic structure rapidly changes, the ways of merchandising and trading will also change. Cargo owners will demand higher efficiency and better service for transporting their goods. Logistics services providers will have to cope with these changes by lowering their costs, upgrading their efficiency and providing more value-added services. The use of e-commerce will be one of the major tools to sustain a competitive operation. Since e-commerce will speed up the movement of goods, there will be additional demand for other logistics services such as container transport, container storage and shipping agency services, and so forth.

In view of this, the Group has been actively integrating e-commerce into its businesses. We are also keeping a close eye on the changes in logistics services and seeking valuable investment opportunities. This will enable the Group to expand its earnings base.

Competitive Advantages

In coming years, competition in the shipping and cargo transportation industries will no longer be confined to their own regions or sectors – it will become global. A potential customer could come from anywhere in the world, searching through huge data-banks on the Internet for an ideal service provider. As such, apart from providing fast, quality services at competitive prices, a critical element of success is an extensive operating network.



“What sets us apart is the high quality of our services, and the wide reach of our operating network. With one of the world's largest container fleets, we are strategically located across the globe. With the support of a strong parent company, our competitive edge is even more secure.”

The competitive edge

COSCO Pacific owns the world's 6th largest container leasing fleet with 8 strategically-located overseas sales offices and 230 depots spanning the Americas, Europe and Asia. We also have interests in a portfolio of container terminals which are among the busiest ports in China. Such a global operating network will continue to provide COSCO Pacific with excellent competitive advantages well into the future.

Our associated companies in Shanghai and Tianjin, including three container manufacturing companies and two companies which produce paints and chemicals for vessels and containers, provide reliable support for the Group. They ensure that the Group is well-positioned to maintain its high efficiency of operations at competitive costs.

A Solid Foundation

Supported by COSCO Group and its international customers, the Group has been expanding its container leasing and container terminal operations ever since it was listed in December 1994. This has provided a solid foundation for our future growth.

Currently, COSCO Group owns the world's 7th largest container ship operator, carrying an average of approximately 250,000 TEUs (“Twenty-Foot Equivalent Unit”) of cargoes per month. Further expansion is in sight, with a new batch of 20 modern container vessels set to be in service for the next 2 years. This fleet expansion will directly benefit COSCO Pacific's container leasing and container terminal businesses.



Continuous efforts are being made by COSCO Pacific to improve our corporate management and enhance our business competitiveness and profitability.

To fully utilize our container leasing fleet, and to optimize economies of scale, we have been expanding our customer base. Our international customers now number 175 in total.

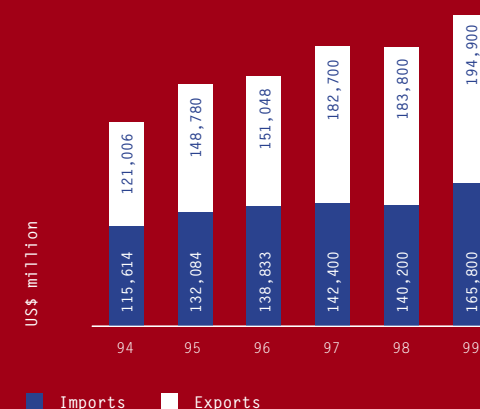
Prudent financial management continues to guide COSCO Pacific's financial policy. The management strictly adheres to this policy to ensure that our financial status remains healthy. This has enabled the Company to enjoy a good reputation in the capital market as well as strong trust and support from bankers. Such a solid foundation will undoubtedly be beneficial to the Group when undertaking new projects in future.

The Directors believe that the Group will continue to benefit from the recovery of the Asian economy, and the strong support of its parent company. As the overseas listed flagship of COSCO Group, we have a large and quality container leasing fleet, and substantial investments in container terminals at major ports in China. Moreover, our financial position is strong, our staff are competent, and our management is highly professional and experienced. With focused strategies and prudent financial management, we will further strengthen our operations and enhance our competitiveness in the market place in order to achieve higher returns for shareholders. The management is confident about the Group's prospects in 2000.

On behalf of the board, I would like to take this opportunity to express our gratitude to our shareholders for their support, and to our employees for their dedicated efforts in successfully fulfilling the Group's business objectives.

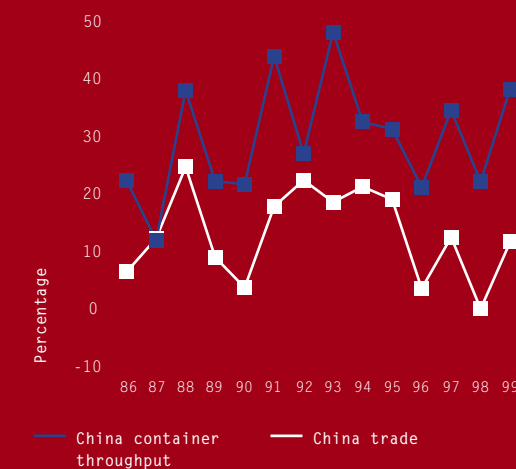
CHEN Zhongbiao
Chairman
28th March, 2000

China imports and exports



When China joins the WTO, it will be the main engine for growth in the global trade market.

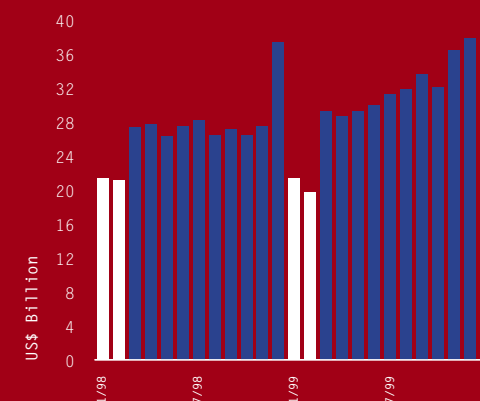
China container throughput growth vs China trade growth



Between 1986 and 1999, the China container throughput grew much faster than China trade. This was underpinned by increasing containerization.

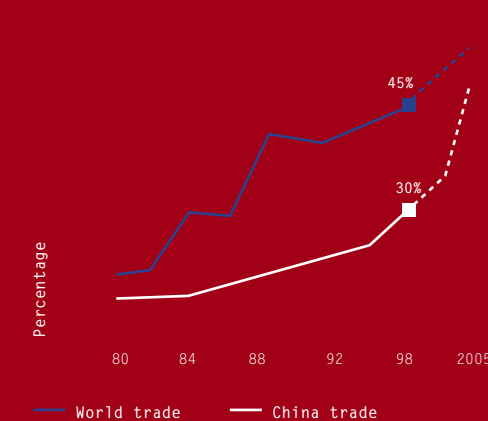
Economic Data

China trade growth



It was encouraging that the trade growth for the first two months of 2000 rose significantly. China trade shows signs of a recovery from the Asian economic crisis, and is well back on track for growth.

Trend of containerization in China



The increase in global demand for containerization, particularly in China, helps underpin a long-term sustainable growth in container related logistics services – container leasing and container terminals.



Vice Chairman's Report

“With the global economy continuing to flourish and the Asian economic recovery gathering momentum, the Group faces a brighter prospect in 2000.”

Financial Highlights

		1999	1998	+/-
TURNOVER	US\$	220,638,000	217,130,000	1.6%
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	US\$	134,082,000	129,297,000	3.7%
EARNINGS PER SHARE	US cents	6.36	6.30	1.0%
DIVIDEND PER SHARE (in cash)				
– Final dividend	HK cents	10.50	10.00	5.0%
– Interim dividend	HK cents	7.70	7.80	-1.3%
– Dividends for the year	HK cents	18.20	17.80	2.2%
CONSOLIDATED NET ASSET VALUE	US\$	981,658,000	845,601,000	16.1%
NET DEBT-TO-EQUITY RATIO		31.4%	64.7%	-33.3pp
INTEREST COVERAGE	Times	4.8	4.3	0.5

Having endured the challenges of the financial turmoil, the Asian economy began showing signs of recovery in the fourth quarter of 1999. By becoming more cost-efficient in our core operations, and exercising more stringent control of our administration costs and financial expenses, we were able to turn 1999 into another year of stable profit growth.

Highlights of Results

Turnover for 1999 rose 1.6% to US\$ 220,638,000, primarily reflecting the stable operations of the container leasing business. Container terminal division continued to register satisfactory performance. Operating profit after financing costs for the year amounted to US\$ 83,384,000, up 3.2% from 1998.

Share of profits less losses of associated companies for the year was US\$ 54,871,000 (1998: US\$ 50,639,000), and that of jointly controlled entities for the year was US\$ 4,106,000 (1998: US\$ 4,254,000).

Profit attributable to shareholders for the year was US\$ 134,082,000, an increase of 3.7% from the previous year. Earnings per share were up by 1.0% to US 6.36 cents due to the placement of 87,311,767 new shares during the year. As at 31st December, 1999, the Company had 2,139,228,298 outstanding shares in issue (1998: 2,051,826,531 shares).

At the forthcoming annual general meeting, the Directors will recommend a final dividend of HK 10.5 cents (1998: HK 10.0 cents) per share payable in cash. Combined with the interim cash dividend of HK 7.7 cents (1998: HK 7.8 cents) per share paid on 4th October, 1999, this provides an annual cash dividend of HK 18.2 cents (1998: HK 17.8 cents) per share.

Date	Amount	Maturity	Type	Applications
May	US\$53 million	N.A.	Placement of new shares	For the purchase of containers and as investments in container terminals
Sep	US\$75 million	5 years	Syndicated loan	For the purchase of containers and as working capital
Dec	HK\$1.8 billion*	5 years	Syndicated loan	Refinancing by COSCO-HIT for the repayment of bank loans and shareholders' loans

*This loan was borrowed by COSCO-HIT, an associated company of COSCO Pacific.

Prudent Financial Management

During the year, in light of the uncertainties in Asia, the Group continued to exercise prudent control over its debt level. Capital expenditure totalled US\$83,511,000 (1998: US\$162,969,000), mainly for the purchase of new containers and the final payment of the Shanghai Yixian Road project.

The Group further improved its debt portfolio in 1999 through a series of new equity and debt financing arrangements. During the year, three major fund-raising exercises were successfully launched.

As at 31st December, 1999, the Group's net debt was reduced to US\$ 308,451,000 (1998: US\$ 546,722,000). Interest expense for the year was down by 11.2% to US\$ 37,065,000. Borrowing cost also dropped, with the overall average interest rate down from 6.7% per annum in 1998, to 6.5% per annum.

As at 31st December, 1999, the Group's consolidated net asset value was US\$ 981,658,000, a 16.1% increase over 1998. Cash on hand amounted to US\$ 252,335,000 (1998: US\$ 87,614,000). Net debt-to-equity ratio was significantly reduced to 31.4%, from 64.7% in 1998. Interest coverage stood comfortably at 4.8 times, against 4.3 times a year ago. These figures underscore the strength of our financial position, as well as our improved ability to arrange new financing in case of need.

Solid Growth in Core Businesses

As at 31st December, 1999, our container fleet stood at 500,899 TEUs, ranking us as the world's 6th largest container leasing company. Moreover, we continued to enjoy a utilization level of 96.5%, the highest in the industry.

Our container terminals performed well during the year. Growth in throughput was recorded at all our five terminals in Hong Kong, Shanghai, Qingdao, Zhangjiagang and Yantian. The combined throughput rose 25.2% to 5,916,229 TEUs, leading to a rise in contribution to the Group's overall profits.

Investor Relations

COSCO Pacific is committed to building an effective investor relations programme, by actively participating in investor's forums and conferences, delivering corporate presentations, and giving analysts and fund managers detailed corporate information. By all these means we aim to give them a much better understanding of our business operations. It was very encouraging therefore that we were awarded "Honourable Mentions" by the Hong Kong Management Association for our 1997 and 1998 annual reports. These awards have endorsed our commitment to a high standard of corporate disclosure.

Development Strategies

The management is fully aware of the challenges ahead in the 21st century. Increasing competition and the rapid changes in information technology demand that enterprises continuously improve their competitiveness. The Group is prepared to further develop its e-commerce services, and to participate in logistics businesses in order to derive maximum benefit from operating an integrated chain of services.

For the past two years, the Group has been strengthening its computer systems for container leasing. Since the systems' design has already taken e-commerce operations into account, the Group's participation in e-commerce has been enhanced, and the resulting service network will be more comprehensive than many others. Upon completion of these systems, the Group's competitiveness in the global container leasing market will be further enhanced.

At the same time, the Group will expand into logistics businesses that employ information technology and skills to manage supply chain services. Our strategy is to form alliances with major manufacturing distribution enterprises in the PRC and overseas, and to establish strategic partnerships with international logistics operators that facilitate our entry into the new businesses.

Prospects

With the global economy continuing to flourish, and the Asian economic recovery gathering momentum, the Group faces a brighter prospect in 2000. Against this background, the Group has formulated development strategies that take advantage of its strong links with COSCO Group to actively develop its container leasing and container terminal businesses, and to pursue investment opportunities in other major container terminals.

The Group is also expecting even better growth opportunities, given China's imminent entry into the World Trade Organization, the sustained growth of China trade, the global upward trend of cargo containerization, and the investment opportunities available in the logistics sector. The Group has been actively investigating potential investments in logistics businesses, and developing new revenue streams to maximize returns for our shareholders.

DONG Jiufeng
Vice Chairman
28th March, 2000



Worldwide Ports, Offices and Depots

Ports ■


- Hong Kong
- Qingdao
- Shanghai
- Yantian
- Zhangjiagang

Overseas Offices ■

- Genoa
- Hamburg
- London
- New York
- San Francisco
- Sao Paulo
- Shanghai
- Tokyo

Depots ● (The Group's 230 depots strategically spread throughout the following 153 locations)

- | | | | | | | | |
|------------|--------------|--------------|-------------|-------------|----------------|----------------|------------|
| Aarhus | Buenos Aires | Felixstowe | Kaohsiung | Lyttelton | New York | Salt Lake City | Toulouse |
| Adelaide | Burghausen | Fos | Karachi | Madras | Ningbo | Salzburg | Trieste |
| Ancona | Calcutta | Fremantle | Keelung | Madrid | Norfolk | San Antonio | Valparaiso |
| Antwerp | Cape Town | Fuzhou | Kobe | Mainz | Osaka | San Francisco | Valencia |
| Ashdod | Charleston | Genoa | Koper | Manchester | Oslo | Santiago | Vancouver |
| Atlanta | Chicago | Germersheim | Kotka | Manila | Padua | Santos | Venice |
| Auckland | Christchurch | Glasgow | La Guaira | Mannheim | Paranagua | Savannah | Vienna |
| Baltimore | Cincinnati | Gothenburg | La Spezia | Marseille | Penang | Seattle | Vigo |
| Bangkok | Cleveland | Guayaquil | Le Havre | Melbourne | Port Kelang | Seoul | Wellington |
| Barcelona | Colombo | Haifa | Leeds | Memphis | Porto | Shanghai | Worth |
| Basel | Columbus | Hamburg | Leghorn | Miami | Portland | Singapore | Xiamen |
| Belfast | Copenhagen | Helsinki | Leixoes | Milan | Prague | St. Louis | Yingkou |
| Bilbao | Cork | Hong Kong | Lianyungang | Minneapolis | Puerto Cabello | Stockholm | Yokohama |
| Birmingham | Dalian | Houston | Linz | Moji | Pusan | Surabaya | |
| Bologna | Dallas | Huangpu | Lisbon | Montreal | Qingdao | Sydney | |
| Bombay | Denver | Inchon | Liverpool | Munich | Rio De Janeiro | Talcahuano | |
| Bordeaux | Detroit | Jacksonville | London | Nagoya | Rio Grande | Taichung | |
| Bremen | Dublin | Jakarta | Los Angeles | Napier | Rijeka Susak | Tianjin | |
| Brisbane | Duisburg | Johannesburg | Louisville | Naples | Rotterdam | Tomakomai | |
| Budapest | Durban | Kansas City | Lyon | New Orleans | Rubiera | Toronto | |



Review of Operations

COSCO Pacific achieved another year of solid performance, and is preparing itself to participate in logistics businesses, in order to derive the maximum profit potential from operating an integrated chain of services.

Container Leasing

As at 31st December, 1999, the Group's container fleet stood at 500,899 TEUs, making us the world's 6th largest container leasing operator, with an approximately 8% share of the global container leasing market.

Our container leasing business remained strong throughout 1999. Turnover rose to US\$ 205,115,000, a 1.5% increase over the previous year. The business accounted for 63.3% (1998: 67.3%) of the Group's profit attributable to shareholders.

As COSCO Group, our principal customer, has undergone business reorganization, all the container transportation businesses have been assigned to its wholly-owned subsidiary COSCO Container Lines Company Limited ("COSCON") since the beginning of 1999.

During the year, we leased an aggregate of 311,047 TEUs to COSCON (1998: 340,344 TEUs to COSCO Group), which accounted for 62.1% (1998: 67.3%) of our total container fleet. Containers available to other international customers rose to 189,852 TEUs (1998: 165,610 TEUs), representing 37.9% (1998: 32.7%) of our total fleet. The total number of our international clients is 175 (1998: 150).

COSCON Leasing Analysis by Type (in TEUs)

	1999	1998
Total containers	311,047	340,344
– Dry containers	91.6%	92.3%
– Reefers	7.2%	6.6%
– Specials	1.2%	1.1%



Other International Customers Leasing Analysis by Type (in TEUs)

	1999	1998
Total containers	189,852	165,610
– Dry containers	90.3%	89.9%
– Reefers	4.4%	4.8%
– Specials	5.3%	5.3%

Container Fleet Analysis

During the year, our container fleet shrank slightly by 1.0% to 500,899 TEUs. New purchases were fully netted by the return of used containers from COSCON following the expiry of 10-year leases.

TEUs	1999	1998
Containers brought forward	505,954	469,951
New containers purchased	40,094	58,009
Containers returned upon the expiry of 10-year leases	(42,055)	(20,673)
Defective containers written off	(3,094)	(1,333)
Total containers	500,899	505,954

Fleet Analysis by Type (in TEUs)

	1999	1998
Dry containers	91.2%	91.5%
Reefers	6.1%	6.0%
Specials	2.7%	2.5%



Disposal of Containers

During 1999, we received 42,055 TEUs containers from COSCON upon the expiry of 10-year leases, of which 40,319 TEUs were disposed of at a gross profit of US \$11,177,000 (1998: US\$ 9,219,000). About 28,647 TEUs containers are scheduled to be returned by COSCON in 2000 when the 10-year lease expires.

Master Leasing and E-commerce

COSCO Pacific is committed to providing high quality services to its customers. During the year, we have made further improvements in our container leasing operations in respect of the management system, computer systems and staff training. Not only have the new computer systems in use this year strengthened our global network of sales offices and depots but also provided an essential platform for our future development in e-commerce.

High Utilization Rate

While containers leased to COSCON remained at 100% utilization, overall utilization rate stood high at 96.5% (1998: 97.0%), well above the industry average of about 80%.

Leasing Rate Analysis

During the year, the persistent over-capacity of container manufacturing exerted pressure on the price of new containers. As a result, the container leasing rate declined as well. In view of this, the Group has made a strategic decision to actively participate in master leasing to generate higher rental income. This strategy has mitigated the decline of the Group's overall average leasing rate.

Container Terminals

During the year, our container terminal business continued to grow. The combined throughput of our five container terminals rose 25.2% to 5,916,229 TEUs.

COSCO-HIT

COSCO Pacific has a 50% interest in COSCO-HIT Terminals (Hong Kong) Limited (“COSCO-HIT”) which operates Terminal 8 East at Kwai Chung, Hong Kong. This container terminal has a quay length of 640 metres, with an along-side depth of 15 metres. Equipped with nine modern quay cranes, the terminal can handle two large container vessels simultaneously. COSCO-HIT commenced operations in 1995 and has since been continuously improving its management, terminal facilities and efficiency. The use of advanced computer systems and communication equipment has helped ensure a reliable service for customers.

Container throughput at Hong Kong harbour totalled 16,200,000 TEUs in 1999, making Hong Kong the busiest container port in the world. Throughput at COSCO-HIT amounted to 1,220,002 TEUs (1998: 1,206,572 TEUs), accounting for about 11.8% of the combined throughput of the eight container terminals in Kwai Chung, Hong Kong. Notwithstanding the moderate growth in throughput of only 1.1%, COSCO-HIT achieved a more satisfactory growth in profit due to lowered interest expenses and effective cost control during the year.

Four PRC Container Terminals

During the year, our four container terminals in the PRC continued to grow strongly and recorded satisfactory profits. Combined throughput amounted to 4,696,227 TEUs, a gain of 33.4% from 1998. The strong growth was attributed to the increase in China trade and the upward trend of cargo containerization. The Group is optimistic that the terminals would have another year of strong growth in 2000.



Shanghai Container Terminals

Shanghai Container Terminals Ltd. (“Shanghai Container Terminals”), in which the Group has a 10% interest, recorded a 28.0% increase in combined throughput to 2,593,995 TEUs at its container terminals in Zhanghuabang, Jungonglu and Baoshan. During the year, Shanghai Container Terminals witnessed strong demand for container terminal services. Being China’s largest container port, Shanghai has been enjoying strong and uninterrupted growth in throughput since the 1990’s. To cope with the rising demand, Baoshan terminal has started a facility upgrade programme which, when completed this year, will provide additional capacity to serve the 3rd and 4th generation container vessels.



Qingdao Cosport International Container Terminals

Qingdao Cosport International Container Terminals Co., Ltd. (“Qingdao Cosport International Container Terminals”), in which the Group has a 50% interest, saw a 14.5% rise in throughput to 401,029 TEUs. Qingdao, the largest container port in northern China, enjoys excellent growth potential. Equipped with advanced facilities, the terminal is among the most modern ones in the Qingdao port area. During the year, as a result of further upgrading of computer systems, the terminal has become the most computerized and efficient terminal in Qingdao.

Zhangjiagang Win Hanverky Container Terminal

Zhangjiagang Win Hanverky Container Terminal Co. Ltd. (“Zhangjiagang Win Hanverky Container Terminal”), in which the Group has a 51% interest, achieved a 7.7% rise in throughput to 113,114 TEUs. Located in the lower stream of the Yangtze River, the terminal continued to benefit from the increasing demand for container services. Efforts are being made by the terminal to boost its profit potential by enlarging the scope of its operations, so that it can achieve higher economies of scale and broaden its revenue stream.



TEUs	1999	1998	%
COSCO-HIT	1,220,002	1,206,572	+1.1
Shanghai Container Terminals	2,593,995	2,027,188	+28.0
Qingdao Cosport International Container Terminals	401,029	350,126	+14.5
Zhangjiagang Win Hanverky Container Terminal	113,114	105,051	+7.7
Yantian International Container Terminals	1,588,089	1,038,074	+53.0



Yantian International Container Terminals

Yantian International Container Terminals Ltd. ("Yantian International Container Terminals"), in which the Group has a 5% interest, achieved another year of strong growth, with throughput soaring 53.0% to 1,588,089 TEUs. The excellent performance was attributed to the increase in trade and cargo containerization in southern China. During the year, the second phase development of the terminal was completed and new berths were put into operation. The enlarged capacity is expected to yield promising results in the coming years.

River Trade Terminal, Tuen Mun

The Group has a 10% interest in River Trade Terminal Holdings Limited ("River Trade Terminal"). This terminal in Tuen Mun, Hong Kong, is an integrated facility providing manufacturers in the Pearl River Delta with an efficient and cost-effective way to ship cargo. The terminal is designed for housing 60 berths to simultaneously serve more than 100 river-borne vessels. Construction works were largely



completed in 1999. Though its first year throughput was slightly below expectations, some improvement in throughput has been seen since the end of 1999.

Container Handling and Storage

Our wholly-owned subsidiary, Plangreat Limited, and its subsidiaries engaging in container handling and storage services, recorded satisfactory results during the year despite unfavourable market conditions.

Container Related Industries

Our container related industrial investments provide the Group with further vertical integration and synergy benefits. During the year, these industrial enterprises continued to record profits.

Shanghai CIMC Reefer Containers Co., Ltd., in which a 20% interest is held, operated profitably, producing a total of 16,914 TEUs of refrigerated containers, up 52.5% on 1998.

The Group has a 20% interest in both Shanghai Kansai Paint & Chemical Co., Ltd. ("Shanghai Kansai") and Tianjin Kansai Paint & Chemicals Co., Ltd. ("Tianjin Kansai"). The two companies produce paint for vessels and containers. During the year, Shanghai Kansai produced 11,633 tonnes of paint, up 18.9% on 1998 while Tianjin Kansai produced 9,386 tonnes of paint, up 27.6% on 1998.

Shanghai Yixian Road

The elevated road at Yixian Road in Shanghai was completed and opened for traffic in May 1999. The vehicle flow and tariffs for the Wusong Toll Bridge and Wenchang Toll Bridge increased during the year. After deducting depreciation for the elevated road, the project continued to report a profit. In addition, Jiangyang Toll Bridge was completed and opened for traffic in March 2000.

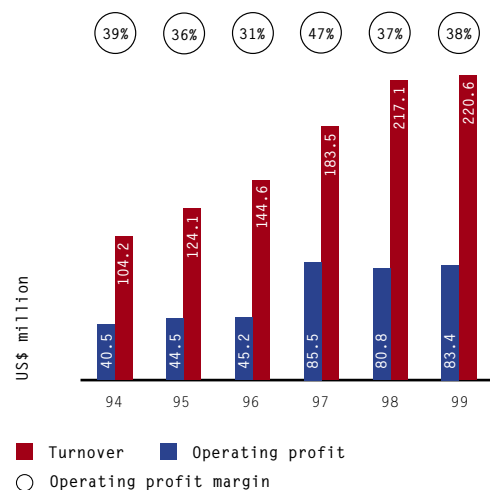
Liu Chong Hing Bank Limited

The Group has a 20% interest in Liu Chong Hing Bank Limited, which contributed US\$ 9,287,000 to the Group's profit attributable to shareholders, an increase of 3.4% from 1998.

Wholly-owned subsidiary Fentalic Limited recorded profits during the year. It holds a 20% interest in Shanghai CIMC Far East Container Co., Ltd. ("Shanghai CIMC Far East") and a 22.5% interest in Tianjin CIMC North Ocean Container Co., Ltd. ("Tianjin CIMC North Ocean"). During the year, Shanghai CIMC Far East produced 66,361 TEUs of containers, up 10.5% on 1998, while Tianjin CIMC North Ocean saw its production declined by 2.7% to 37,948 TEUs of containers.

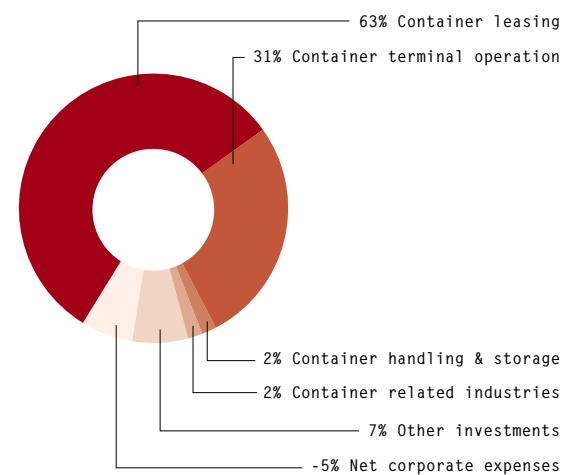


Turnover/operating profit margin



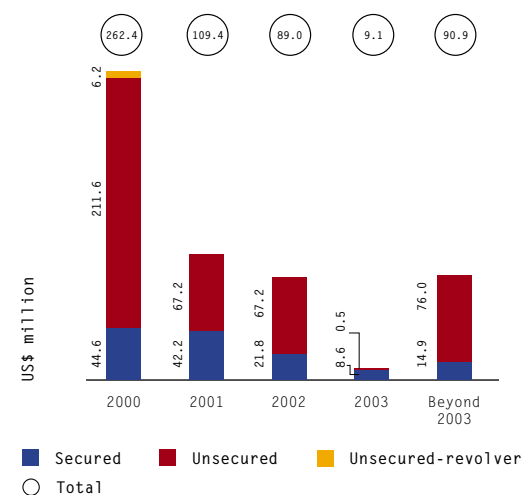
Turnover slightly rose in comparison to 1998 as a result of a stagnant growth in container fleet size.

Breakdown of profit attributable to shareholders by activities



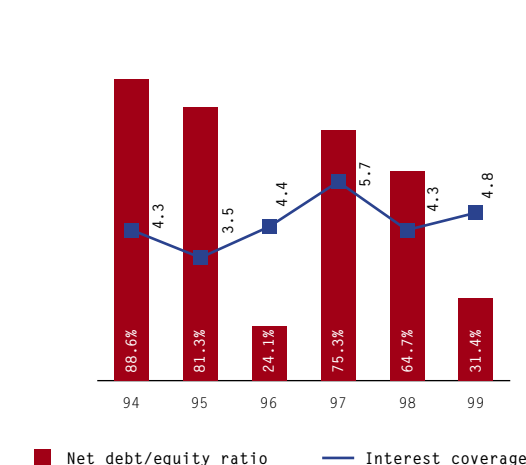
Container leasing and container terminal divisions continue to provide the lion share of the Group's profit.

Loan maturity analysis



As at the end of 1999, the Group's cash balance exceeded US\$250 million. In addition, the Group is arranging for a US\$130 million 2-year commercial paper facility to refinance the existing one due in mid-May. The completion of the refinancing would effectively reduce current loan to a more comfortable level.

Net debt/equity vs interest coverage

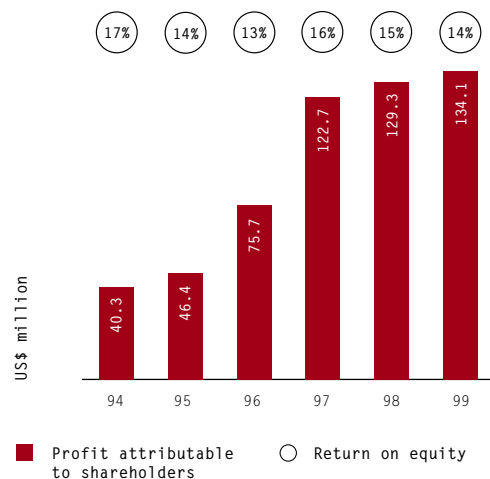


While balancing business opportunities with financial risks, the Group was able to further reduce its gearing and increase its interest coverage, thus increasing financial flexibility.

Management Discussion and Analysis (Financials)

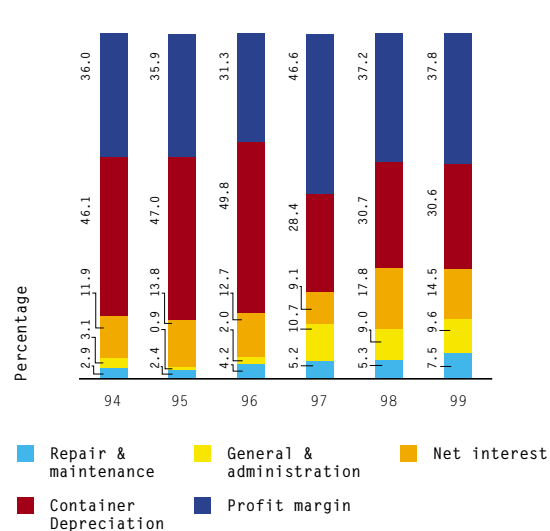
Management Discussion and Analysis (Financials)

Net profit vs return on equity



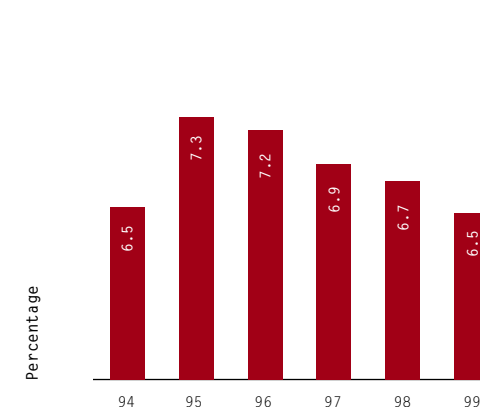
Net profit rose 3.7% to US\$134.1 million as a result of an overall satisfactory performance of its core businesses. Return on equity, however, dipped slightly to 14% from 15% in 1998 owing to a much-reduced net gearing level in 1999.

Cost analysis (% turnover)



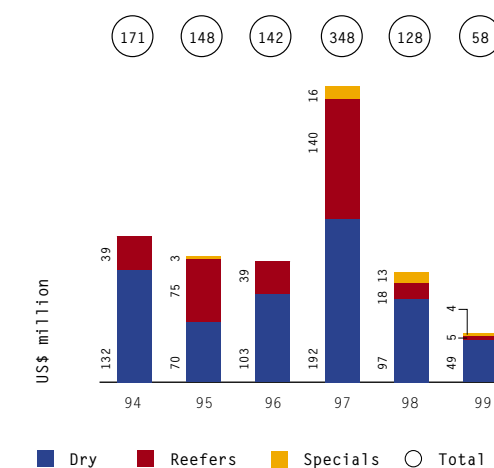
Overall cost structure was very much the same as it was in 1998. Depreciation, general and administration expenses and net interest expenses were the three largest items.

Effective interest rate



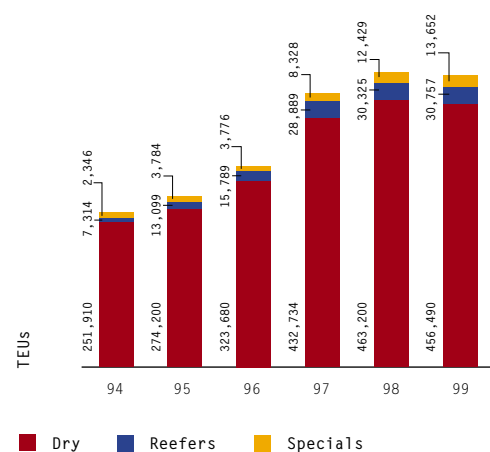
Overall effective interest rate further reduced to 6.5% from 6.7% in the previous year. While average LIBOR rates were stable compared to 1998, interest margin was narrowed to 1.0% (1998: 1.2%) as a result of repayment of relatively higher margin loans during the year.

Capital expenditure on containers



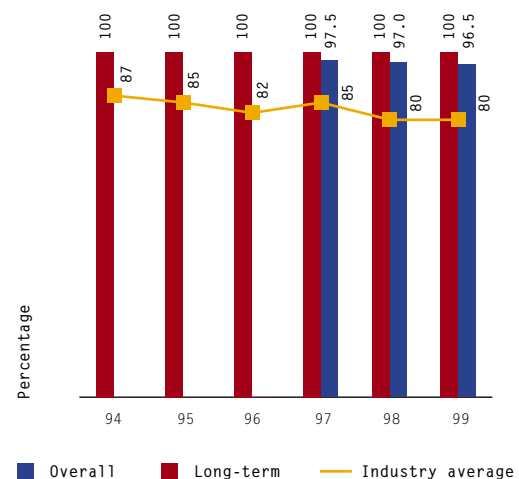
For the past two years, the Group cautiously controlled its capital expenditure on containers due to the unfavourable market situation.

Container fleet analysis by type



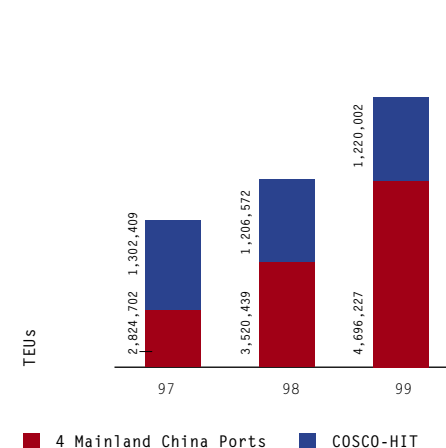
COSCO Pacific's fleet shrank slightly by 1.0% to 500,899 TEUs but still maintaining the highest utilization rate within the industry.

Utilization rate of containers



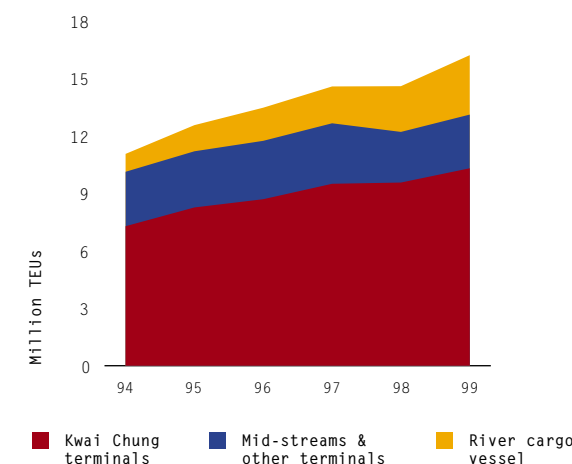
While diversifying its clientele, COSCO Pacific has maintained a high utilization rate of 96.5% with over 84% of revenue generated from long-term leasing contracts. This compares favorably with the industry average utilization of 80%.

Container terminal throughput growth



The container terminal division registered an overall improvement of 25.2% in throughput mainly due to the satisfactory performance of its terminal operations in Mainland China.

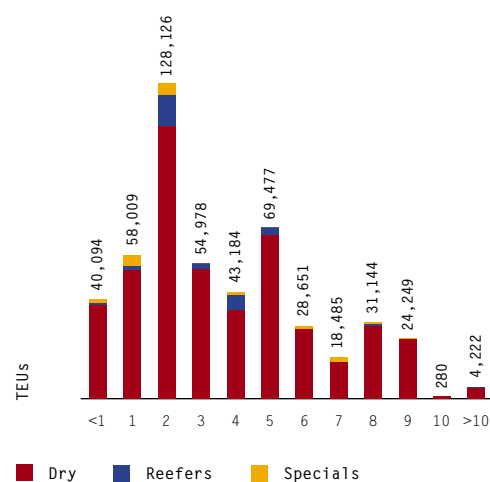
Total container throughput in Hong Kong



In 1999, throughput of COSCO-HIT amounted to 1,220,002 TEUs accounting for 11.8% of the combined throughput of the Kwai Chung terminals in Hong Kong.

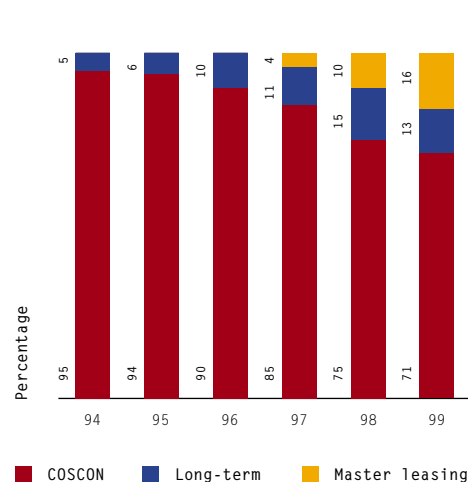
Management Discussion and Analysis (Container Leasing)

Aging analysis of containers



The young age of the fleet allows COSCO Pacific to penetrate the market with a higher success rate.

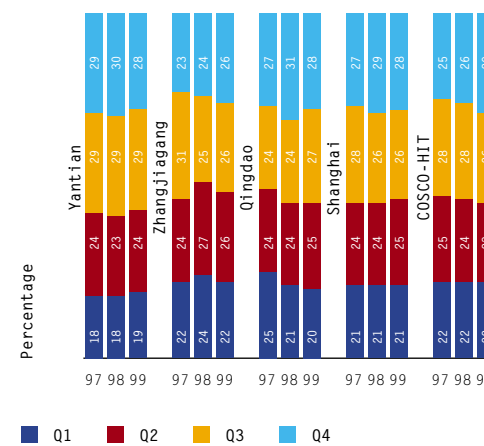
Developing new revenue streams



COSCO Pacific continues to implement its expansion strategy in international business and developed new revenue streams.

Management Discussion and Analysis (Container Terminals)

Container terminals-seasonality analysis



There was no significant deviation of the throughput pattern on a quarterly basis for 1999.

Top 10 Mainland China Ports (Throughput in TEUs)

Ports	99	+/- over 98
Shanghai	4,200,000	37.9%
Shenzhen	2,980,000	51.8%
Qingdao	1,540,000	26.9%
Tianjin	1,300,000	27.5%
Guangzhou	1,180,000	42.2%
Xiamen	802,000	22.7%
Dalian	720,000	36.9%
Ningbo	600,000	71.5%
Fuzhou	320,000	26.8%
Zhuhai	221,000	-15.5%

The Group has equity investments in the top three ports in Mainland China. This not only ensures a significant market share but also further expansion opportunities.

Directors & Senior Management Profiles



- 1 SHI Qin
(Managing Director)
- 2 WONG Tin Yau, Kelvin
(Deputy Managing Director)
- 3 LU Chenggang
(Director and Managing Director of Florens
Container Services Company Limited)
- 4 QIN Fuyan
(Director and Deputy General Manager
of COSCO-HIT)
- 5 LI Jianxiong
(Deputy General Manager)
- 6 LI Wai Ho, Francis
(Financial Controller)



EXECUTIVE DIRECTORS

**CHEN Zhongbiao**

Mr. CHEN, aged 62, is the Chairman of the Company. He is also the Chairman of China Ocean Shipping (Group) Company ("COSCO Group"), COSCO (Hong Kong) Group Limited ("COSCO (Hong Kong)") and COSCO International Holdings Limited ("COSCO International"). He has been the President of COSCO Group from April 1992 to November 1998 and the China Shipowners' Association since April 1992. Graduated from Dalian Maritime University in 1964, Mr. CHEN has more than 36 years of extensive experience in the shipping industry. He joined the Company in September 1994 and is responsible for the overall strategic planning of the Company.

**DONG Jiufeng**

Mr. DONG, aged 60, is the Vice Chairman of the Company. He is also the Executive Vice Chairman and President of COSCO (Hong Kong) and the Vice Chairman of COSCO International. He is the Vice Chairman of Soundwill Holdings Limited and Non-Executive Director of Liu Chong Hing Bank Limited. Graduated from Dalian Maritime University in 1963, Mr. DONG has held important positions as Vice President of COSCO Group, Director of the Ship Survey Bureau of the Ministry of Communications of the PRC, President of China Classification Society, Chairman of the International Association of Classification Society and President of COSCO North America Inc. Mr. DONG has more than 36 years of experience in international navigation management and was awarded the qualification of senior engineer (professor). He joined the Company in March 1999 and is responsible for strategic planning and major investments.

**SHI Qin**

Mr. SHI, aged 45, is the Managing Director of the Company. He is also a Director and Vice President of COSCO (Hong Kong) and Non-Executive Director of Liu Chong Hing Bank Limited. Mr. SHI has been with COSCO Group since he graduated from Shanghai Maritime Transportation Institute in 1977 and was then awarded the qualification of senior economist by the Ministry of Communications of the PRC. Mr. SHI has extensive experience in the shipping and cargo forwarding industries and has demonstrated excellent management skills. He joined the Company in July 1996 and is responsible for strategic planning, corporate development, overall management and administration of the Company.

**YANG Bin**

Mr. YANG, aged 50, has been a Director of the Company since March 2000. He is also the Vice President of COSCO Group. Mr. YANG graduated from Dalian Maritime University in 1976, obtained his Master Degree of Shipping Management from Shanghai Maritime University and was then awarded the qualification of senior engineer. Mr. YANG has been the General Manager of Transportation Division of COSCO Group and Deputy General Manager of Tianjin Ocean Shipping Company. He has substantial experience in shipping and corporate management.

**LU Zhiming**

Mr. LU, aged 57, has been a Director of the Company since September 1994. He is also the Chief Accountant of COSCO Group. He graduated from Shanghai Maritime Transportation Institute in 1965 and has more than 35 years of experience in financial management and accounting. He is responsible for assisting the financial planning of the Company.

**LI Jianhong**

Mr. LI, aged 43, has been a Director of the Company since October 1997. He is also the Chief Economist of COSCO Group. He graduated from Wuhan Institute of Water Transportation in 1983 and has more than 16 years of experience in corporate management. He is responsible for assisting the investment planning of the Company.

**XU Lirong**

Mr. XU, aged 42, has been a Director of the Company since March 2000. He is also the General Manager of COSCO Container Lines Company Limited. Mr. XU graduated from Marine Navigation Department of the Adult Education College in Dalian Maritime University in 1975 and obtained his Master of Business Administration Degree from Shanghai Maritime Transportation Institute. Mr. XU has been the Deputy Managing Director of Shanghai Ocean Shipping Company and President of Shanghai Shipping Exchange. He has substantial experience in shipping and corporate management.

**KWONG Che Keung, Gordon**

Mr. KWONG, aged 50, has been a Director of the Company since May 1998. He is also a Director and Vice President of COSCO (Hong Kong) and the Managing Director of COSCO International. He is an Independent Non-Executive Director of Tianjin Development Holdings Limited and Non-Executive Director of Soundwill Holdings Limited. He graduated from the University of Hong Kong in 1972 with a Bachelor of Social Sciences Degree. He qualified as a chartered accountant at the Institute of Chartered Accountants in England and Wales in 1977 and was a Partner of Price Waterhouse from July 1984 to April 1998. During the 1990s, he has acted as a part-time panel member of the Hong Kong Government's Central Policy Unit, an independent member of the Council of The Stock Exchange of Hong Kong Limited, a Director of Hong Kong Clearing Co. Limited and Stock Option Clearing House Co. Limited.

**WONG Tin Yau, Kelvin**

Mr. WONG, aged 39, is the Deputy Managing Director of the Company. He is also the Assistant to the President of COSCO (Hong Kong). Mr. WONG is an associate of the Chartered Institute of Bankers, a fellow member of the Hong Kong Institute of Directors, a member of the Hong Kong Securities Institute and a member of the National Investor Relations Institute, USA. He obtained his Master of Business Administration Degree from the Andrews University, Michigan in the United States of America in 1992. He has more than 15 years of working experience in the banking and securities industries. Mr. WONG has held various senior positions in several listed companies in Hong Kong before joining the Company in July 1996, and is responsible for the overall management and investor relations of the Company.

**LU Chenggang**

Mr. LU, aged 47, has been a Director of the Company since November 1999. He is also the Managing Director of Florens Container Services Company Limited, Vice Chairman of China Road Transportation Association and China Warehouse and Storage Association. Mr. LU graduated from Changsha Railway University in 1975, had further studies in Shanghai Maritime University and took a Master Degree at Capital Economic and Trade University, majoring in Business Administration. He was awarded the qualification of senior economist by the Ministry of Communications of the PRC. He has been the Senior Vice President of COSCO Inc. USA, Deputy Managing Director of COSCO International Freight Company Limited and General Manager of COSCO Equipment Control Centre. Mr. LU has extensive experience in container businesses and is currently responsible for corporate development, overall management and administration of Florens Container Services Company Limited.

**QIN Fuyan**

Mr. QIN, aged 47, has been a Director of the Company since March 1996. He is also the Deputy General Manager of COSCO-HIT Terminals (Hong Kong) Limited. Following his university graduation in 1975, Mr. QIN joined COSCO Group and has been responsible for shipping management. In 1983, he joined the chartering department of Ocean Tramping Company Limited in Hong Kong. He has been serving COSCO Group for over 20 years and has extensive knowledge in shipping management, container terminal development and the worldwide shipping market. Mr. QIN was awarded the qualification of senior economist in shipping management by the Ministry of Communications of the PRC, and a diploma in container terminal management by the University of Wales in the United Kingdom.

NON-EXECUTIVE DIRECTORS

**LI Kwok Po, David**

Dr. LI, aged 61, has been an Independent Non-Executive Director of the Company since February 1998. He is the Chairman and Chief Executive of The Bank of East Asia, Limited. He is a member of the Legislative Council of the Hong Kong Special Administrative Region, the Chairman of the Chinese Banks' Association and the Deputy Chairman of Cable & Wireless HKT Limited. He was a Hong Kong Affairs Adviser to the PRC and a Convenor of the investment committee of the Hong Kong Special Administrative Region Government Land Fund Trust.

**LIU Lit Man**

Mr. LIU, aged 70, has been an Independent Non-Executive Director of the Company since September 1996. He is the Chairman of the Liu Chong Hing Group and the Chairman and Managing Director of Liu Chong Hing Bank Limited. Mr. LIU is also a Director of The Hong Kong and China Gas Company Limited and Asia Commercial Bank Limited. He is a founder and a permanent honorary Chairman of the Teochew International Convention in addition to being a Standing Committee member of The Chinese General Chamber of Commerce, Hong Kong. Mr. LIU also serves as a Director of New Asia College of The Chinese University of Hong Kong and a founding member of the Court of The Hong Kong Polytechnic University. Mr. LIU, who was appointed a Justice of the Peace in 1975, was a member of the Consultative Committee for the Basic Law as well as the Selection Committee of the First Government of the Hong Kong Special Administrative Region.

**Alexander Reid HAMILTON**

Mr. HAMILTON, aged 58, has been an Independent Non-Executive Director of the Company since November 1994. He is also a Director of COSCO International, CITIC Pacific Limited, Esprit Holdings Limited, Kwong On Bank Limited and a number of other Hong Kong companies. He is a member of the Institute of Chartered Accountants of Scotland, a fellow of the Hong Kong Society of Accountants and a fellow member of the Institute of Directors. He was a partner in Price Waterhouse for 16 years and has more than 20 years of audit and accounting experience.

**LEE Yip Wah, Peter**

Mr. LEE, aged 58, has been an Independent Non-Executive Director of the Company since July 1999 and the Company Secretary of the Company since June 1996. Mr. LEE is a practising solicitor in Hong Kong and a partner of Messrs. Woo, Kwan, Lee & Lo. He is also a Non-Executive Director of a number of listed companies in Hong Kong including Shum Yip Investment Limited and Elec & Eltek International (Holdings) Limited.

**HUNG Man, Michelle**

Miss HUNG, aged 30, has been the Legal Counsel and Head of the Legal Department of the Company since November 1996. She graduated from the University of Hong Kong with a Bachelor of Laws Degree. She is a solicitor of the High Court of the Hong Kong Special Administrative Region and England and Wales. She is responsible for all legal and related matters for the Company.

**CHAN Hang, Ken**

Mr. CHAN, aged 42, is the General Manager of Corporate Development Department of the Company. Mr. CHAN studied in Canada and obtained his Master of Business Administration Degree there in 1985. He continued his education in the University of Washington in the United States. Before joining the Company in 1998, Mr. CHAN held senior positions in a Hong Kong bank and an international securities firm. He has more than 15 years of working experience in finance, securities, corporate strategic planning, and management.

SENIOR MANAGEMENT

**LI Jianxiong**

Mr. LI, aged 40, has been a Deputy General Manager of the Company since June 1997. He is also a Director of River Trade Terminal Holdings Limited and the Deputy Managing Director of Crestway Terminal Holdings Limited. Mr. LI graduated from the Qingdao Mariner College in 1986. He was previously the Commercial Manager of COSCO-HIT Terminals (Hong Kong) Limited. Mr. LI has extensive experience in container terminal operations. He is currently responsible for the daily operations and corporate planning of the Company's container services and container terminals.

**LI Wai Ho, Francis**

Mr. LI, aged 46, is the Financial Controller of the Company. He is a member of the Chartered Institute of Management Accountants and the Hong Kong Society of Accountants. He worked for 10 years with an international audit firm and another 10 years with a listed group of companies before joining the Company in 1998.

Significant Events

Date	Event
19th March, 1999	Mr. ZHANG Dachun resigned and Mr. DONG Jiufeng was appointed as the Vice Chairman and Executive Director of COSCO Pacific
23rd March, 1999	Audit committee meeting
25th March, 1999	Board meeting and 1998 final results announcement
22nd April, 1999	COSCO (Hong Kong) Group Limited placed 167,599,752 shares of COSCO Pacific's existing shares at HK\$4.78 per share
5th May, 1999	COSCO (Hong Kong) Group Limited subscribed for 87,311,767 shares of COSCO Pacific's new shares at HK\$4.78 per share
18th May, 1999	Annual general meeting
29th June, 1999	Mr. HO Hau Hay, Hamilton, resigned as an Independent Non-executive Director of COSCO Pacific
27th July, 1999	Mr. LEE Yip Wah, Peter was appointed as an Independent Non-executive Director of COSCO Pacific
27th August, 1999	Audit committee meeting
31st August, 1999	Board meeting and 1999 interim results announcement
15th September, 1999	Included as one of the constituent stocks in the "S&P Asia Pacific 100 Index"
28th September, 1999	Florens Container Corporation S.A., a wholly-owned subsidiary of COSCO Pacific, signed a US\$75 million 5-year syndication loan agreement guaranteed by COSCO Pacific

Date	Event
17th October, 1999	Awarded as one of the "Best Managed Chinese Companies" by an Asian financial magazine, "The Asset", following its survey of 200 international institutional investors from April to August to assess the management from Asian listed companies
15th November, 1999	Mr. CHEN Hui resigned and Mr. LU Chenggang was appointed as an Executive Director of COSCO Pacific and Managing Director of Florens Container Services Company Limited
22nd November, 1999	Awarded the "Honourable Mentions of the Best Annual Reports" by the Hong Kong Management Association for COSCO Pacific's 1998 annual report, for the second year running
16th December, 1999	COSCO-HIT, the 50%-owned associated company of COSCO Pacific, signed a HK\$1.8 billion syndication loan agreement
27th December, 1999	The Executive Director of COSCO Pacific, Madam CHEN Wenzhen, passed away
6th March, 2000	Mr. JIN Zhongming resigned, Mr. YANG Bin and Mr. XU Lirong were appointed as the Executive Directors of COSCO Pacific
19th March, 2000	Included as a constituent stock in the "China Free Index" of Morgan Stanley Capital International (MSCI)
27th March, 2000	Audit committee meeting
28th March, 2000	Board meeting and 1999 final results announcement

Financial Report

42	Report of the Directors
49	Auditors' Report
50	Consolidated Profit and Loss Account
51	Consolidated Balance Sheet
52	Balance Sheet
53	Consolidated Cash Flow Statement
54	Statement of Recognised Gains and Losses
55	Notes to the Accounts
94	Five-year Financial Summary

REPORT OF THE DIRECTORS

The directors submit their report together with the audited accounts of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 1999.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 12 to the accounts.

An analysis of the Group's turnover and contribution to operating profit after finance costs by principal activities for the year is as follows:

	Turnover US\$'000	Contribution to operating profit after finance costs US\$'000
Container leasing	205,115	85,098
Container handling and storage	10,942	2,881
Container terminal operations	4,581	1,514
Less: Corporate finance costs		(2,514)
Net corporate expenses		(3,595)
	<u>220,638</u>	<u>83,384</u>

The movements of containers under operating leases or hire purchase contracts are known through report from the lessees but the Group is not able to control the movements of containers except to the degree that the movements are restricted by the terms of the leases or where safety of the containers is concerned. It is therefore impracticable to present turnover or contribution to operating profit of container leasing by geographical areas.

The activities of container handling and storage and container terminal operations are carried out in Hong Kong and the People's Republic of China (the "PRC") respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 1999 are set out in the consolidated profit and loss account on page 50 of this annual report.

The directors declared an interim dividend of US0.994 cents (HK7.7 cents) per share, totalling US\$21,258,000 (HK\$164,718,000) which was paid on 4th October, 1999.

The directors recommend the payment of a final dividend of US1.350 cents (HK10.5 cents) per share, totalling US\$28,890,000 (HK\$224,620,000), payable on or before 8th June, 2000.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 94 of this annual report.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 22 to the accounts.

FIXED ASSETS

Details of the movements in fixed assets of the Group during the year are set out in note 11 to the accounts.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are shown in note 21 to the accounts.

BORROWINGS

Details of the bank loans and other loans of the Group and the Company are set out in notes 20 and 23 to the accounts.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group are set out in note 9 to the accounts.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. CHEN Zhongbiao (*Chairman*)
 Mr. DONG Jiufeng (*Vice Chairman*)
 (appointed on 19th March, 1999)
 Mr. SHI Qin (*Managing Director*)
 Mr. YANG Bin
 (appointed on 6th March, 2000)
 Mr. LU Zhiming
 Mr. LI Jianhong
 Mr. XU Lirong
 (appointed on 6th March, 2000)
 Mr. KWONG Che Keung, Gordon
 Mr. WONG Tin Yau, Kelvin
 Mr. LU Chenggang
 (appointed on 15th November, 1999)
 Mr. QIN Fuyan
 Mr. ZHANG Dachun
 (resigned on 19th March, 1999)

Mr. CHEN Hui
 (resigned on 15th November, 1999)
 Mr. JIN Zhongming
 (resigned on 6th March, 2000)
 Ms. CHEN Wenzhen
 (passed away on 27th December, 1999)

Non-executive Directors

Dr. LI Kwok Po, David
 Mr. LIU Lit Man
 Mr. Alexander Reid HAMILTON
 Mr. LEE Yip Wah, Peter
 (appointed on 27th July, 1999)
 Mr. HO Hau Hay, Hamilton
 (resigned on 29th June, 1999)

In accordance with Clause 86(2) of the Company's bye-laws, Mr. YANG Bin, Mr. XU Lirong, Mr. LU Chenggang and Mr. LEE Yip Wah, Peter retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Clause 87(1) and (2) of the Company's bye-laws, Mr. WONG Tin Yau, Kelvin, Mr. LIU Lit Man and Mr. Alexander Reid HAMILTON retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management as at the date of this report are set out on pages 32 to 39 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Mr. SHI Qin has a service agreement with the Company for a term of three years commenced from 1st July, 1996. The agreement is renewable automatically for successive terms of three years subject to termination by either party giving not less than six months' notice in writing to the other party terminating at the end of the initial term or any renewed term of the service agreement.

Mr. WONG Tin Yau, Kelvin has a service agreement with the Company commenced from 22nd July, 1996. The agreement is terminable by either party giving to the other party not less than one month's prior notice in writing.

Save as disclosed above, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company, its subsidiaries, its fellow subsidiaries or its holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at 31st December, 1999, the interests of the Company's directors in the shares and options of the Company and its associated corporations, as recorded in the register maintained by the Company or as notified to the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Interests in ordinary shares in the Company

Name of directors	Nature of interests	Number of ordinary shares held
Dr. LI Kwok Po, David	Personal	258,000
Mr. LEE Yip Wah, Peter	Personal	40,000

Interests in share options granted by the Company

Name of directors	Number of options
Mr. CHEN Zhongbiao*	2,000,000
Mr. LU Zhiming*	1,500,000
Mr. QIN Fuyan*	1,500,000
Mr. WONG Tin Yau, Kelvin**	5,000,000

* The options were granted on 1st July, 1996 under the share option scheme adopted by the Company on 30th November, 1994 (the "Share Option Scheme"). The options are exercisable at HK\$5.53 per share at any time within ten years from the date of grant.

** The options were granted on 20th May, 1997 under the Share Option Scheme. The options are exercisable at HK\$8.80 per share at any time within ten years from the date of grant.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS (continued)

No option was granted to or exercised by the directors during the year ended 31st December, 1999.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, as at 31st December, 1999, none of the directors and chief executives had any interests in the shares of the Company and its associated corporations as defined in the SDI Ordinance, and none of the directors and chief executives or their respective spouses or children under 18 years of age, had any right to subscribe for the shares of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 1999, the interests of every person, being 10% or more of the Company's issued share capital as recorded in the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance were as follows:

Name of shareholders	Number of ordinary shares	Percentage of total issued shares
COSCO (Hong Kong) Group Limited	1,134,581,298	53.04%
China Ocean Shipping (Group) Company*	1,134,581,298	53.04%

* Since COSCO (Hong Kong) Group Limited ("COSCO (Hong Kong)") is a wholly-owned subsidiary of China Ocean Shipping (Group) Company ("COSCO"), COSCO (Hong Kong)'s interests are recorded as the interests of COSCO.

Saved as disclosed above, the Company has not been notified of any interests representing 10% or more of the issued share capital of the Company.

SHARE OPTIONS

Particulars and movements of the Company's share options during the year are set out in note 21c to the accounts.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed shares during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws although there are no restrictions against such rights under the laws in Bermuda.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

MAJOR LESSEES AND SUPPLIERS

The percentage of the Group's container purchases and leasing income attributable to major suppliers and lessees are as follows:

Percentage of container purchases attributable to the Group's largest supplier	22.7%
Percentage of container purchases attributable to the Group's five largest suppliers	61.0%
Percentage of leasing income attributable to the Group's largest lessee, which is a fellow subsidiary of the Company	70.7%
Percentage of leasing income attributable to the Group's five largest lessees	79.1%

None of the directors or their associates has interests in any of the suppliers or lessees of the Company.

The ultimate holding company has an equity interest of 27.75% in the shareholding company of the Group's four largest suppliers which attribute 43.7% of container purchases of the Group. The Group also has equity interests of 20.0% and 22.5% in two of the Group's four largest suppliers which attribute 13.9% of container purchases of the Group.

Save as disclosed above, none of the shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) has interest in any of the suppliers and lessees of the Company.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 1999 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CONNECTED TRANSACTIONS

Pursuant to Chapter 14 of the Listing Rules, the following connected transactions of the Company require disclosure in the annual report of the Company. Summary of these connected transactions are also set out in note 29 to the accounts.

Connected transactions with Waivers granted by The Stock Exchange of Hong Kong Limited

During the year, the following connected transactions have been entered into by the Company and its subsidiaries to which The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has, subject to certain conditions, granted waivers to the Company from compliance with the requirements stipulated in Chapter 14 of the Listing Rules to disclose details of such connected transactions by press notice and/or circular and/or to obtain prior independent shareholders' approval (the "Waiver").

Transaction	Parties to the transaction	Date on which the Waiver was granted by the Stock Exchange
Container leasing	COSCO and its subsidiaries and the Group	14th December, 1994
Container related services	COSCO (Hong Kong) and/or its subsidiaries and Plangreat Limited and/or its subsidiaries	13th December, 1996
Shipping related services	COSCO and its subsidiaries and Zhangjiagang Win Hanverky Container Terminal Co. Ltd.	15th April, 1997

Connected transactions with Waivers granted by The Stock Exchange of Hong Kong Limited (continued)

The independent non-executive directors of the Company reviewed the above transactions and opined that:

- i) the container leasing transactions had been conducted in the ordinary course of business of the Group and using average market rates, i.e. based on the average leasing rates quoted from three of the top ten independent container leasing companies;
- ii) the container related service transactions had been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or on terms no less favourable than terms available to (or from) independent third parties, and the aggregate monetary value of these transactions for the year had not exceeded 3% of the audited book value of the net tangible assets of the Company as disclosed in the audited accounts for the year ended 31st December, 1998;
- iii) the shipping related service transactions had been entered into in accordance with the terms of the agreement governing the transactions and the amount of business of these transactions received therefrom had not exceeded 5% of the gross consolidated turnover of the Group for the year ended 31st December, 1999; and
- iv) all the transactions as set out above were fair and reasonable so far as the independent shareholders of the Company were concerned.

YEAR 2000 ISSUE

The Group has formulated Year 2000 ("Y2K") compliance measures with reference to the documents issued by the British Standards Institution (BSI). Details of these measures and the special task force enforcing them were published in the Company's 1999 interim report.

During the transition to year 2000, the Group has checked its systems and equipment and made available the findings to internal staff and outside parties concerned. These checks carried further the works of our Y2K compliance programme, under which all major systems and equipment had been tested and required amendments made to ensure that the Y2K issue is properly addressed.

As at the date of this report, the Group has not encountered any Y2K problems. Nevertheless, the Group is aware that the Y2K issue may still pose risks. Accordingly, our special task force will continue monitoring the performance of the Group's computer systems and equipment. Special attention will be given to the 'high-risk' dates in the transition period from Year 2000 to Year 2001 to ensure that our operations will not be affected by the Y2K issue.

The Group has also formulated Y2K contingency plans for its critical systems. The plans include measures to mitigate the effects of any failure in completing remedial works for these critical business systems, and business resumption contingency plans to address the possible failure of systems or processes that are beyond the Group's control, particularly in the 'high-risk' dates when the Y2K issue may magnify.

Lack of readiness on the part of third parties could expose the Group to potential loss, impairment of business processes and activities, and disruption of financial markets. The Group will continue to address these risks through communication and co-operation with the involved parties.

For the implementation of the Y2K compliance programme in 1999, approximately HK\$760,000 was incurred and accounted for as capital expenditure, most of which was related to the purchase of hardware and software. Approximately HK\$120,000 was incurred and accounted for as operating expenses, most of which were fees paid for system upgrading and related charges.

AUDITORS' REPORT

LOAN AGREEMENT WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER UNDER PRACTICE NOTE 19

Pursuant to Practice Note 19 of the Listing Rules, the following disclosures of the Group are required in the annual report of the Company:

The Group has provided undertakings regarding certain loan facilities that equity interest held by its controlling shareholder, COSCO (Hong Kong), in the Company will not be less than 35% or 51% throughout the relevant loan borrowing period. As at 31st December, 1999, outstanding loan balances under such covenants included in note 23 to the accounts amounted to US\$330,000,000 and US\$62,778,000 respectively.

AUDIT COMMITTEE

The audit committee is dedicated to the review of matters with the purview of audit, such as financial statements and internal control, to protect the interests of the shareholders of the Company.

AUDITORS

The accounts for the year have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

The accounts for the two years ended 31st December, 1997 and 1998 were audited by Price Waterhouse. PricewaterhouseCoopers replaced Price Waterhouse in 1999 following their merger with Coopers & Lybrand.

On Behalf of the Board

SHI Qin

Managing Director

Hong Kong, 28th March, 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF COSCO PACIFIC LIMITED

(incorporated in Bermuda with limited liability)

We have audited the accounts on pages 50 to 93 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the accounts give a true and fair view, in all material respects, of the state of affairs of the Company and the Group as at 31st December, 1999 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28th March, 2000

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	Note	1999 US\$ '000	1998 US\$ '000
Turnover	2	220,638	217,130
Cost of sales		(86,667)	(85,815)
Gross profit		133,971	131,315
Other revenue	2	29,312	15,270
Administrative expenses		(20,087)	(19,795)
Other operating expenses (net)		(19,506)	(624)
Operating profit	3	123,690	126,166
Finance costs	4	(40,306)	(45,369)
Operating profit after finance costs		83,384	80,797
Share of profits less losses of			
Jointly controlled entities		4,106	4,254
Associated companies		54,871	50,639
Profit before taxation		142,361	135,690
Taxation	5	(7,612)	(5,896)
Profit after taxation		134,749	129,794
Minority interests		(667)	(497)
Profit attributable to shareholders	6	134,082	129,297
Dividends	7	(51,275)	(47,135)
Profit for the year retained	22	82,807	82,162
Profit for the year retained by:			
Company and subsidiaries		99,655	51,239
Jointly controlled entities		829	2,704
Associated companies		(17,677)	28,219
		82,807	82,162
Earnings per share			
Basic earnings per share	8	US6.36 cents	US6.30 cents
Diluted earnings per share	8	N/A	N/A

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER, 1999

	Note	1999 US\$ '000	1998 US\$ '000
Fixed assets	11	918,238	946,298
Investments in joint ventures	13	32,074	38,161
Investments in associated companies	14	322,298	364,345
Investments	15	51,439	53,340
Other receivables	16	13,380	19,882
Current assets			
Inventories	17	3,284	782
Trade and other receivables	18	41,151	36,345
Current portion of other receivables	16	7,852	13,109
Time deposits		233,694	56,727
Bank balances and cash		18,641	30,887
		304,622	137,850
Current liabilities			
Trade and other payables	19	62,717	45,688
Short term loans	20	20,692	56,238
Current portion of long-term liabilities	23	241,695	78,933
Tax payable		1,123	1,271
Proposed dividend		28,890	26,480
		355,117	208,610
Net current liabilities		(50,495)	(70,760)
		1,286,934	1,351,266
Representing:			
Share capital	21	27,433	26,305
Reserves	22	954,225	819,296
Shareholders' funds		981,658	845,601
Minority interests		6,876	6,500
Long term liabilities	23	298,400	499,165
		1,286,934	1,351,266

On behalf of the Board

SHI Qin
Managing DirectorWONG Tin Yau, Kelvin
Director

BALANCE SHEET

AS AT 31ST DECEMBER, 1999

	Note	1999 US\$ '000	1998 US\$ '000
Investments in subsidiaries	12	975,306	1,026,471
Current assets			
Trade and other receivables	18	459	260
Bank balances and cash		138,216	3,049
		138,675	3,309
Current liabilities			
Trade and other payables	19	337	170
Short term loans	20	—	20,000
Tax payable		61	61
Proposed dividend		28,890	26,480
		29,288	46,711
Net current assets/(liabilities)		109,387	(43,402)
Net assets		1,084,693	983,069
Representing:			
Share capital	21	27,433	26,305
Reserves	22	1,057,260	956,764
Shareholders' funds		1,084,693	983,069

On behalf of the Board

SHI Qin
Managing DirectorWONG Tin Yau, Kelvin
Director**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	Note	1999 US\$ '000	1998 US\$ '000
Net cash inflow from operating activities	28a	207,948	241,661
Returns on investments and servicing of finance			
Interest received		5,037	3,038
Interest paid		(37,905)	(40,335)
Dividends received from associated companies		65,681	21,045
Dividends received from joint ventures		3,596	1,155
Dividends received from listed investment		199	100
Dividends paid		(48,865)	(45,811)
Dividends paid to minority shareholders of subsidiaries		(291)	(894)
Other incidental borrowing costs paid		(3,241)	(3,639)
Net cash outflow from returns on investments and servicing of finance		(15,789)	(65,341)
Taxation			
Hong Kong profits tax paid		(546)	(602)
Overseas tax paid		(240)	(140)
Hong Kong profits tax refunded		60	—
10% 1997/98 Hong Kong profits tax rebate received		60	—
Net taxation paid		(666)	(742)
Investing activities			
Purchase of fixed assets		(34,674)	(136,687)
Purchase of joint ventures		—	(7,574)
Purchase of associated companies		—	(1,050)
Sale of a subsidiary	28c	2,215	—
Loans advanced to associated companies and investee companies		(20,931)	(21,556)
Compensation received for loss of containers		1,615	877
Sale of fixed assets		583	1,011
Repayment of loans advanced		44,085	4,290
Net cash outflow from investing activities		(7,107)	(160,689)
Net cash inflow before financing		184,386	14,889
Financing	28b		
Loans borrowed		144,454	300,499
Proceeds from new issue of shares		53,926	—
Share issue expenses		(42)	—
Repayment of loans		(218,003)	(266,140)
Net cash (outflow)/inflow from financing		(19,665)	34,359
Increase in cash and cash equivalents		164,721	49,248
Cash and cash equivalents at 1st January		87,614	38,366
Cash and cash equivalents at 31st December	28d	252,335	87,614

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST DECEMBER, 1999

	Note	1999 US\$ '000	1998 US\$ '000
Exchange differences arising on translation of subsidiaries and associated companies	22	(689)	—
Share of capital reserves of an associated company and a jointly controlled entity	22	7	308
Share of exchange reserves in associated companies		48	372
Net (losses)/gains not recognised in the profit and loss account		(634)	680
Profit for the year retained		82,807	82,162
Total recognised gains and losses		82,173	82,842
Capital reserve arising from acquisition of a jointly controlled entity	22	—	107
		82,173	82,949

NOTES TO THE ACCOUNTS

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated accounts are set out below:

a) Basis of preparation of the accounts

The accounts have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The accounts are prepared under the historical cost convention as modified by the revaluation of certain leasehold land and buildings and investment properties.

Certain comparative figures have been adjusted or extended as a result of the adoption of the Statement of Standard Accounting Practice 2.101, which was issued by the Hong Kong Society of Accountants and became effective for accounting period commencing on 1st January, 1999. Such reclassifications have no effect on profit attributable to shareholders and shareholders' funds.

b) Basis of consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represents the interests of outside shareholders in the operating results and net assets of subsidiaries.

c) Subsidiaries

A company is considered to be a subsidiary if more than 50% of the issued voting capital is held for the long term.

In the Company's balance sheet investments in subsidiaries are stated at cost less provision, if necessary, for any permanent diminution in value. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

d) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for long term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

e) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities.

f) Goodwill and capital reserve

Goodwill represents the excess of purchase consideration over the fair values ascribed to the net assets of subsidiaries, associated companies and jointly controlled entities acquired and is eliminated against reserves in the year of acquisition.

Capital reserve represents the excess of the fair values ascribed to the net assets of subsidiaries, associated companies and jointly controlled entities acquired over the purchase consideration and is taken directly to reserves.

g) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to the operating profit. Any subsequent increases are credited to the operating profit up to the amount previously debited.

Investment properties held on leases with unexpired period of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

h) Capitalisation of fixed assets

All direct and indirect costs relating to the construction of plant and machinery including interest costs on related borrowed funds during the construction period and operating results prior to the commissioning date are capitalised as fixed assets.

A plant is considered to be commissioned when it is capable of producing saleable quality output in commercial quantities on an ongoing basis.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

i) Fixed assets

Fixed assets other than investment properties (note 1g) and are stated at cost or valuation less accumulated depreciation.

Effective from 30th September, 1995 no further revaluations of the Group's leasehold land and buildings have been carried out. The Group places reliance on paragraph 72 of Statement of Standard Accounting Practice 2.117 issued by the Hong Kong Society of Accountants, which provides exemption from the need to make regular revaluations for such assets.

Leasehold land is stated at cost or valuation and is amortised over the remaining period of the lease.

Land use rights are stated at cost and are amortised over the unexpired period of rights granted after the completion of construction work.

Containers are depreciated on a straight line basis over their estimated useful lives of 15 years, after taking into account of the residual value of 10% on cost.

Other fixed assets are depreciated at rates sufficient to write off their cost or valuation over their estimated useful lives to their respective residual values estimated by the directors on a straight line basis. The estimated useful lives of other fixed assets are summarised as follows:

Buildings	25 to 35 years
Motor vehicles	5 years
Leasehold improvements	5 years or the remaining period of the lease, whichever is shorter
Furniture, fixtures and equipment	5 years
Plant and machinery	5 years

No depreciation is provided for computer system under development and construction in progress.

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over the expected useful lives to the Group.

The carrying amounts of fixed assets are reviewed regularly to assess whether their recoverable amounts have declined below their carrying amounts. Expected future cash flows have not been discounted in determining the recoverable amount.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained profit and is shown as a movement in reserves.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

j) **Finance leases**

Lease that substantially transfer to the Group all the rewards and risks of ownership of assets, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the fair value of the asset is recorded together with the obligations, excluding the interest elements, to pay future rentals.

Payments to the lessor are treated as consisting of capital and interest elements. Finance charges are debited to the profit and loss account on a straight line basis over the lease term.

k) **Operating leases**

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on a straight line basis over the lease term.

l) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

m) **Off-balance sheet financial instruments**

The Group manages interest rate exposure of the loans by interest rate swap contract. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest expense over the period of the contract.

n) **Investments**

Listed and unlisted investments which are held for long term are stated at cost less provision for diminution in value.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investment is reduced to its fair value. The amount of the reduction is recognised as an expense in the profit and loss account.

Other investments are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of other investments are recognised in the profit and loss account. Profits or losses on disposal of other investments representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

o) **Inventories**

Spare parts and consumables are stated at cost, using first-in first-out basis, less any provision of obsolescence.

Resaleable containers are stated at lower of cost and net realisable value. Costs are calculated on weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

p) **Accounts receivable**

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet is stated net of such provision.

q) **Hire purchase contracts**

Hire purchase contracts for containers are contracts for the lease of containers which contain a provision giving the lessee an option to acquire legal title to the containers upon the fulfilment of certain conditions stated in the contracts.

Amounts due from lessees in respect of hire purchase contracts are accounted for as hire purchase debtors and stated net of unearned income.

r) **Deferred taxation**

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or receivable in the foreseeable future.

s) **Translation of foreign currencies**

Transactions in currencies other than United States dollars are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in currencies other than United States dollars at the balance sheet date are translated at exchange rates ruling at the balance sheet date.

Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries, associated companies and jointly controlled entities expressed in currencies other than United States dollars are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising are dealt with as a movement in reserves.

t) **Retirement benefit costs**

The Group contributes to defined contribution retirement schemes which are available to all employees in Hong Kong and the United States of America. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions to these scheme are expensed as incurred. The Group's contributions for employees in Hong Kong may be reduced by forfeitures by those employees who leave the schemes prior to vesting fully in the contributions.

The Company's subsidiaries in Germany, Italy, Japan and the United Kingdom participate in employee pension schemes operated by the governments of the respective countries. Contributions are made to these schemes, which are defined contribution schemes in nature, based on certain percentages of the applicable payroll costs. The contributions are charged to the profit and loss account as incurred.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

u) Revenue recognition

The Group recognises revenue on the following bases:

i) Revenue from container leasing

Rental income from containers under operating leases is recognised on a straight line basis over the period of each lease. Direct costs or reimbursements from lessees relating to the lifting and storage of containers are included in cost of sales when incurred or occurred.

Revenue on containers under hire purchase contracts is allocated to accounting period to give a constant periodic rate of return on the Group's net investment in the lease in each period. Direct costs relating to the negotiations and arrangement of a contract are written off in the profit and loss account when incurred.

ii) Revenue from container handling, transportation and storage

Revenue from container handling and transportation is recognised when the services are rendered.

Revenue from container storage is recognised on a straight line basis over the period of storage.

iii) Revenue from container terminal operations

Revenue from container terminal operations is recognised when the services rendered are complete and the vessel leaves the berth.

iv) Operating lease rental income from investment properties

Operating lease rental income from investment properties is recognised on a straight line basis over the period of each lease.

v) Revenue from sale of containers

Revenue from sale of containers is recognised on the transfer of risks and rewards on ownership, which generally coincides with the time when the containers are delivered to customers and title has passed.

vi) Commission on demurrage income and container sales

Commission on demurrage income is recognised upon the receipt of demurrage income from agents.

Commission on container sales is recognised when the sale proceeds are received.

vii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

viii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2 REVENUE AND TURNOVER

The Group is principally engaged in container leasing, container handling and container terminal operations. Revenue recognised during the year is as follows:

	1999 US\$'000	1998 US\$'000
Turnover		
Container rentals under operating leases	201,809	197,856
Hire purchase income	3,306	4,215
Container handling, transportation and storage income, commission and rebate income	10,942	10,804
Terminal operation income	4,581	4,255
	<u>220,638</u>	<u>217,130</u>
Other revenue		
Sale of inventories	23,985	11,948
Interest income	5,068	3,117
Gross rental income from investment properties	60	105
Dividend income from listed investment	199	100
	<u>29,312</u>	<u>15,270</u>
Total revenue	<u>249,950</u>	<u>232,400</u>

3 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	1999 US\$'000	1998 US\$'000
Crediting		
Gain on compensation received for loss of containers from		
– ultimate holding company	–	232
– a fellow subsidiary	213	–
Charging		
Depreciation and amortisation		
– owned fixed assets	70,551	66,805
– leased fixed assets	–	36
Cost of inventories sold	12,808	2,729
Loss on disposal of fixed assets	370	1,108
Outgoings in respect of investment properties	1	2
Provision for an investee company (note 15)	2,845	–
Rental expense under operating leases		
– land and buildings	3,485	2,791
– plant and machinery	441	487
Retirement benefit costs (note 9)	360	491
Revaluation deficit of investment properties (note 11b)	232	888
Staff costs	11,319	11,470
Auditors' remuneration	314	271

4 FINANCE COSTS

	1999 US\$'000	1998 US\$'000
Interest expense on		
– bank loans	26,983	34,146
– other loans wholly repayable within five years	8,206	7,357
– loans from a minority shareholder of a subsidiary		
not wholly repayable within five years	262	386
– finance leases	–	13
– container purchase payables	1,213	–
Loss/(gain) on interest rate swap contracts	401	(172)
	37,065	41,730
Other incidental borrowing costs	3,241	3,639
	40,306	45,369

5 TAXATION

	1999 US\$'000	1998 US\$'000
Company and subsidiaries		
Hong Kong profits tax	278	323
10% 1997/98 Hong Kong profits tax rebate	(60)	–
Overseas taxation	431	292
Over provision in prior years	(131)	(488)
	518	127
Share of taxation attributable to:		
Jointly controlled entities		
Overseas taxation	227	184
Associated companies		
Hong Kong profits tax	7,856	6,598
10% 1997/98 Hong Kong profits tax rebate	(472)	–
Overseas taxation	769	278
Deferred taxation	(1,286)	(1,291)
	7,612	5,896

Hong Kong profits tax has been provided at a rate of 16% (1998: 16%) on the estimated assessable profit for the year. A substantial portion of the Group's profit neither arises in nor is derived from Hong Kong. Accordingly, that portion of the Group's profit is not subject to Hong Kong profits tax.

Taxation on overseas profit has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

No provision for income tax in the People's Republic of China (the "PRC") has been made as the Group's profits from container leasing are exempt in accordance with a notice granting temporary exemption of income tax on rental payments made to foreign container leasing companies operating in international transportation (Guo Shui Fa (1993) No. 49) issued by the State Tax Bureau of the PRC on 12th March, 1993.

The Group is also exempt from business tax on its rental income and interest income earned in the PRC in accordance with a notice granting exemption from business tax for foreign enterprises earning such income but having no establishment in the PRC (Guo Shui Fa (1997) No. 35) issued by the State Tax Bureau of PRC on 14th March, 1997.

5 TAXATION (continued)

The deferred tax charge/(credit) for the year has not been provided in respect of the following:

	1999 US\$'000	1998 US\$'000
Accelerated depreciation allowances	7,229	7,107
Other timing differences	183	(183)
Tax losses	(4,810)	(6,542)
	<u>2,602</u>	<u>382</u>

Deferred tax on the revaluation surplus and deficit of the leasehold land and buildings and investment properties has not been quantified as this does not constitute a timing difference for deferred taxation purposes.

6 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of US\$99,015,000 (1998: US\$80,590,000).

7 DIVIDENDS

	1999 US\$'000	1998 US\$'000
Interim, paid, of US0.994 cents (1998: US1.007 cents) per ordinary share	21,258	20,655
Final, proposed, of US1.350 cents (1998: US1.291 cents) per ordinary share	28,890	26,480
Additional 1998 final dividend paid on shares issued due to the share placement before the closure of the register of members	1,127	—
	<u>51,275</u>	<u>47,135</u>

8 EARNINGS PER SHARE**a) Basic earnings per share**

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of US\$134,082,000 (1998: US\$129,297,000) and on the weighted average number of 2,109,505,999 (1998: 2,051,826,526) shares in issue during the year.

b) Diluted earnings per share

As the exercise price of the share options during the two years ended 31st December, 1999 and 1998 was greater than the average market price of the Company's share, there was no dilution effect on earnings per share.

9 RETIREMENT BENEFIT COSTS

The Group contributes to defined contribution retirement schemes which are available to all employees in Hong Kong and the United States of America. Contributions to the schemes by the Group and the employees are calculated as a percentage of the employees' basic salaries.

The retirement benefit costs charged to the profit and loss account represent contributions payable by the Group to the funds and amounted to US\$360,000 (1998: US\$491,000). There were no contributions payable to the funds as at 31st December, 1999 and 1998. Forfeited contributions totalling US\$59,000 (1998: US\$37,000) were utilised during the year leaving US\$6,000 (1998: US\$18,000) available at the year end to reduce future contributions.

The assets of the schemes are held separately from those of the Group in independently administered funds.

10 DIRECTORS' AND MANAGEMENT'S EMOLUMENTS**a) Directors' emoluments**

The aggregate amounts of emoluments paid to directors of the Company during the year are as follows:

	1999 US\$'000	1998 US\$'000
Fees	205	205
Salaries, housing and other allowances, benefits in kind	648	832
Bonuses	48	29
Contribution to retirement schemes	31	46
	<u>932</u>	<u>1,112</u>

The above amounts include directors' fees of US\$77,170 (1998: US\$77,400) paid to independent non-executive directors.

As at 31st December, 1999, three directors of the Company had 5,000,000 share options which were granted by the Company on 1st July, 1996 under the share option scheme adopted by the Company on 30th November, 1994 (the "Share Option Scheme"). The options are exercisable at HK\$5.53 per share at any time within ten years from the date of grant.

As at 31st December, 1999, one director of the Company had 5,000,000 share options which were granted by the Company on 20th May, 1997 under the Share Option Scheme. The options are exercisable at HK\$8.80 per share at any time within ten years from the date of grant.

The consideration paid for each offer was HK\$1.00. No option was exercised by the directors during the year ended 31st December, 1999.

10 DIRECTORS' AND MANAGEMENT'S EMOLUMENTS (continued)

a) Directors' emoluments (continued)

The directors' emoluments are analysed as follows:

Emoluments band	Number of directors	
	1999	1998
Nil – US\$128,617 (Nil – HK\$1,000,000)	16	14
US\$128,618 – US\$192,926 (HK\$1,000,001 – HK\$1,500,000)	–	1
US\$192,927 – US\$257,235 (HK\$1,500,001 – HK\$2,000,000)	1	1
US\$257,236 – US\$321,543 (HK\$2,000,001 – HK\$2,500,000)	–	–
US\$321,544 – US\$385,852 (HK\$2,500,001 – HK\$3,000,000)	1	1
	<u>18</u>	<u>17</u>

The above analysis includes two (1998: one) individuals whose emoluments were among the five highest in the Group.

b) Management's emoluments

Details of the aggregate emoluments paid to the three (1998: four) individuals whose emoluments were the highest in the Group and have not been included in the directors' emoluments above are set out below:

	1999	1998
	US\$'000	US\$'000
Salaries, housing and other allowances, benefits in kind	744	1,024
Bonuses	57	225
Contributions to retirement schemes	31	42
	<u>832</u>	<u>1,291</u>

The emoluments fell within the following bands:

Emoluments band	Number of individuals	
	1999	1998
Nil – US\$128,617 (Nil – HK\$1,000,000)	–	–
US\$128,618 – US\$192,926 (HK\$1,000,001 – HK\$1,500,000)	–	–
US\$192,927 – US\$257,235 (HK\$1,500,001 – HK\$2,000,000)	1	–
US\$257,236 – US\$321,543 (HK\$2,000,001 – HK\$2,500,000)	1	2
US\$321,544 – US\$385,852 (HK\$2,500,001 – HK\$3,000,000)	1	1
US\$385,853 – US\$450,161 (HK\$3,000,001 – HK\$3,500,000)	–	1
	<u>3</u>	<u>4</u>

11 FIXED ASSETS

Group

	Leasehold Land and buildings		Investment properties in Hong Kong US\$'000	Land use rights		Construction in progress US\$'000	Containers US\$'000	Motor vehicles US\$'000	Leasehold improvements US\$'000	Furniture, fixtures and equipment US\$'000	Plant and machinery US\$'000	Computer system under development US\$'000	Total US\$'000
	in Hong Kong US\$'000	outside Hong Kong US\$'000		in Hong Kong US\$'000	outside Hong Kong US\$'000								
Cost or valuation													
At 1st January, 1999	22,217	9,518	1,369	1,856	–	1,314,204	1,005	1,949	2,504	12,577	1,372	1,368,571	
Translation differences	–	–	–	–	–	–	–	–	(1)	(7)	–	(8)	
Additions	1,749	10	–	–	125	57,702	–	19	504	1	2,470	62,580	
Disposals/transfer	–	(11)	–	–	–	(116,264)	(2)	–	(38)	(27)	–	(116,342)	
Disposal of a subsidiary	(2,244)	–	–	–	–	–	–	(1)	(18)	–	–	(2,263)	
Revaluation deficit (note 3)	–	–	(232)	–	–	–	–	–	–	–	–	(232)	
Reclassification	–	39	–	–	(52)	–	–	–	3,855	–	(3,842)	–	
At 31st December, 1999	<u>21,722</u>	<u>9,556</u>	<u>1,137</u>	<u>1,856</u>	<u>73</u>	<u>1,255,642</u>	<u>1,003</u>	<u>1,967</u>	<u>6,806</u>	<u>12,544</u>	<u>–</u>	<u>1,312,306</u>	
Accumulated depreciation													
At 1st January, 1999	1,926	1,031	–	74	–	412,541	511	987	1,242	3,961	–	422,273	
Translation differences	–	–	–	–	–	–	–	–	–	(6)	–	(6)	
Charge for the year	515	306	–	74	–	67,481	126	547	731	771	–	70,551	
Disposals/transfer	–	(1)	–	–	–	(98,649)	(3)	–	(27)	(24)	–	(98,704)	
Disposal of a subsidiary	(43)	–	–	–	–	–	–	–	(3)	–	–	(46)	
At 31st December, 1999	<u>2,398</u>	<u>1,336</u>	<u>–</u>	<u>148</u>	<u>–</u>	<u>381,373</u>	<u>634</u>	<u>1,534</u>	<u>1,943</u>	<u>4,702</u>	<u>–</u>	<u>394,068</u>	
Net book value													
At 31st December, 1999	<u>19,324</u>	<u>8,220</u>	<u>1,137</u>	<u>1,708</u>	<u>73</u>	<u>874,269</u>	<u>369</u>	<u>433</u>	<u>4,863</u>	<u>7,842</u>	<u>–</u>	<u>918,238</u>	
At 31st December, 1998	<u>20,291</u>	<u>8,487</u>	<u>1,369</u>	<u>1,782</u>	<u>–</u>	<u>901,663</u>	<u>494</u>	<u>962</u>	<u>1,262</u>	<u>8,616</u>	<u>1,372</u>	<u>946,298</u>	
The analysis of cost or valuation of the above assets is as follows:													
At cost	1,749	9,556	–	1,856	73	1,255,642	1,003	1,967	6,806	12,544	–	1,291,196	
At professional valuation													
– 1994	19,973	–	–	–	–	–	–	–	–	–	–	19,973	
– 1999	–	–	1,137	–	–	–	–	–	–	–	–	1,137	
	<u>21,722</u>	<u>9,556</u>	<u>1,137</u>	<u>1,856</u>	<u>73</u>	<u>1,255,642</u>	<u>1,003</u>	<u>1,967</u>	<u>6,806</u>	<u>12,544</u>	<u>–</u>	<u>1,312,306</u>	

11 FIXED ASSETS (continued)

Notes:

- a) The Group's interests in investment properties and other properties at their net book value are analysed as follows:

	Group	
	1999 US\$ '000	1998 US\$ '000
In Hong Kong, held on		
Leases of over 50 years	20,461	19,432
Leases of between 10 to 50 years	—	2,228
Outside Hong Kong, held on		
Leases of between 10 to 50 years	9,928	10,269
	<u>30,389</u>	<u>31,929</u>

- b) The investment properties were revalued on 31st December, 1999 on an open market value basis by DTZ Debenham Tie Leung Limited (formerly known as C. Y. Leung & Company Limited), an independent professional property valuer. The revaluation deficit has been accounted for in the profit and loss account (note 3).

- c) Certain leasehold land and buildings in Hong Kong were revalued in 1994 on an open market value basis by DTZ Debenham Tie Leung Limited (formerly known as C. Y. Leung & Company Limited).

The carrying amount of these leasehold land and buildings as at 31st December, 1999 would have been US\$16,971,000 (1998: US\$17,398,000) had the leasehold land and buildings been carried at cost less accumulated depreciation in the accounts.

- d) The aggregate cost and accumulated depreciation of containers held for use in operating leases as at 31st December, 1999 amounted to US\$1,228,431,000 (1998: US\$1,307,684,000) and US\$375,830,000 (1998: US\$412,541,000) respectively.

- e) Certain leasehold land and buildings in Hong Kong and containers with an aggregate net book value of US\$272,302,000 as at 31st December, 1999 (1998: US\$393,348,000) were pledged as security for loan facilities granted by banks and third parties.

- f) During the year, the Group transferred containers with an aggregate net book value of US\$15,283,000 (1998: US\$2,803,000) to inventories.

12 INVESTMENTS IN SUBSIDIARIES

	Company	
	1999 US\$ '000	1998 US\$ '000
Unlisted shares, at cost	138,510	134,010
Amounts due from subsidiaries	863,333	894,675
Amounts due to subsidiaries	(15,692)	(2,214)
Provision	(10,845)	—
	<u>975,306</u>	<u>1,026,471</u>

The amounts due from/(to) subsidiaries are unsecured and have no fixed terms of repayment. The balances are interest free except for a balance of US\$900,320 (1998: US\$903,400) due from a subsidiary which is interest bearing at 8% per annum.

Details of the subsidiaries as at 31st December, 1999 are as follows:

Name	Place of incorporation	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest	
					1999	1998
* Allgood International Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
** Bauhinia 97 Ltd.	Cayman Islands	Hong Kong	Investment holding	2 ordinary shares of US\$1 each	100%	100%
Cheer Hero Development Limited	Hong Kong	Hong Kong	Container handling and stevedoring	10,000 ordinary shares of HK\$10 each	75%	75%
COSCO Container Services Limited	Hong Kong	Hong Kong	Investment holding, depot handling and container repairing	2 ordinary shares of HK\$1 each	100%	100%
** COSCO Pacific (China) Investments Co., Ltd.	PRC	PRC	Investment holding	US\$4,500,000	100%	—
# COSCO Pacific Management Company Limited	Hong Kong	Hong Kong	Provision of management services	2 ordinary shares of HK\$1 each	100%	100%
** COSCO Pacific Nominees Limited	British Virgin Islands	Worldwide	Provision of nominee services	1 ordinary share of US\$1	100%	100%

12 INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest	
					1999	1998
COSCO Qingdao Terminal Holdings Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
** CPL Treasury Limited	British Virgin Islands	Hong Kong	Dormant	1 ordinary share of US\$1	100%	100%
Crestway International Limited	British Virgin Islands	Hong Kong	Investment holding	50,000 ordinary shares of US\$1 each	100%	100%
** Elegance Investment Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
# Fairbreeze Shipping Company Limited	Hong Kong	Hong Kong	Property holding	5,000 ordinary shares of HK\$100 each	99.98%	99.98%
* Famous International Limited	British Virgin Islands	Worldwide	Investment holding and sale of old containers	1 ordinary share of US\$1	100%	100%
Fentalic Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
Florens Container Corporation S.A.	Panama	Worldwide	Container leasing	100 ordinary shares of US\$100 each	100%	100%
** Florens Container Holdings Limited	British Virgin Islands	Hong Kong	Investment holding	22,014 ordinary shares of US\$1 each	100%	100%
Florens Container Inc.	United States of America	United States of America	Container leasing	1 ordinary share of US\$1	100%	100%
Florens Container, Inc. (1998)	United States of America	United States of America	Container leasing	100 ordinary shares of US\$1 each	100%	100%

12 INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest	
					1999	1998
Florens Container Services Company Limited	Hong Kong	Worldwide	Provision of container management services	100 ordinary shares of HK\$1 each	100%	100%
* Florens Container Services (Deutschland) GmbH	Germany	Germany	Provision of container management services	2 shares of DM25,000 each	100%	100%
* Florens Container Services (Italy) S.R.L.	Italy	Italy	Provision of container management services	20,000 quotas of ITL 1,000 each	100%	100%
* Florens Container Services (Japan) Co. Ltd.	Japan	Japan	Provision of container management services	200 ordinary shares of JPY 50,000 each	100%	100%
* Florens Container Services (UK) Limited	United Kingdom	United Kingdom	Provision of container management services	183,610 ordinary shares of GBP 1 each	100%	100%
* Florens Container Services (USA), Ltd.	United States of America	United States of America	Provision of container management services	1,000 ordinary shares of US\$0.001 each	100%	100%
# Florens Industrial Holdings Limited	Bermuda	PRC	Investment holding	12,000 ordinary shares of US\$1 each	100%	100%
** Florens Investments Company Limited	British Virgin Islands	Hong Kong	Dormant	1 ordinary share of US\$1	100%	100%
# Florens Ports Investments Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
Florens Shipping Corporation Limited	Bermuda	Worldwide	Container leasing	12,000 ordinary shares of US\$1 each	100%	100%

12 INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation	Place of operation	Principal activities	Issued share capital/ paid-up capital	Group equity interest	
					1999	1998
* Florens U.S. Holdings, Inc.	United States of America	United States of America	Investment holding	1 ordinary share of US\$1	100%	100%
* Frosti International Limited	British Virgin Islands	Hong Kong	Investment holding	2 ordinary shares of US\$1 each	100%	100%
Fully Profit Property Limited	Hong Kong	Hong Kong	Property holding	2 ordinary shares of HK\$1 each	—	100%
Greating Services Limited	Hong Kong	Hong Kong	Depot handling, storage and transportation of containers	250,000 ordinary shares of HK\$1 each	100%	100%
* Hero King Limited	British Virgin Islands	Hong Kong	Property holding	1 ordinary share of US\$1	100%	—
* Plangreat Limited	British Virgin Islands	Hong Kong	Investment holding	100 ordinary shares of US\$1 each	100%	100%
#* Toplink Enterprises Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
#* Topview Investment Limited	British Virgin Islands	Hong Kong	Investment holding	1 ordinary share of US\$1	100%	100%
Win Hanverky Investments Limited	Hong Kong	Hong Kong	Investment holding	10,000 ordinary shares of HK\$10 each	100%	100%
* Zhangjiagang Win Hanverky Container Terminal Co. Ltd.	PRC	PRC	Operation of container terminal	US\$16,800,000	51%	51%

Shares held directly by the Company

* Subsidiaries not audited by PricewaterhouseCoopers

The aggregate net assets, turnover and profit before taxation of subsidiaries not audited by PricewaterhouseCoopers amounted to approximately 1.8%, 2.1% and 2.2% (1998: 0.7%, 2.0% and 4.7%) of the Group's net assets, turnover and profit before taxation respectively.

13 INVESTMENTS IN JOINT VENTURES

	Group	
	1999 US\$'000	1998 US\$'000
Unlisted investments, at cost	31,707	32,266
Capital reserve on acquisition	1,472	1,472
Share of undistributed post acquisition reserves	5,396	4,560
Share of net assets	38,575	38,298
Amounts due from jointly controlled entities	598	493
Amounts due to jointly controlled entities	(7,099)	(630)
	32,074	38,161

The amounts due from/(to) jointly controlled entities are unsecured and interest free. Balances in relation to purchases of containers have normal commercial terms of settlement while the other balances have no fixed terms of repayment.

13 INVESTMENTS IN JOINT VENTURES (continued)

The Company has no directly owned jointly controlled entities as at 31st December, 1999 and 1998. The following is a list of the jointly controlled entities held by its wholly-owned subsidiaries as at 31st December, 1999.

Name	Place of incorporation/ operation	Principal activities	Paid-up capital	Percentage of interest in ownership/voting power/profit sharing	
				1999	1998
Qingdao Cosport International Container Terminals Co. Ltd.	PRC	Operation of container terminal	RMB337,868,700	50%	50%
Shanghai CIMC Reefer Containers Co., Ltd.	PRC	Container manufacturing	US\$28,000,000	20%	20%
Shanghai CIMC Far East Container Co., Ltd. (formerly known as Shanghai Far East Containers Co., Ltd.)	PRC	Container manufacturing	US\$9,480,000	20%	20%
Shanghai Kansai Paint & Chemical Co., Ltd.	PRC	Production of container and marine paints	RMB58,177,941	20%	20%
Tianjin Kansai Paint & Chemicals Co., Ltd.	PRC	Production of container and marine paints	RMB30,293,460	20%	20%
Tianjin CIMC North Ocean Container Co., Ltd. (formerly known as Tianjin North Ocean Container Co., Ltd.)	PRC	Container manufacturing	US\$8,582,000	22.5%	22.5%

14 INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	1999 US\$'000	1998 US\$'000
Investments, at cost		
– unlisted shares	314,986	314,986
– shares listed in Hong Kong	219,189	219,189
Goodwill on acquisition written off	(341,597)	(341,597)
Share of undistributed post acquisition reserves	72,650	90,939
Share of net assets	265,228	283,517
Loans to associated companies	57,070	80,828
	322,298	364,345
Market value of listed shares	91,196	111,157

The loans to associated companies are unsecured, interest free and have no fixed terms of repayment.

The Company has no directly owned associated company as at 31st December, 1999 and 1998. The following is a list of the associated companies as at 31st December, 1999.

Name	Place of incorporation/ operation	Principal activities	Issued share capital	Group equity interest	
				1999	1998
COSCO-HIT Terminals (Hong Kong) Limited	Hong Kong	Operation, management and development of Container Terminal 8 (East)	2 "A" ordinary shares of HK\$10 each and 2 "B" ordinary shares of HK\$10 each	50%	50%
Dawning Company Limited	British Virgin Islands/ Hong Kong	Investment holding	200 "A" shares of US\$1 each and 800 "B" shares of US\$1 each	20%	20%
Liu Chong Hing Bank Limited	Hong Kong	Banking and related financial services	435,000,000 ordinary shares of HK\$0.5 each	20%	20%
Twinbridge Development Corp.	British Virgin Islands/PRC	Investment holding	10,000 shares of US\$1 each	30%	30%

15 INVESTMENTS

	Group	
	1999 US\$ '000	1998 US\$ '000
Unlisted investments, at cost	1	1
Loans to investee companies	47,067	46,123
Provision (note 3)	(2,845)	—
	<u>44,223</u>	<u>46,124</u>
Investment listed overseas, at cost	7,216	7,216
	<u>51,439</u>	<u>53,340</u>
Market value of listed shares	4,973	5,841

Unlisted investments include a 10% equity interest in River Trade Terminal Holdings Limited (“River Trade Terminal”) and a 6.85% equity interest in Sigma Enterprises Limited (“Sigma”) which are principally engaged in the management and development of Tuen Mun Area 38 River Trade Terminal in Hong Kong and the management of Yantian International Container Terminal in the PRC respectively.

Loans to investee companies represent loans to River Trade Terminal for financing the development of Tuen Mun Area 38 River Trade Terminal and Sigma for financing the operations of Yantian International Container Terminal respectively. These loans are unsecured, interest free and have no fixed terms of repayment.

16 OTHER RECEIVABLES

	Group	
	1999 US\$ '000	1998 US\$ '000
Hire purchase debtors less provision (note a)	21,232	32,659
Loan receivable (note b)	—	332
	<u>21,232</u>	<u>32,991</u>
Amounts due within one year included under current assets	(7,852)	(13,109)
	<u>13,380</u>	<u>19,882</u>

Notes:

- The cost of assets acquired for the purpose of letting under hire purchase contracts amounted to US\$52,451,000 as at 31st December, 1999 (1998: US\$53,309,000). The aggregate rentals receivable as at 31st December 1999 and for the year in relation to the hire purchase contracts amounted to US\$24,436,000 (1998: US\$38,866,000) and US\$14,764,000 (1998: US\$14,904,000) respectively.
- Loan receivable was unsecured and interest bearing at 2.5% over the London Interbank Offered Rate. The loan was fully repaid during the year.

17 INVENTORIES

As at 31st December, 1999, inventories represent spare parts and consumables of US\$333,000 (1998: US\$346,000) and resaleable containers of US\$2,951,000 (1998: US\$436,000) and are stated at cost.

18 TRADE AND OTHER RECEIVABLES

	Group		Company	
	1999 US\$ '000	1998 US\$ '000	1999 US\$ '000	1998 US\$ '000
Trade and other receivables, deposits and prepayments	24,242	15,615	459	260
Amount due from ultimate holding company (note)	—	13,345	—	—
Amounts due from fellow subsidiaries (note)	15,759	2,600	—	—
Amounts due from related companies (note)	1,150	4,785	—	—
	<u>41,151</u>	<u>36,345</u>	<u>459</u>	<u>260</u>

Note:

The amounts due from ultimate holding company, fellow subsidiaries and related companies are unsecured and interest free. Trading balances have normal commercial terms of settlement while other balances have no fixed terms of repayment.

19 TRADE AND OTHER PAYABLES

	Group		Company	
	1999 US\$ '000	1998 US\$ '000	1999 US\$ '000	1998 US\$ '000
Trade and other payables	14,343	10,465	224	58
Accruals and provisions	18,148	16,377	113	112
Amount due to ultimate holding company (note)	—	5,359	—	—
Amount due to immediate holding company (note)	—	5	—	—
Amounts due to fellow subsidiaries (note)	3,818	16	—	—
Amounts due to related companies (note)	25,181	12,640	—	—
Amounts due to minority shareholders of subsidiaries (note)	1,227	826	—	—
	<u>62,717</u>	<u>45,688</u>	<u>337</u>	<u>170</u>

Note:

The amounts due to ultimate holding company, immediate holding company, fellow subsidiaries, related companies and minority shareholders of subsidiaries are unsecured and interest free. Balances in relation to purchases of containers have normal commercial terms of settlement while the other balances have no fixed terms of repayment.

20 SHORT TERM LOANS

	Group		Company	
	1999 US\$'000	1998 US\$'000	1999 US\$'000	1998 US\$'000
Unsecured				
– bank loans (<i>note a</i>)	20,692	46,238	–	10,000
– other loan (<i>note b</i>)	–	10,000	–	10,000
	<u>20,692</u>	<u>56,238</u>	<u>–</u>	<u>20,000</u>

Notes:

- a) As at 31st December, 1999, unsecured short term bank loans of approximately US\$1,686,000 (1998:Nil) is guaranteed by a fellow subsidiary of the Company. The loan bears interest at prevailing market rates.
- b) Other loan as at 31st December, 1998 represented a sum of US\$10 million floating rate notes due 1999 (the “FRN”). The FRN was denominated in US\$250,000 each and was issued to the investors pursuant to an agreement dated 9th September, 1998. The FRN was interest bearing at prevailing market rates and interest was payable in arrears on a quarterly basis. The FRN was redeemed in full at its principal amount in 1999.

21 SHARE CAPITAL

	1999 US\$'000	1998 US\$'000
Authorised:		
3,000,000,000 ordinary shares of HK\$0.10 each	<u>38,462</u>	<u>38,462</u>
Issued and fully paid:		
2,139,228,298 (1998: 2,051,826,531) ordinary shares of HK\$0.10 each	<u>27,433</u>	<u>26,305</u>

- a) The movements of the issued share capital of the Company are summarised as follows:

	Number of ordinary shares	Nominal value US\$'000
At 1st January, 1998	2,051,826,521	26,305
Issued on exercising of subscription rights attached to warrants (<i>note d</i>)	<u>10</u>	<u>–</u>
At 31st December, 1998	<u>2,051,826,531</u>	<u>26,305</u>
At 1st January, 1999	2,051,826,531	26,305
Issued on private placement (<i>note b</i>)	87,311,767	1,127
Issued on exercising of share options (<i>note c</i>)	<u>90,000</u>	<u>1</u>
At 31st December, 1999	<u>2,139,228,298</u>	<u>27,433</u>

21 SHARE CAPITAL (continued)

- b) Pursuant to the placing agreement dated 22nd April, 1999 entered into between COSCO (Hong Kong) Group Limited (“COSCO (Hong Kong)”) and its placing agents, COSCO (Hong Kong) agreed to sell through placing agents a total of 167,599,752 shares (the “Placing Shares”) of the Company to independent professional and institutional investors at a price (the “Placing Price”) of HK\$4.78 per share (the “Placing”).

Pursuant to the subscription agreement on the same date, COSCO (Hong Kong) subscribed for 87,311,767 new shares (the “Subscription Shares”) at a price equal to the Placing Price (the “Subscription”) less an amount of attributable expenses incurred in respect of the Placing and Subscription. The premium of US\$52,735,000 arising on the issue of the Subscription Shares by the Company has been accounted for in the share premium reserve (note 22).

- c) Share options
Under the Share Option Scheme the directors of the Company may, at their discretion, grant to any executive and/or employee of the Group, including any director in full time employment with any company in the Group, options to subscribe for the Company’s shares. The subscription price for the Company’s shares under the Share Option Scheme is determined by the directors of the Company and will not be less than 80% of the average of the closing prices of the Company’s shares on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of offer of the option or the nominal value of the Company’s shares, whichever is the higher. The maximum number of shares over which options may be outstanding may not exceed 10% of the ordinary share capital in issue from time to time.

There were 8,710,000 share options granted on 1st July, 1996 which were exercisable at HK\$5.53 per ordinary share as at 1st January, 1999. 90,000 share options were exercised and 2,040,000 share options were forfeited following resignations of a former director and an employee during the year. As at 31st December, 1999, there were 6,580,000 share options outstanding which are exercisable at any time within ten years from the date of the options granted.

There were 17,850,000 share options granted on 20th May, 1997 (the “Offer Date”) which were exercisable at HK\$8.80 per ordinary share as at 1st January, 1999. 4,250,000 share options were forfeited following resignations of six employees during the year. As at 31st December, 1999 there were 13,600,000 share options outstanding which are exercisable at any time within ten years from the date of the options granted subject to the following conditions:

- i) For those grantees who have completed one year full-time service in the Group may exercise a maximum of 20% of share options granted in each of the first five anniversary year from the Offer Date.
- ii) For those grantees who have not completed one year full-time service in the Group as at the Offer Date, a maximum of 20% of options granted may be exercisable in each of the first five anniversary years of the Offer Date after completion of one year full-time service.

All grantees may reserve their right to exercise and accumulate their share options exercisable during their employment with the Group.

21 SHARE CAPITAL (continued)

d) Warrants

In 1996, the Company issued through a private placing of 166,000,000 units of warrants at an issue price of HK\$1.00 each per warrant with subscription rights to subscribe for 166,000,000 shares of HK\$0.10 each of the Company at an initial subscription price of HK\$6.60 per share exercisable on or after 1st January, 1998 but not later than 30th June, 1998. During 1998, subscription rights attached to 10 units of warrants were exercised. The exercise period of the warrants was expired on 30th June, 1998.

22 RESERVES

Group

	Share premium US\$'000	Other properties revaluation reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Other reserve US\$'000	Retained profits US\$'000	Total US\$'000
Company and subsidiaries	503,772	1,127	11	—	—	150,754	655,664
Jointly controlled entities	—	—	(105)	—	—	1,735	1,630
Associated companies	—	—	376	—	—	61,890	62,266
At 1st January, 1998	503,772	1,127	282	—	—	214,379	719,560
Adjustments to goodwill previously eliminated on acquisition of a subsidiary and an associated company	—	—	—	—	—	16,787	16,787
Capital reserve arising from acquisition of a jointly controlled entity	—	—	—	107	—	—	107
Transfer of reserves	—	—	—	—	196	(196)	—
Share of reserves of associated companies and a jointly controlled entity	—	—	372	308	—	—	680
Retained profit for the year	—	—	—	—	—	82,162	82,162
At 31st December, 1998	503,772	1,127	654	415	196	313,132	819,296
Retained by:							
Company and subsidiaries	503,772	1,127	11	—	196	218,584	723,690
Jointly controlled entities	—	—	(105)	333	—	4,439	4,667
Associated companies	—	—	748	82	—	90,109	90,939
	503,772	1,127	654	415	196	313,132	819,296

22 RESERVES (continued)

Group

	Share premium US\$'000	Other properties revaluation reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Other reserve US\$'000	Retained profits US\$'000	Total US\$'000
Company and subsidiaries	503,772	1,127	11	—	196	218,584	723,690
Jointly controlled entities	—	—	(105)	333	—	4,439	4,667
Associated companies	—	—	748	82	—	90,109	90,939
At 1st January, 1999	503,772	1,127	654	415	196	313,132	819,296
Premium on issue of shares under the Share Option Scheme	63	—	—	—	—	—	63
Premium on issue of new shares through a private placement (note 21b)	52,735	—	—	—	—	—	52,735
Share issue expenses	(42)	—	—	—	—	—	(42)
Transfer of reserves	—	—	—	—	2,692	(2,692)	—
Share of reserves of an associated company and a jointly controlled entity	—	—	48	7	—	—	55
Exchange translation differences	—	—	(689)	—	—	—	(689)
Retained profit for the year	—	—	—	—	—	82,807	82,807
At 31st December, 1999	556,528	1,127	13	422	2,888	393,247	954,225
Retained by:							
Company and subsidiaries	556,528	1,127	(17)	—	264	318,171	876,073
Jointly controlled entities	—	—	(105)	340	785	4,483	5,503
Associated companies	—	—	135	82	1,839	70,593	72,649
	556,528	1,127	13	422	2,888	393,247	954,225

22 RESERVES (continued)

Company

	Share premium US\$'000	Contributed surplus US\$'000	Retained profits US\$'000	Total US\$'000
At 1st January, 1998	503,772	418,570	967	923,309
Retained profit for the year	—	—	33,455	33,455
At 31st December, 1998	503,772	418,570	34,422	956,764
At 1st January, 1999	503,772	418,570	34,422	956,764
Premium on issue of shares under the Share Option Scheme	63	—	—	63
Premium on issue of new shares through a private placement (note 21b)	52,735	—	—	52,735
Share issue expenses	(42)	—	—	(42)
Retained profit for the year	—	—	47,740	47,740
At 31st December, 1999	556,528	418,570	82,162	1,057,260

The distributable reserves of the Company as at 31st December, 1999 amounted to US\$500,732,000 (1998: US\$452,992,000).

23 LONG TERM LIABILITIES

	1999 US\$'000	Group 1998 US\$'000
Loans		
— secured	132,204	244,725
— unsecured	407,891	333,373
	540,095	578,098
Amounts due within one year included under current liabilities	(241,695)	(78,933)
	298,400	499,165

23 LONG TERM LIABILITIES (continued)

a) The analysis of the above is as follows:

	1999 US\$'000	Group 1998 US\$'000
Wholly repayable within five years		
Bank loans	339,875	357,258
Other loans (note b)	142,074	147,467
Not wholly repayable within five years		
Bank loans	55,255	70,000
Loans from a minority shareholder of a subsidiary (note c)	2,891	3,373
	540,095	578,098

- b) Included in the other loans wholly repayable within five years, a sum of US\$130 million US commercial notes (the "Notes") were issued to investors pursuant to an agreement dated 9th May, 1998 (the "Agreement"). The Notes are backed by a letter of credit issued by a bank (the "LOC") and guaranteed by the Company. Each Note bears interest at prevailing market rates with a stated maturity date not exceeding 270 days. The Notes will be redeemed and reissued upon their respective maturity dates until the expiry of the LOC. The stated termination date of the LOC is two years from the date of the Agreement. On this basis, the directors of the Company regard the Notes as current liabilities.
- c) Loans from a minority shareholder of a subsidiary are unsecured and repayable in various annual instalments up to December 2005. Annual interest rate is calculated at prevailing market rate quoted by the State Development Bank of the PRC at the end of every preceding year.

23 LONG TERM LIABILITIES (continued)

d) The maturity of the long term liabilities is as follows:

	Group	
	1999 US\$ '000	1998 US\$ '000
Bank loans		
Within one year	106,938	73,058
In the second year	104,595	121,941
In the third to fifth years inclusive	177,813	213,204
In more than five years	5,784	19,055
	<u>395,130</u>	<u>427,258</u>
Loans from a minority shareholder of a subsidiary		
Within one year	482	482
In the second year	482	482
In the third to fifth years inclusive	1,446	1,446
In more than five years	481	963
	<u>2,891</u>	<u>3,373</u>
Other loans		
Within one year	134,275	5,393
In the second year	4,336	134,275
In the third to fifth years inclusive	3,463	7,799
	<u>142,074</u>	<u>147,467</u>
	<u>540,095</u>	<u>578,098</u>

24 CONTINGENT LIABILITIES

	Group		Company	
	1999 US\$ '000	1998 US\$ '000	1999 US\$ '000	1998 US\$ '000
Guarantees executed in favour of banks for securing banking facilities granted to				
– subsidiaries	–	–	555,986	599,124
– jointly controlled entities	2,518	5,535	–	–
– investee company	33,158	25,786	33,158	25,786
	<u>35,676</u>	<u>31,321</u>	<u>589,144</u>	<u>624,910</u>

25 CAPITAL COMMITMENTS

	Group	
	1999 US\$ '000	1998 US\$ '000
Authorised but not contracted for		
Containers	92,507	90,000
Computer system	–	4,000
	<u>92,507</u>	<u>94,000</u>
Contracted but not provided for		
Containers	7,493	–

As at 31st December, 1999, the Company's commitment in respect of unpaid capital contribution to a PRC subsidiary amounts to US\$25,500,000 (1998: Nil).

As at 31st December, 1999 and 1998, there were no capital commitments relating to the Group's interests in the joint ventures included in the above.

The Group's share of capital commitments of the joint ventures themselves not included in the above are as follows:

	Group	
	1999 US\$ '000	1998 US\$ '000
Contracted but not provided for	–	17
Authorised but not contracted for	–	217
	<u>–</u>	<u>234</u>

26 LEASE COMMITMENTS

At 31st December, 1999 the Group had commitments to make payments in the next twelve months under operating leases which expire as follows:

	Group	
	1999 US\$ '000	1998 US\$ '000
Land and buildings		
Expiring in the first year	1,478	1,034
Expiring in the second to fifth years inclusive	1,009	1,722
	<u>2,487</u>	<u>2,756</u>
Plant and machinery		
Expiring in the first year	–	192
Expiring in the second to fifth years inclusive	301	116
Expiring after the fifth year	116	–
	<u>2,904</u>	<u>3,064</u>

27 DEFERRED TAXATION

The potential deferred tax liability/(asset) as at 31st December, 1999 not provided for in the accounts amounts to:

	1999 US\$ '000	Group 1998 US\$ '000
Accelerated depreciation allowances	14,630	7,401
Other timing differences	—	(183)
Tax losses	(12,052)	(7,242)
	<u>2,578</u>	<u>(24)</u>

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

a) Reconciliation of operating profit to net cash inflow from operating activities

	1999 US\$ '000	1998 US\$ '000
Operating profit	123,690	126,166
Depreciation and amortisation	70,551	66,841
Dividend income from listed investment	(199)	(100)
Gain on compensation received for loss of containers	(213)	(232)
Loss on disposal of fixed assets	370	1,108
Loss on disposal of a subsidiary	2	—
Provision for an investee company	2,845	—
Revaluation deficit of investment properties	232	888
(Decrease)/increase in net balance with jointly controlled entities	(291)	537
Decrease in hire purchase debtors less provision	11,427	17,819
Decrease in inventories	12,781	2,398
Increase in trade and other receivables, deposits and prepayments	(8,596)	(2,399)
Decrease in net amount due from ultimate holding company	7,986	38,829
(Increase)/decrease in amounts due from fellow subsidiaries	(13,159)	1,340
Decrease/(increase) in amounts due from related companies	3,635	(3,988)
Decrease in trade and other payables and accruals and provisions	(1,077)	(383)
(Decrease)/increase in amount due to immediate holding company	(5)	5
Increase/(decrease) in amounts due to fellow subsidiaries	3,802	(1,130)
Decrease in amounts due to related companies	(1,131)	(3,580)
Increase in amounts due to minority shareholders of subsidiaries	401	659
Interest income	(5,068)	(3,117)
Effect of foreign exchange rate changes	(35)	—
Net cash inflow from operating activities	<u>207,948</u>	<u>241,661</u>

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

b) Analysis of changes in financing during the year

	Share capital (including share premium) US\$ '000	Loans and hire purchase obligations US\$ '000	Minority interests US\$ '000
Balance at 1st January, 1998	530,077	599,977	6,897
Minority interest's share of profit for the year	—	—	497
Loans borrowed	—	300,499	—
Repayment of loans	—	(266,140)	—
Dividends paid to minority shareholders	—	—	(894)
Balance at 31st December, 1998	<u>530,077</u>	<u>634,336</u>	<u>6,500</u>
Balance at 1st January, 1999	530,077	634,336	6,500
Issue of shares, net of expenses	53,884	—	—
Minority interest's share of profit for the year	—	—	667
Loans borrowed	—	144,454	—
Repayment of loans	—	(218,003)	—
Dividends paid to minority shareholders	—	—	(291)
Balance at 31st December, 1999	<u>583,961</u>	<u>560,787</u>	<u>6,876</u>

c) Sale of a subsidiary

	1999 US\$ '000
Net assets disposed of:	
Fixed assets	2,217
Loss on disposal	(2)
	<u>2,215</u>
Satisfied by:	
Cash	<u>2,215</u>

The subsidiary disposed of during the year did not contribute significant cash flows to the Group.

d) Analysis of the balances of cash and cash equivalents

	1999 US\$ '000	1998 US\$ '000
Time deposits	233,694	56,727
Bank balances and cash	18,641	30,887
	<u>252,335</u>	<u>87,614</u>

29 RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions, in addition to those disclosed elsewhere in the accounts, which were carried out in the normal course of the Group's business:

	1999 US\$ '000	1998 US\$ '000
Container rental income from <i>(note a)</i>		
– ultimate holding company	–	149,041
– a fellow subsidiary	142,631	–
Management fee income from an associated company <i>(note b)</i>	2,581	2,581
Container terminal handling fee received from a fellow subsidiary <i>(note c)</i>	820	914
Handling and storage income from <i>(note d)</i>		
– fellow subsidiaries	7,227	7,282
– a related company	–	1
Net transportation income from <i>(note d)</i>		
– fellow subsidiaries	2,487	2,436
– a related company	–	10
Compensation received for loss of containers from <i>(note e)</i>		
– ultimate holding company	–	877
– a fellow subsidiary	1,615	–
Profit on sale of inventories to certain subsidiaries of the ultimate holding company <i>(note f)</i>	196	–
Income for container terminal handling services rendered by an associated company of the Group to <i>(note g)</i>		
– ultimate holding company	–	103,916
– a fellow subsidiary	78,893	–
Container freight charged to a fellow subsidiary <i>(note h)</i>	(718)	–
Refurbishment fee to <i>(note i)</i>		
– ultimate holding company	–	(3,000)
– a fellow subsidiary	(3,000)	–
Maintenance fee for refrigerated containers to a fellow subsidiary <i>(note j)</i>	(2,700)	–
Container handling incentive to ultimate holding company <i>(note k)</i>	–	(2,861)
Container drop-off credit to <i>(note l)</i>		
– ultimate holding company	–	(1,156)
– a fellow subsidiary	(2,114)	–
Property rental expense paid to a fellow subsidiary under operating lease <i>(note m)</i>	(677)	(676)
Purchase of containers from <i>(note n)</i>		
– subsidiaries of ultimate holding company	–	(28,974)
– an associated company of ultimate holding company	(32,462)	(61,685)
– jointly controlled entities of the Group	(14,683)	(9,154)
Computer software purchased from, computer maintenance services fee and telecommunication service paid to a fellow subsidiary <i>(note o)</i>	(264)	(305)
Purchase of interest in a jointly controlled entity	–	(1,737)

29 RELATED PARTY TRANSACTIONS (continued)

Notes:

- a) Following a group reorganisation of China Ocean Shipping (Group) Company (“COSCO”), the Company’s ultimate holding company, the Group has conducted container leasing business with COSCO Container Lines Company Limited (“COSCON”), a wholly owned subsidiary of COSCO which was established in the PRC, effective from 1st January, 1999.

During the two years ended 31st December, 1999 the Group entered into new container leasing arrangements and revised the terms of the existing containers.

The Group’s container leasing transactions with COSCON during the year have been conducted based on the average leasing rates quoted from three of the top ten independent container leasing companies and in the ordinary and normal course of the business of the Group.

- b) The Group provided advisory and management services to COSCO-HIT Terminals (Hong Kong) Limited (“COSCO-HIT”), an associated company of the Group, during the year. Management fee was charged and agreed at HK\$20 million (1998: HK\$20 million) per annum.
- c) During the year, the Group provided handling and storage services to COSCON for cargoes shipped to Zhangjiagang port. The tariff rates charged by the Group are determined by the Ministry of Communications of the PRC.
- d) The handling and storage income and the transportation income received from fellow subsidiaries and related companies were conducted at terms no less favourable than terms available to independent third parties.
- e) During the year, the Group received compensation of US\$1,615,000 from COSCON (1998: US\$877,000 from COSCO) for the loss of containers under operating leases, resulting in a gain of US\$213,000 (1998: US\$232,000).
- f) During the year, the Group sold inventories to certain subsidiaries of COSCO for US\$474,000 (1998: Nil), resulting in a profit of US\$196,000 (1998: Nil).
- g) In 1998, COSCO-HIT provided handling and storage services to the COSCO for cargoes shipped to Container Terminal 8 (East) in Hong Kong.
- Following the group reorganisation of COSCO as mentioned in note a above, COSCO-HIT has provided handling and storage services to COSCON effective from 1st January, 1999.
- The services rendered were charged at terms pursuant to agreements entered into by COSCO-HIT with COSCO and COSCON for the year ended 31st December, 1998 and 1999 respectively.
- h) Pursuant to an addendum of long term lease agreement dated 7th July, 1999 entered into between the Group with COSCON (the “Addendum”), the Group paid a container freight charge of US\$717,600 to COSCON for the container repositioning services rendered to the Group.

29 RELATED PARTY TRANSACTIONS (continued)

Notes:

- i) In 1994, the Group entered into a five year container refurbishment agreement with COSCO, whereby COSCO agreed to refurbish on behalf of the Group those containers with five years' usage for an annual fee of US\$3,000,000. The agreement was expired in 1998.

Pursuant to the Addendum, the Group agreed to pay a 1999 container refurbishment fee of US\$3,000,000 to COSCON.

- j) Pursuant to the Addendum, the Group agreed to pay to COSCON for maintenance services rendered for certain refrigerated containers at a fee of US\$2,700,000 (1998: Nil).
- k) During the year, no container handling incentive fee was paid by the Group to COSCO or COSCON for delivery of new containers to designated depots while US\$2,861,000 was paid to COSCO last year in respect of these services rendered.
- l) During the year, the Group agreed to pay a container drop-off credit of US\$2,114,000 to COSCON (1998: US\$1,156,000 to COSCO) for delivery of old containers returned from COSCON (1998: COSCO) to the Group's designated depots in connection with the disposal of these containers.
- m) The Group entered into a lease agreement with a fellow subsidiary, Wing Thye Holdings Limited, a subsidiary of COSCO (Hong Kong), to lease office space for a period of 3 years commencing on 4th December, 1997 at a monthly rental of HK\$476,707. The lease was entered into on normal commercial terms according to the advice of a firm of professional surveyors.
- n) The purchases of containers from the subsidiaries and associated company of COSCO and jointly controlled entities of the Group were conducted in the normal course of the business at terms no less favourable than the purchases of containers from other third party suppliers of the Group.
- o) COSCO Information & Technology (H.K.) Limited, a subsidiary of COSCO (Hong Kong), provided computer software and computer maintenance service as well as installation and rental of telecommunication system to certain companies of the Group in the ordinary and normal course of business.

30 SIGNIFICANT ASSOCIATED COMPANIES

A summary of the audited financial information of COSCO-HIT Terminals (Hong Kong) Limited and Liu Chong Hing Bank Limited, two significant associated companies of the Group, after making adjustments by directors of the Company to conform with the Group's principal accounting policies, for the two years ended 31st December, 1999 and 1998 is set out as follows:

a) COSCO - HIT Terminals (Hong Kong) Limited

	1999 US\$'000	1998 US\$'000
Result for the year		
Turnover	120,637	122,074
Profit before taxation <i>(note)</i>	66,151	63,393
Taxation	(7,524)	(7,421)
Profit after taxation	58,627	55,972
Group's share of profit before taxation <i>(note)</i>	33,075	31,697
Net assets as at 31st December <i>(note)</i>		
Fixed assets	364,744	379,524
Current assets	35,060	51,434
Current liabilities	(24,200)	(77,276)
Long term liabilities	(231,511)	(142,737)
Deferred taxation	(2,543)	(5,133)
	141,550	205,812

Note:

An adjustment has been made to write off the deferred borrowing costs included in the accounts of COSCO-HIT Terminals (Hong Kong) Limited for the year ended 31st December, 1999 to conform with the Group's principal accounting policies. As a result, both the Group's share of profit before taxation for the year ended 31st December, 1999 and the Group's share of net assets of associated companies have been decreased by US\$968,000.

30 SIGNIFICANT ASSOCIATED COMPANIES (continued)

b) Liu Chong Hing Bank Limited

	1999 US\$'000	1998 US\$'000
Result for the year		
Net interest income	<u>103,682</u>	<u>112,771</u>
Profit before taxation (<i>note</i>)	<u>55,930</u>	<u>52,898</u>
Taxation	<u>(9,494)</u>	<u>(7,982)</u>
Profit after taxation	<u>46,436</u>	<u>44,916</u>
Group's share of profit before taxation (<i>note</i>)	<u>11,186</u>	<u>10,579</u>
	1999 US\$'000	1998 US\$'000
Assets		
Cash and short-term funds	<u>1,294,305</u>	<u>1,427,175</u>
Advances and other accounts	<u>2,541,399</u>	<u>2,380,869</u>
Tangible fixed assets and other assets (<i>note</i>)	<u>820,583</u>	<u>370,248</u>
	<u>4,656,287</u>	<u>4,178,292</u>
Liabilities		
Deposits with customers	<u>3,643,445</u>	<u>3,163,471</u>
Certificates of deposit, deposits with other banks and financial institutions	<u>174,637</u>	<u>207,920</u>
Other liabilities	<u>95,073</u>	<u>99,645</u>
	<u>3,913,155</u>	<u>3,471,036</u>
Net assets as at 31st December	<u>743,132</u>	<u>707,256</u>

Note:

Adjustments have been made to the tangible fixed assets and investments in securities included in the accounts of Liu Chong Hing Bank Limited for the year ended 31st December, 1999 to conform with the Group's principal accounting policies. As a consequence, the Group's share of profit before taxation for the year ended 31st December, 1999 has been increased by US\$108,000 and the Group's share of net assets has been increased by US\$9,977,000 respectively.

Similar adjustments on the tangible fixed assets included in the accounts of Liu Chong Hing Bank Limited were made for the year ended 31st December, 1998 to conform with the Group's principal accounting policies. The Group's share of profit before taxation for the year ended 31st December, 1998 was increased by US\$218,000 and the Group's share of net assets was increased by US\$9,881,000 respectively.

31 ULTIMATE HOLDING COMPANY

The directors regard China Ocean Shipping (Group) Company, a state-owned enterprise established in the PRC, as being the ultimate holding company.

32 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 28th March, 2000.

FIVE-YEAR FINANCIAL SUMMARY

	1999 US\$'000	1998 US\$'000	1997 US\$'000	1996 US\$'000	1995 US\$'000
For the year ended 31st December,					
Turnover	220,638	217,130	183,526	144,588	124,084
Operating profit after finance costs	83,384	80,797	85,522	45,192	44,517
Share of profits less losses of					
– associated companies	54,871	50,639	41,592	31,210	2,418
– jointly controlled entities	4,106	4,254	2,593	(40)	–
Profit before taxation	142,361	135,690	129,707	76,362	46,935
Taxation	(7,612)	(5,896)	(6,264)	(661)	(575)
Profit after taxation	134,749	129,794	123,443	75,701	46,360
Minority interests	(667)	(497)	(698)	–	–
Profit attributable to shareholders	134,082	129,297	122,745	75,701	46,360
Dividends	51,275	47,135	45,066	36,897	25,634
Basic earnings per share (US cents)	6.36	6.30	6.08	4.38	4.21
Dividend per share (US cents)	2.344	2.298	2.123	1.923	1.826
As at 31st December,					
Total assets	1,642,051	1,559,876	1,444,045	959,147	665,966
Total liabilities	(660,393)	(714,275)	(698,180)	(372,365)	(327,912)
Net assets	981,658	845,601	745,865	586,782	338,054

Notes:

- The consolidated results, assets and liabilities of the Group for the two years ended 31st December, 1999 have been extracted from the audited accounts of the Group as set out on pages 50 and 51 of the annual report.
- The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) on 25th July, 1994.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong on Thursday, 25th May, 2000 at 2:30 p.m. for the following purposes:

- To receive and consider the financial statements and the directors' and auditors' reports of the Company for the year ended 31st December, 1999.
- To declare a final dividend for the year ended 31st December, 1999.
- To re-elect the retiring directors and to fix the remuneration of directors.
- To re-appoint auditors and to authorise the directors to fix their remuneration.
- As special business, to consider and, if thought fit, to pass with or without amendments the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS**A. "THAT:**

- subject to paragraph b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- the aggregate nominal amount of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - the conclusion of the next annual general meeting of the Company;
 - the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
 - the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

B. "THAT:

- subject to paragraph c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- the approval in paragraph a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

- c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph a) above, otherwise than pursuant to i) a Rights Issue (as hereinafter defined); ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
- i) the conclusion of the next annual general meeting of the Company;
 - ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
 - iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

- C. "THAT subject to the passing of Ordinary Resolutions Nos.5A and 5B set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution No.5B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No.5A set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution."

6. To transact any other business.

By Order of the Board
Peter LEE Yip Wah
Secretary

Hong Kong, 28th March, 2000.

Principal place of business:
49th Floor, COSCO Tower,
183 Queen's Road Central,
Hong Kong.

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Friday, 19th May, 2000 to Thursday, 25th May, 2000, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms with share certificates must be lodged with the Company's Hong Kong Registrar and Transfer Office, Secretaries Limited, 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Thursday, 18th May, 2000.
4. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under Resolution 5A above will be despatched to members together with the 1999 Annual Report of the Company.

ANALYSTS CONTACT DETAILS

Company Name	Contact Person	Telephone	Facsimile
ABN AMRO Asia Ltd.	Ms. Cheang Yee LIM	(852)2868 0368	(852)2810 4932
BNP Prime Peregrine Securities Ltd.	Mr. Jim K B WONG	(852)2825 1888	(852)2845 2232
Celestial Securities Ltd.	Ms. Serine Y P LI	(852)2287 8888	(852)2169 0582
Core Pacific-Yamaichi International (H.K.) Ltd.	Mr. Arthur LAW	(852)2826 0700	(852)2536 9916
Credit Lyonnais Securities (Asia) Ltd.	Mr. Erwin SANFT	(852)2810 9338	(852)2501 0903
Credit Suisse First Bostion (Hong Kong) Ltd.	Mr. Kenneth Y LUH	(852)2101 6393	(852)2101 7708
Dao Heng Securities Ltd.	Mr. Raymond K T CHONG	(852)2218 2828	(852)2285 3160
DBS Securities Hong Kong Ltd.	Mr. Osbert TANG	(852)2526 2002	(852)2868 3392
Deutsche Securities Hong Kong Ltd.	Ms. Emilie CHAU	(852)2203 8888	(852)2203 6921
Donaldson, Lufkin & Jenrette Asia Ltd.	Ms. Hui LI	(852)2501 3800	(852)2501 3774
G.K. Goh Securities (HK) Ltd.	Mr. Chris C W FUNG	(852)2868 0380	(852)2537 1547
Goldman Sachs (Singapore) Pte.	Mr. Jean-Louis MORISOT	(65)228 8466	(65)228 8474
HSBC Securities Asia Ltd.	Mr. Geoffrey CHENG	(852)2843 9111	(852)2526 7484
ICEA Securities Ltd.	Mr. Silas CHU	(852)2115 8888	(852)2115 8613
Indosuez W.I.Carr Securities Ltd.	Mr. Peter K K SO	(852)2820 7373	(852)2524 0119
ING Baring Securities (Hong Kong) Ltd.	Mr. Richard Y.K. LO	(852)2818 8488	(852)2810 6127
J & A Securities (Hong Kong) Ltd.	Mr. Dennis LEUNG	(852)2509 9118	(852)2509 0030
Jardine Fleming	Mr. Vincent TSE	(852)2843 8888	(852)2810 8511
KGI Asia Ltd.	Mr. Chi Ho Jecko CHENG	(852)2878 6888	(852)2878 6790
Kim Eng Securities (Hong Kong) Ltd.	Mr. Gideon LO	(852)2810 7755	(852)2877 0104
Kleinwort Benson Securities (Asia) Ltd.	Mr. Johnny K.M. WONG	(852)2521 5331	(852)2521 7862
Lehman Brothers Asia Ltd.	Mr. Philip TULK	(852)2869 3000	(852)2869 3133
Mansion House Securities (F.E.) Ltd.	Mr. Henri LUI	(852)2843 1431	(852)2537 8158
Merrill Lynch (Asia Pacific) Ltd.	Mr. Guohua WANG	(852)2536 3888	(852)2536 3977
Morgan Stanley Asia Ltd.	Mr. Jing-Feng YOU	(852)2848 5200	(852)2537 1701
Nomura International (HK) Ltd.	Mr. Jason CHEUNG	(852)2536 1111	(852)2536 1820
Prudential-Bache Securities (Hong Kong) Ltd.	Mr. Martin H M CHING	(852)2822 6888	(852)2822 6916

Company Name	Contact Person	Telephone	Facsimile
Salomon Smith Barney HK Ltd.	Mr. Charies DE TRENCK	(852)2501 2756	(852)2521 5350
Sassoon Securities Ltd.	Ms. Karen W K MAK	(852)2843 2100	(852)2810 0300
SG Securities (HK) Ltd.	Mr. Lawrence LAU	(852)2166 4988	(852)2166 4662
South China Research Ltd.	Mr. Kenneth LAU	(852)2820 6333	(852)2845 5868
Sun Hung Kai Research Ltd.	Mr. Kam-wing SIU	(852)2106 8261	(852)2106 8200
Tai Fook Research Ltd.	Mr. Eddie H K TAM	(852)2848 4333	(852)2869 7737
Vickers Ballas Hong Kong Ltd.	Mr. Tommy K.T. HO	(852)2863 8933	(852)2521 1812
Warburg Dillon Read	Mr. Raymond C K JOOK	(852)2971 8888	(852)2971 8542
Worldsec International Ltd.	Mr. Keith K Y LI	(852)2867 7288	(852)2845 1655

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. CHEN Zhongbiao (Chairman)

Mr. DONG Jiufeng (Vice Chairman)

Mr. SHI Qin (Managing Director)

Mr. YANG Bin

Mr. LU Zhiming

Mr. LI Jianhong

Mr. XU Lirong

Mr. KWONG Che Keung, Gordon

Mr. WONG Tin Yau, Kelvin

Mr. LU Chenggang

Mr. QIN Fuyan

Non-executive Directors

Dr. LI Kwok Po, David

Mr. LIU Lit Man

Mr. Alexander Reid HAMILTON

Mr. LEE Yip Wah, Peter

COMPANY SECRETARY

Mr. LEE Yip Wah, Peter

AUDIT COMMITTEE

Mr Alexander Reid HAMILTON

(Committee Chairman)

Dr. LI Kwok Po, David

Mr. LEE Yip Wah, Peter

PLACE OF INCORPORATION

Bermuda

REGISTERED OFFICE

Clarendon House

Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL

PLACE OF BUSINESS

49th Floor, COSCO Tower

183 Queen's Road Central

Hong Kong

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants

22nd Floor

Prince's Building

Hong Kong

SOLICITORS

Holman, Fenwick & Willan

Woo, Kwan, Lee & Lo

Herbert Smith

Conyers, Dill & Pearman

PRINCIPAL BANKERS

Bank of China, Hong Kong Branch

The Hongkong & Shanghai Banking

Corporation Limited

Barclays Bank PLC

Bank of America National Trust and

Savings Association

ING Lease (Asia Pacific) Pte. Ltd.

Societe Generale, Hong Kong

Branch

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited

6 Front Street

Hamilton HM11

Bermuda

HONG KONG REGISTRAR AND TRANSFER OFFICE

Secretaries Limited

5th Floor

Wing On Centre

111 Connaught Road Central

Hong Kong

LISTING INFORMATION

The Stock Exchange of

Hong Kong Limited

Ordinary shares (Code : 1199)

發展機遇

中遠太平洋有限公司

香港皇后大道中183號
中遠大廈49樓
電話：(852) 2809 8188
傳真：(852) 2907 6088
網址：<http://www.coscopac.com.hk>
電子郵件：info@coscopac.com.hk



COSCO Pacific Limited
(中遠太平洋有限公司)

於百慕達註冊成立之有限公司

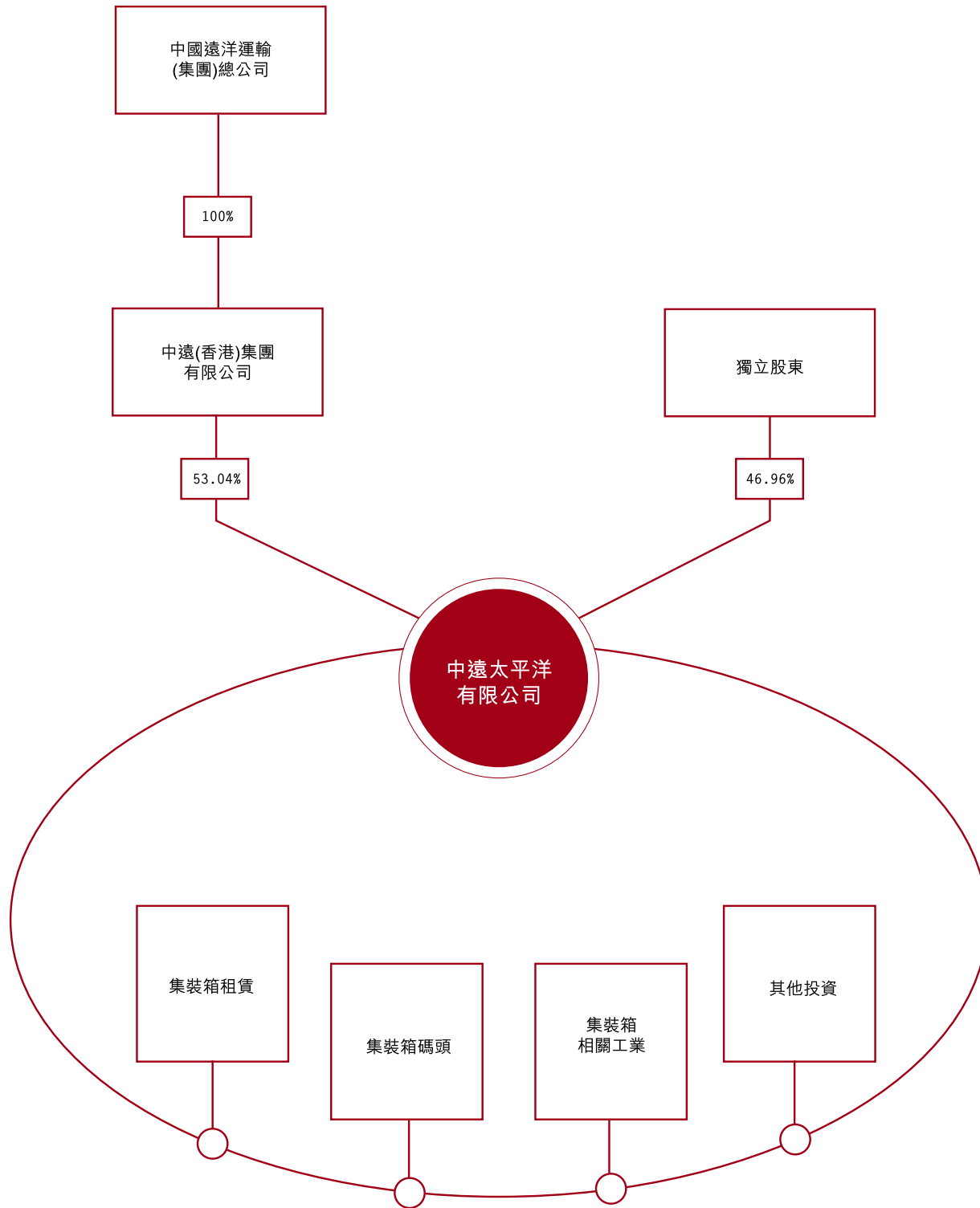


	目錄
2	公司架構
3	業務摘要
4	主席報告
14	副主席報告
18	港口、全球辦事處及堆場網絡
20	業務回顧
28	管理層討論及分析
32	董事及高層管理人員簡介
40	大事回顧
42	董事會報告書
49	核數師報告書
50	綜合損益帳
51	綜合資產負債表
52	資產負債表
53	綜合現金流量表
54	已確認損益報表
55	帳目附註
94	五年財務概要
95	股東週年大會通告
98	分析員聯絡資料
100	公司資料

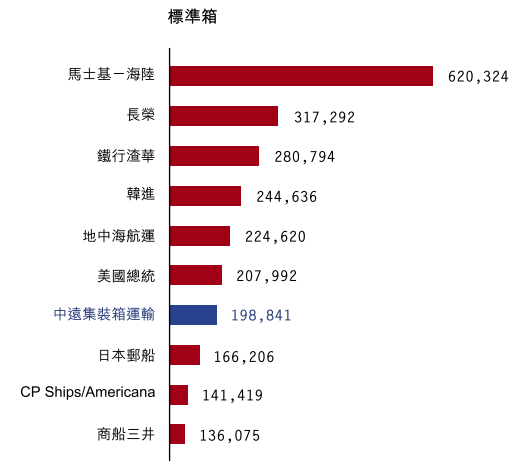
公司簡介

中遠太平洋有限公司是世界集裝箱市場的一家領先企業，多元化經營集裝箱租賃、集裝箱碼頭及集裝箱相關行業。作為全球第六大租箱公司，中遠太平洋擁有橫跨全球策略性設置的堆場及銷售網絡。隨著中國即將加入世界貿易組織，這將為中遠太平洋帶來有利的因素以取得發展的機遇和更進一步擴闊盈利的來源。

公司架構



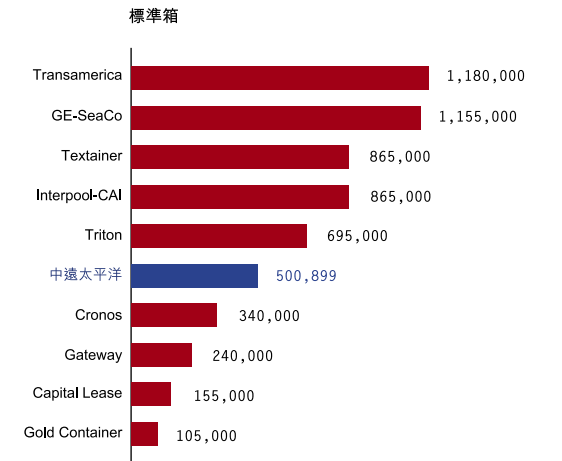
全球十大集裝箱班輪公司排名



資料來源: Alphaliner

最終控股公司「中遠集團」擁有全球第七大集裝箱班輪公司—中遠集裝箱運輸有限公司(「中遠集運」)。中遠集運計劃在未來兩年進一步擴充船隊，從而晉身全球首五大集裝箱航運企業之行列。中遠集運為本集團集裝箱租賃及集裝箱碼頭業務之主要客戶。

全球十大集裝箱租賃公司排名

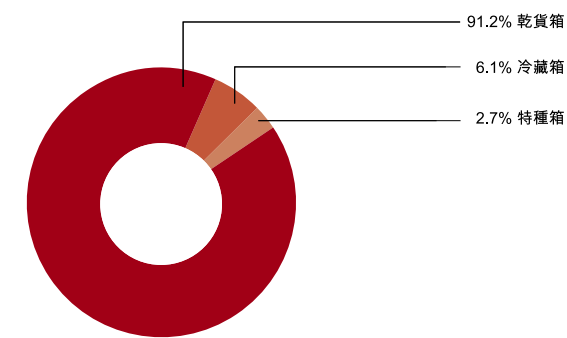


資料來源: Institute of International Container Lessor (IICL)

中遠太平洋為全球第六大集裝箱租賃公司，佔全球集裝箱租賃市場約8%份額。

業務摘要

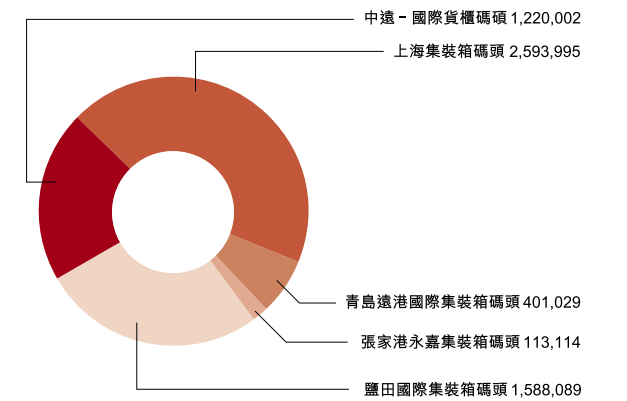
集裝箱租賃箱隊規模(標準箱)



箱隊總箱量: 500,899

截至1999年12月31日，中遠太平洋之集裝箱隊總箱量達500,899標準箱。當中91.2%為乾貨箱，令本集團具備足夠能力滿足以乾貨箱為主的市場需求。

集裝箱碼頭吞吐量(標準箱)



總吞吐量: 5,916,229

中遠太平洋在香港、上海、青島、張家港和鹽田均持有集裝箱碼頭股權。香港是全球最繁忙的港口，而上海、深圳和青島是中國內地首三大集裝箱港。本集團五個碼頭之1999年總吞吐量為5,916,229標準箱，較1998年上升25.2%。

主席報告

“中遠太平洋以清晰的發展策略和穩健理財原則，致力加強集團的市場競爭能力，進一步增加經營效益及提高股東回報。”

1999年是具挑戰性和仍較為困難的一年。年內，中遠太平洋有限公司（「中遠太平洋」或「本公司」）之主要業務，包括集裝箱租賃、集裝箱碼頭和集裝箱相關工業之發展，仍然受到一定程度的壓力。本公司及其附屬公司（「本集團」）堅定地面對亞洲經濟不景和融資市場緊縮的不利條件，以穩步發展為大前提，重點抓緊內部成本控制，進一步提高企業經營效益。在最終控股公司中國遠洋運輸（集團）總公司（「中遠集團」）及其他客戶的大力支持下，本集團在年內之業務經營穩健，溢利保持穩定增長。

中國加入世貿為本集團帶來機遇

本公司相信亞洲經濟最困難的時期已逐漸過去，2000年將是充滿機遇與挑戰的一年。21世紀之全球經濟結構和國際貿易模式將會有大改變，在這演變過程當中，中國對外貿易開放之經濟政策將扮演極為重要的角色。當中國正式加入世界貿易組織，並最終融入國際性經濟、資訊和金融體系後，必將大力推動亞洲以至全球貿易之發展。

“我們深信，中國加入世界貿易組織，會引入更開放之貿易政策，這將為本集團帶來發展機遇。加入世貿後，中國貿易夥伴亦會隨之而增加，對外貿易料將加快增長，從而增加了對集裝箱租賃和集裝箱碼頭服務之需求。中遠太平洋作為世界集裝箱市場的領先企業，定必抓緊這個黃金機會。”

中國加入世貿為本集團帶來機遇

的趨勢上升，船公司要因應此需求來擴充船隊，自購或租用集裝箱，集裝箱碼頭之裝卸量也將相應增加，這些都有利於本集團之集裝箱租賃和集裝箱碼頭業務發展。

專注核心業務之發展

本集團管理層將抓緊上述之發展機遇，繼續專注拓展集裝箱租賃和集裝箱碼頭兩大核心業務，並密切注視互聯網對營商環境、資訊科技和客戶服務等方面之影響。

中國對外貿易於1999年內之進出口總額達3,607億美元，比去年同期上升11.3%。更令人鼓舞的是今年年初中國外貿呈現強勁增長，1月至2月份進出口總額達603億美元，較去年同期大幅增長47.1%，有跡象顯示，中國外貿逐步擺脫亞洲金融危機的影響，重新步入增長軌道。

中國2000年之外貿增長形勢樂觀。這增長令貨物運輸需求上有所增加，此外，商品集裝箱化運輸



“專注本身優勢是中遠太平洋的重要發展策略。本集團的兩大核心業務—集裝箱租賃和集裝箱碼頭業務，提供了相輔相承的競爭優勢。我們面對的挑戰，在於如何在競爭日趨激烈的市場中，提供在價格上有競爭力的優質服務，並更準確地掌握市場變化。加強資訊科技及拓展電子商貿，是本集團面向挑戰將採取的重要經營手段。”

專注核心業務之發展

在互聯網技術日漸普及之推動下，資訊科技將步入一個新紀元，並帶動全球經濟與貿易模式作結構性改變，未來演變範疇和進展速度會相當廣泛和迅速。由於全球經濟結構調整步伐開始加快，商品交易模式將會有所改變，貨主對貨物運輸服務和效率之要求不斷提高，物流系統模式也因要以低成本來作高效率 and 增值經營而產生轉變，實施電子商貿是其中一種重要經營手段。此外，由於電子商貿加快貨物流量，在運輸的過程中衍生出對物流服務的額外需求，例如對拖車運輸、貨物倉儲、船貨代理等方面的需求。

有鑒於此，目前本集團已積極全力推進集裝箱租賃業務的電子商貿計劃，並密切注視物流系統在流程和經營方面之變化，把握開拓優質投資項目的機會，以達到拓寬本集團未來盈利增長基礎的目標。

競爭優勢

就航運和貨物運輸業來作分析，未來商貿經營和業務競爭層面，已不再局限於區域性或行業性，而是全球性競爭。客戶來自全球每一角落，並可在龐大互聯網絡資料庫中，尋找合適公司提供服務。因此，企業不單要在有競爭能力的價格上，提供優質服務，而且要具備一定規模的經營網絡覆蓋範圍，這是經營成功的一個關鍵因素。



“中遠太平洋的競爭優勢，在於提供高質素的服務。我們策略性地佈置位於全球的經營網點，箱隊規模名列世界前茅。加上母公司實力雄厚及給予大力支持，令中遠太平洋穩佔競爭優勢。”

中遠太平洋的競爭優勢

中遠太平洋擁有全球第6大集裝箱租賃箱隊，並於美洲、歐洲和亞洲區域重要城市設置8個海外辦事處和230個遍佈全球之集裝箱堆場，以及經營中國最繁忙之集裝箱碼頭。這個全球性經營網絡，將為中遠太平洋提供競爭優勢。

本公司之聯營公司包括位於中國上海和天津之3家集裝箱製造廠和2家油漆廠，亦同時為本集團提供可靠和有經濟效益之後勤服務。這種種因素為本集團在成本效益及經營效率方面提供有利條件。

穩健基礎

自1994年12月上市以來，中遠太平洋在中遠集團及其他國際租箱客戶之大力支持下，其集裝箱租賃和集裝箱碼頭業務不斷擴大，並已奠定穩固基礎。

目前，中遠集團全資擁有位列全球第7大集裝箱班輪公司，平均每月全球集裝箱貨運量達25萬標準箱（「20呎標準箱」），未來兩年，中遠集運將添置20艘新造現代化集裝箱船。這擴展船隊之計劃，對中遠太平洋之集裝箱租賃及集裝箱碼頭業務將有直接裨益。



本公司不斷加強企業管理，致力提高經營競爭和盈利能力。

為了充分利用現有集裝箱租賃箱隊之規模，本公司也同時開拓其他國際性租箱客戶基礎，加強集裝箱租賃業務之規模效益，在1999年年底客戶數目已拓展至175家。

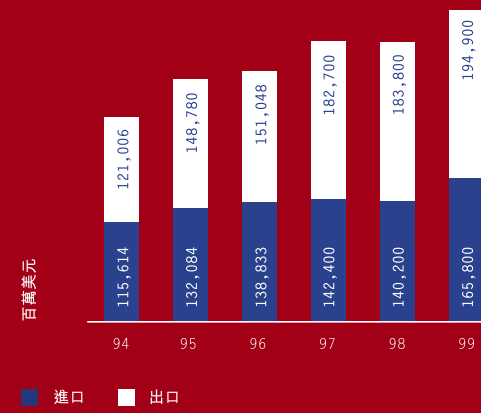
穩健理財是中遠太平洋一貫的財務管理政策，管理層也嚴格秉承此項財政方針，致力維持本公司財務狀況處於健康水平，使本公司在融資市場中享有良好商譽，並取得銀行界之信任和支持，為本公司未來項目發展打下基礎。

董事會深信，在亞洲經濟復甦有利因素帶動和中遠集團全力支持下，中遠太平洋作為中遠集團之海外上市旗艦，以其集裝箱租賃箱隊之規模和素質，加上擁有中國主要港口之投資組合、良好的財務狀況、寶貴的人力資源和豐富的專業管理經驗，並配合本公司清晰的發展策略和穩健理財原則，致力加強本集團在市場之競爭力，從而進一步增加經營效益和提高股東回報。本公司管理層相信2000年經營情況會進一步穩健發展，並對本集團之發展前景充滿信心。

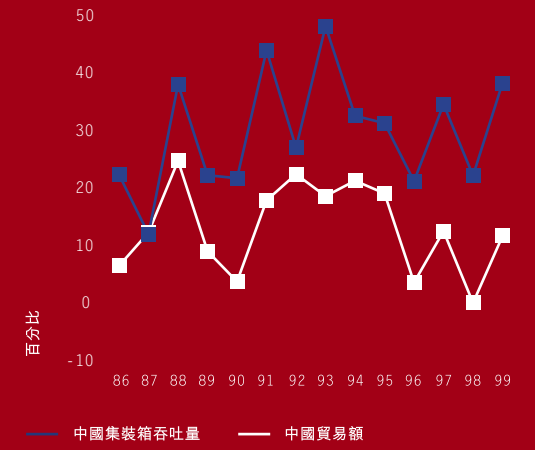
藉此機會，本人謹代表董事會向各位股東之鼎力支持和全體員工努力不懈地為實現本集團之各項目標所作出之貢獻，致以最衷心感謝。

主席
陳忠表
2000年3月28日

中國進口及出口額



中國集裝箱吞吐量與貿易額增長

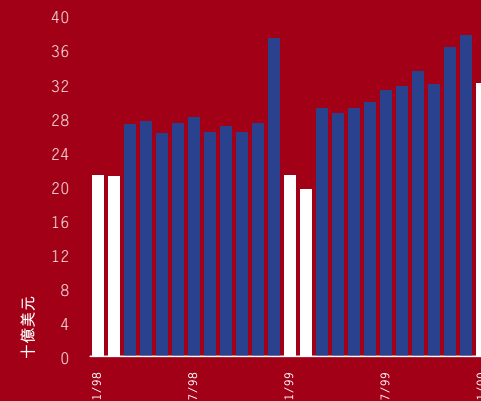


中國加入世貿，將進一步推動全球貿易市場之發展。

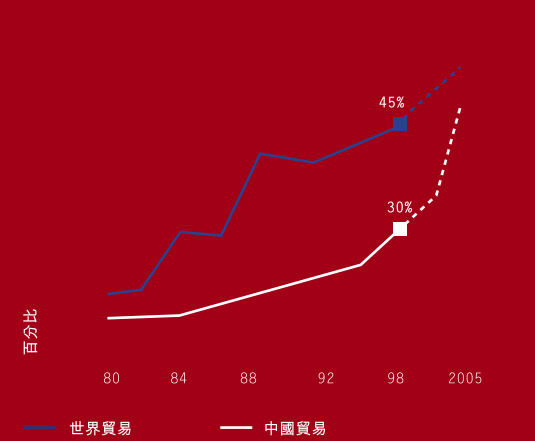
在1986年至1999年間，中國集裝箱吞吐量之增長遠超中國貿易額增長，反映貨運集裝箱化的持續上升趨勢。

經濟數據

中國貿易額增長



中國貨運集裝箱化的趨勢



中國貿易額於今年首兩個月強勁增長，這顯示中國外貿已擺脫亞洲金融危機的影響，重新步入增長軌道。

貨運集裝箱化是全球大勢所趨，尤其在中國更是方興未艾。這個趨勢為集裝箱租賃及碼頭服務行業，提供長期的增長良機。



副主席報告

“世界經濟整體將持續增長，亞洲經濟已明顯好轉，這兩大因素，為本集團在2000年提供一個良好的發展前景。”

財務摘要

	1999	1998	+/-
營業額	220,638,000美元	217,130,000美元	1.6%
股東應佔溢利	134,082,000美元	129,297,000美元	3.7%
每股盈利	6.36美仙	6.30美仙	1.0%
每股派息(現金)			
- 末期派息	10.50港仙	10.00港仙	5.0%
- 中期派息	7.70港仙	7.80港仙	-1.3%
- 全年派息	18.20港仙	17.80港仙	2.2%
綜合淨資產值	981,658,000美元	845,601,000美元	16.1%
淨負債股東權益比率	31.4%	64.7%	-33.3百分點
利息覆蓋率	4.8倍	4.3倍	0.5倍

經歷金融風暴後之亞洲經濟，在1999年第四季度已開始改善。年內，中遠太平洋加強集裝箱租賃、集裝箱碼頭和集裝箱相關工業之經營成本效益，致力控制行政和財務開支，使本集團在1999年繼續錄得盈利增長。

業績簡況

中遠太平洋1999年度營業額上升1.6%達220,638,000美元，主要反映在集裝箱租賃業務的平穩增長。而本集團之集裝箱碼頭業務於年內續有理想表現，經營溢利扣除財務費用為83,384,000美元，較去年上升3.2%。

聯營公司為本集團之溢利貢獻為54,871,000美元(1998年：50,639,000美元)；而共控實體為本集團之溢利貢獻則為4,106,000美元(1998年：4,254,000美元)。

中遠太平洋1999年度股東應佔溢利達134,082,000美元，比去年同期上升3.7%。1999年每股盈利為6.36美仙，由於在年內配售87,311,767新股，所以每股盈利較1998年同期上升1.0%。截至1999年12月31日為止，總發行股數為2,139,228,298股(1998年：2,051,826,531股)。

董事會在即將舉行的股東週年大會上，將建議派發末期現金股息每股10.5港仙(1998年：每股10.0港仙)。連同1999年10月4日已派發的中期現金股息每股7.7港仙(1998年：7.8港仙)在內，全年現金股息合共每股18.2港仙(1998年：每股17.8港仙)。

日期	融資金額	年期	融資工具	集資用途
5月	5,300萬美元	不適用	配售新股	購買集裝箱或投資碼頭項目
9月	7,500萬美元	5年	銀團貸款	購買集裝箱和作營運資金用途
12月	18億港元*	5年	銀團貸款	中遠－國際貨櫃碼頭再融資作歸還銀行和股東貸款之用途。

* 貸款人為中遠太平洋之聯營公司——中遠－國際貨櫃碼頭。

穩健理財

年內，由於亞洲區內之不明朗經濟因素仍多，本集團謹慎控制負債水平，資本性支出主要應用於購買新集裝箱和上海逸仙路項目投資餘額，總額為83,511,000美元（1998年：162,969,000美元）。

本集團在1999年內積極改善債務架構，實行多渠道融資工作，共完成3項大型融資活動。

本集團於1999年12月31日之淨負債下降至308,451,000美元（1998年：546,722,000美元）；年內之利息支出37,065,000美元，比去年同期下降11.2%。借貸成本也有所下降，年平均息率從1998年之6.7%下降至6.5%。

本集團於1999年12月31日之綜合淨資產值為981,658,000美元，較1998年底上升16.1%；持有現金總額為252,335,000美元（1998年：87,614,000美元）；淨負債股東權益比率為31.4%，比1998年底之64.7%，負債情況大為改善；利息覆蓋率為4.8倍，比1998年底之4.3倍理想。這增強了本集團之融資彈性和能力。

各核心業務表現平穩

中遠太平洋在1999年12月31日之集裝箱箱隊總箱量為500,899標準箱，續居世界第6大租箱公司，出租率達96.5%，居同行業的最高水平。

年內，本集團之集裝箱碼頭業務，整體上有理想表現。5個位於香港、上海、青島、張家港和鹽田之集裝箱碼頭的吞吐量均錄得增長，總吞吐量達5,916,229標準箱，比1998年同期上升25.2%，其盈利貢獻也相應增加。

積極進行投資者關係活動

本公司積極進行投資者關係工作，參與大型投資者推介活動，並與基金和分析員會面，解釋本集團最新經營情況，令投資者充分了解本集團之策略和實況。本公司之1997年和1998年年報更獲香港管理協會頒贈最佳年報優異獎，這充分反映本公司在致力提高透明度方面，得到投資者之嘉許。

發展策略

本集團管理層了解到21世紀是充滿挑戰之年代，資訊科技發展迅速和競爭不斷加劇，因此，必須不斷提高企業競爭能力。本集團準備拓展與集裝箱相關之綜合物流業務，利用電子商貿作為媒介，力爭實現供應鏈服務效益最大化。

在過往兩年，本集團不斷加強集裝箱租賃業務電腦系統開發工作，由於電腦系統設計之初期已考慮到電子商貿的需要，因此，在全力推進電子商貿階段，能取得更有效之工作進度和較完善之網絡系統。此外，當電子商貿系統開發工作完成後，將可大大提高本集團之全球集裝箱租賃業務之競爭能力。

同時，拓展以資訊科技和供應鏈管理為手段的綜合物流業務。策略目標是同國內外大型生產銷售商企業聯盟，並與國際物流企業建立策略性夥伴關係，藉此開拓新的業務。

2000年展望

世界經濟整體將持續增長，加上亞洲經濟已明顯好轉，2000年前景樂觀。本集團的發展策略是繼續發揮現有優勢，專注集裝箱相關核心業務，積極發展集裝箱租賃和集裝箱碼頭業務。

隨著中國即將加入世界貿易組織，中國對外貿易量之增長和貨物集裝箱化之比率不斷上升，而綜合物流業務方面有更多投資機會，本集團將擁有更廣闊的業務發展空間，並正積極部署和著手開拓綜合物流業務，為未來之經營和盈利開發新的增長點，致力為股東爭取最佳回報。

副主席
董玖丰
2000年3月28日



港口、全球辦事處及堆場網絡

港口 ■

香港
青島
上海
鹽田
張家港

海外辦事處 ■

熱那亞
漢堡
倫敦
紐約
三藩市
聖保羅
上海
東京

堆場 ● (本集團230個堆場策略性地分佈於下列153個地點)

奧胡斯
阿德萊德
安科納
安特衛普
阿什杜德
亞特蘭大
奧克蘭
巴的摩爾
曼谷
巴塞羅那
畢爾包
貝爾法斯特
畢巴鄂
伯明翰
波隆那
孟買
波爾多
不來梅
布里斯班
布達佩斯

布宜諾斯艾利斯
Burghausen
加爾各答
開普敦
查爾斯敦
芝加哥
克賴斯特徹
辛辛那提
克利夫蘭
科倫坡
哥倫布
哥本哈根
科克郡
大連
達拉斯
丹佛
底特律
都柏林
杜斯堡
德班

費利克斯托
福斯
弗里曼特爾
福州
熱那亞
Germersheim
格拉斯哥
哥德堡
瓜亞基斯
海法
漢堡
赫爾辛基
香港
休斯敦
黃浦
仁州
杰克遜維爾
耶加達
約翰內斯堡
堪薩斯城

高雄
卡拉奇
基隆
神戶
科佩爾
Kotka
拉瓜伊拉
拉斯佩齊亞
勒阿弗爾
來航
萊雅厄什
連雲港
林茲
里斯本
利物浦
倫敦
洛杉磯
路易斯維爾
里昂

利特爾頓
馬德拉斯
馬德里
梅因斯
曼徹斯特
馬尼拉
曼漢
馬賽
墨爾本
孟菲斯
邁亞密
米蘭
明尼阿波利斯
門司
蒙特利爾
慕尼黑
名古屋
內皮爾
那不勒斯
新奧爾良

紐約
寧波
諾福克
大阪
奧斯隆
帕度亞
巴拉那瓜
檳城
巴生港
Porto
波特蘭
布拉格
卡貝略港
釜山
青島
里約熱內盧
里奧格蘭德
里耶卡
鹿特丹
Rubiera

鹽湖城
薩爾斯堡
聖安東尼奧
三藩市
聖地牙哥
桑托斯
薩凡納
西雅圖
漢城
上海
星加坡
聖路易斯
斯德哥爾摩
泗水
悉尼
塔爾卡瓦諾
台中市
天津
苫小牧
多倫多

士魯斯
的里雅斯特
瓦爾柏萊索
巴倫西亞
溫哥華
威尼斯
維也納
維哥
威靈頓
Worth
廈門
營口
橫濱

業務回顧

年內，中遠太平洋表現穩健，並同時準備拓展綜合物流業務，力爭提高經營效益。



集裝箱租賃

截至1999年12月31日止，本集團之集裝箱擁有量達500,899標準箱，居全球第6大租箱公司，佔全球市場約8%的份額。

1999年集裝箱租賃業務保持平穩，營業額達205,115,000美元，比1998年上升1.5%，溢利佔股東應佔溢利63.3% (1998年：67.3%)。

因中遠集團業務改組，自1999年年初開始，所有集裝箱運輸業務，由其全資擁有之中遠集裝箱運輸有限公司(「中遠集運」)負責。

年內租予中遠集運共311,047標準箱(1998年：340,344標準箱租予中遠集團)，佔本集團1999年總箱量62.1% (1998年：67.3%)，其他國際性客戶之總箱量有所增加，為189,852標準箱(1998年：165,610標準箱)，佔總箱量37.9% (1998年：32.7%)。國際性客戶總數達175家(1998年：150家)。

中遠集運租箱之箱類分析(以標準箱作比較)

	1999	1998
總租箱量	311,047	340,344
- 乾貨箱佔	91.6%	92.3%
- 冷藏箱佔	7.2%	6.6%
- 特種箱佔	1.2%	1.1%



其他國際性客戶總租箱之箱類分析

(以標準箱作比較)

	1999	1998
總箱量	189,852	165,610
- 乾貨箱佔	90.3%	89.9%
- 冷藏箱佔	4.4%	4.8%
- 特種箱佔	5.3%	5.3%

集裝箱箱隊分析

1999年集裝箱箱隊之總箱量微跌1.0%至500,899標準箱。由於出售中遠集運滿10年租約歸還之舊箱，故全數抵銷年內購置之新箱總數。

標準箱	1999	1998
承上年箱量	505,954	469,951
購買新箱	40,094	58,009
十年約滿退回待出售之舊箱	(42,055)	(20,673)
全損耗之集裝箱	(3,094)	(1,333)
年底總箱量	500,899	505,954

集裝箱隊之箱類分佈(以標準箱作比較)

	1999	1998
乾貨箱佔	91.2%	91.5%
冷藏箱佔	6.1%	6.0%
特種箱佔	2.7%	2.5%



出售舊箱

中遠集運於年內退回之10年約滿之舊箱量為42,055標準箱。年內出售之約滿舊箱為40,319標準箱，獲毛利11,177,000美元(1998年：9,219,000美元)。2000年中遠集運退還租約滿10年之集裝箱預計約28,647標準箱。

發展靈活租賃及電子商貿

年內，本集團致力改善集裝箱業務之管理架構、電腦系統及技術培訓，不斷完善各項操作及財務系統。這系統已於今年投入運作，不僅鞏固了本集團的全球集裝箱銷售及堆場網絡基礎，更為本集團發展電子商貿提供了重要發展台階。

出租率維持高水平

年內，租予中遠集運之集裝箱，出租率仍然維持100%，本集團的整體集裝箱出租率為96.5% (1998年：97.0%)，高於業內約80%的平均數。

租金分析

年內，由於集裝箱製造廠之生產力仍然過剩，引致新造箱價下調，租金也相應受壓。本集團採取積極發展租金收入較高之靈活租賃業務的策略，令整體平均租金下調之幅度相應減小。

集裝箱碼頭

年內，本集團之集裝箱碼頭業務，整體上繼續有所增長。5個集裝箱碼頭之總吞吐量達5,916,229標準箱，比1998年同期上升25.2%。

中遠－國際貨櫃碼頭

中遠太平洋擁有中遠－國際貨櫃碼頭(香港)有限公司(「中遠－國際貨櫃碼頭」)50%權益。該碼頭位於香港葵涌八號碼頭(東)，碼頭之岸線長640米，岸邊水深15米，配備九台現代化橋式吊機，能同時處理兩艘大型集裝箱船裝卸，是一個效率甚佳之集裝箱碼頭。該碼頭自1995年建成投產以來，不斷完善公司管理架構和改進碼頭集裝箱裝卸工藝，努力提高裝卸效率，採用先進的電腦系統及對外通訊設備，致力為客戶提供最佳服務。

中遠－國際貨櫃碼頭位於全球最繁忙之港口。1999年香港集裝箱進出口總吞吐量達16,200,000標準箱，位列全球之首。中遠－國際貨櫃碼頭在1999年內共處理1,220,002標準箱(1998年：1,206,572標準箱)，這吞吐量約佔香港葵涌八個集裝箱碼頭之總吞吐量的11.8%。雖然該碼頭年內所處理之箱量增幅僅1.1%，但由於利息支出減少及成本控制較好，碼頭溢利卻有理想增長。

國內四個集裝箱碼頭

本集團四個國內碼頭經營狀況良好，年內均錄得理想盈利，總吞吐量合共達4,696,227標準箱，較1998年上升33.4%。吞吐量上升主要由於中國對外貿易的增長和集裝箱化的提高。本集團對該四個碼頭在2000年之吞吐量增長前景非常樂觀。



上海集裝箱碼頭

本集團擁有上海集裝箱碼頭有限公司(「上海集裝箱碼頭」)10%權益。年內，該公司屬下的張華浜、軍工路及寶山碼頭的吞吐量增加28.0%，達2,593,995標準箱。上海港是中國內地最大的集裝箱樞紐港，對上海集裝箱碼頭服務的需求殷切，該碼頭吞吐量在90年代已連續多年快速增長。為滿足不斷增長的集裝箱裝卸和處理需求，該公司屬下的寶山碼頭年內開始改造工程，預計於2000年完成，完成後該碼頭裝卸能力將進一步提高，並可停泊三、四代集裝箱船。



青島遠港國際集裝箱碼頭

本集團擁有青島遠港國際集裝箱碼頭有限公司(「青島遠港國際集裝箱碼頭」)50%權益。年內，該碼頭吞吐量增加14.5%，達401,029標準箱。青島港作為中國北方最大的集裝箱樞紐港，前景頗為樂觀。青島遠港國際集裝箱碼頭在青島港已屬最現代化的集裝箱碼頭之一，擁有先進碼頭設備。年內，該碼頭完成電腦系統升級，成為青島港最先進的電腦系統，有助於碼頭運作的進一步現代化和高效率。

張家港永嘉集裝箱碼頭

本集團擁有張家港永嘉集裝箱碼頭有限公司(「張家港永嘉集裝箱碼頭」)51%權益。年內，該碼頭吞吐量增加7.7%，達113,114標準箱。該碼頭處於長江下游，年內集裝箱裝卸業務的需求繼續上升，該碼頭努力開拓新的業務和利潤來源，使業務規模和盈利均獲得增長。



標準箱	1999	1998	%
中遠－國際貨櫃碼頭	1,220,002	1,206,572	+1.1
上海集裝箱碼頭	2,593,995	2,027,188	+28.0
青島遠港國際集裝箱碼頭	401,029	350,126	+14.5
張家港永嘉集裝箱碼頭	113,114	105,051	+7.7
鹽田國際集裝箱碼頭	1,588,089	1,038,074	+53.0



鹽田國際集裝箱碼頭

本集團擁有鹽田國際集裝箱碼頭有限公司（「鹽田國際集裝箱碼頭」）5%權益。年內，該碼頭吞吐量繼續強勁增長，吞吐量達1,588,089標準箱，增長53.0%，主要受惠於華南地區集裝箱貨運的蓬勃發展。該碼頭二期泊位建設年內全部完工，正式投入使用，碼頭吞吐能力得以進一步擴大，經營前景頗為樂觀。

屯門內河碼頭

本集團擁有River Trade Terminal Holdings Limited（「內河碼頭」）10%權益。該碼頭位於香港屯門，全面落成後共有60個泊位，可同時停泊超過100艘內河船，為珠江三角洲廠商提供符合成本效益的內河貨運處理服務。該碼頭年內已基本落成，首年操作量較預期略低，惟自年底以來業務已有所改善。



集裝箱處理及儲存

全資附屬公司Plangreat Limited 及其附屬公司從事集裝箱的處理、裝卸、儲存、維修以及拖頭運輸。雖然年內的市場環境欠佳，但仍錄得理想利潤。

集裝箱相關業務

中遠太平洋投資集裝箱相關工業，進一步加強了本集團的縱向綜合作業及相輔相成的效益。年內，本集團投資的集裝箱相關工業企業均繼續錄得盈利。

本集團持有上海中集冷藏箱有限公司20%權益。該公司全年合共生產了冷藏箱16,914個標準箱，較1998年增加52.5%。



全資附屬公司Fentalic Limited年內亦錄得盈利。該公司持有上海中集遠東集裝箱有限公司（「上海中集遠東」）20%權益及天津中集北洋集裝箱有限公司（「天津中集北洋」）22.5%權益。1999年上海中集遠東生產66,361個標準箱，較1998年增加10.5%；天津中集北洋生產37,948標準箱，較1998年減少2.7%。

本集團亦分別持有上海關西塗料化工有限公司（「上海關西」）及天津關西塗料化工有限公司（「天津關西」）20%權益。兩家公司均生產集裝箱及船舶專用油漆。上海關西全年共生產油漆11,633噸，較1998年增加18.9%；而天津關西全年共生產油漆9,386噸，較1998年增加27.6%。

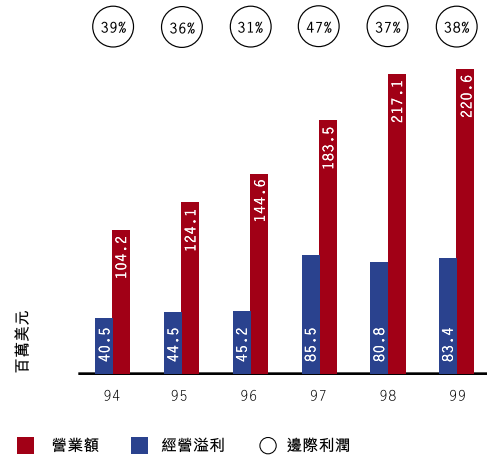
上海逸仙路

上海逸仙路之高架公路工程於1999年5月完成通車。兩條收費橋（吳淞大橋及蘊川大橋）在年內之汽車流量及收費率皆增加，在扣除高架公路工程折舊後該項目繼續錄得盈利。另一收費橋（江楊大橋）之工程則在2000年3月竣工及通車。

廖創興銀行有限公司

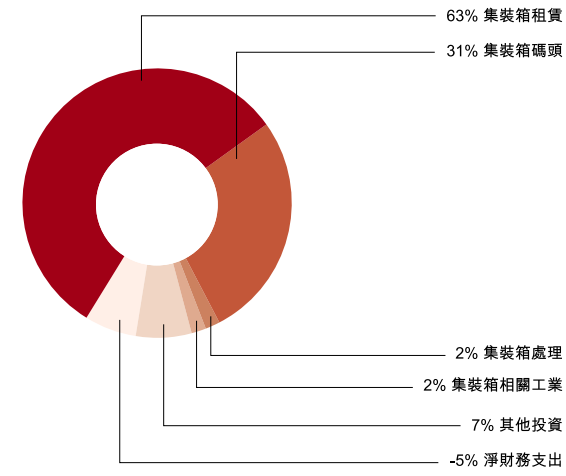
本集團持有20%權益之廖創興銀行有限公司之盈利貢獻為9,287,000美元，比1998年增長3.4%。

營業額 / 邊際經營利潤



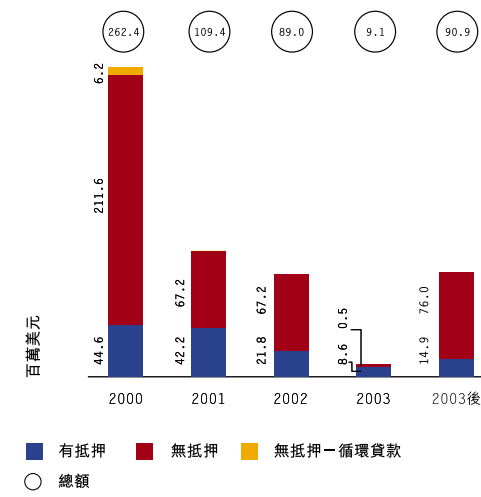
由於集裝箱隊規模較1998年微降，因此營業額之升幅較為溫和。

股東應佔溢利按業務類別分析



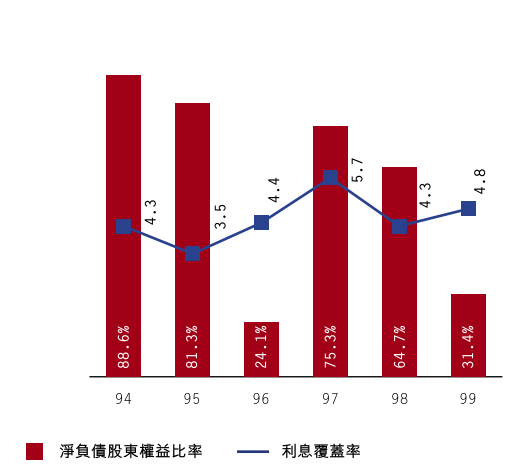
集裝箱租賃和碼頭業務繼續為本集團提供主要之盈利來源。

貸款償還期分析



1999年年底，本集團持有現金總額超過250,000,000美元，現正為一項5月中到期之130,000,000美元商業票據安排2年期再融資，當票據發行成功，會有效地將本集團之短期負債降至更理想水平。

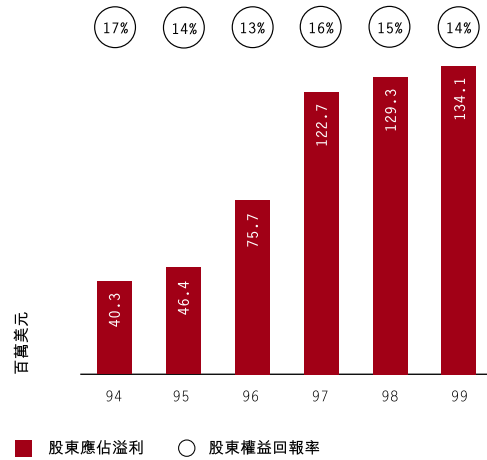
淨負債股東權益比率與利息覆蓋率



為了在商業發展機會與財務風險之間取得相互平衡，本集團進一步降低負債比率，增加利息覆蓋率，令其融資能力更具彈性。

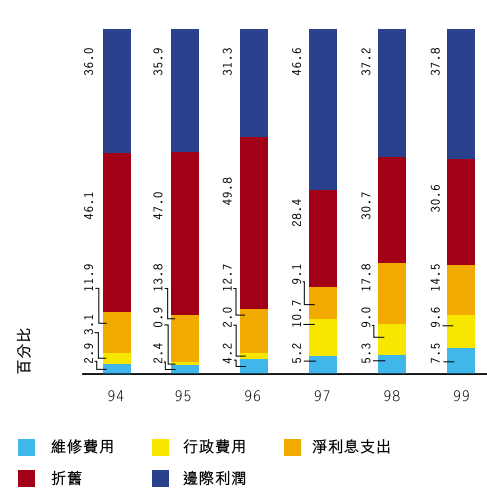
管理層討論及分析 (財務資料)

股東應佔溢利與股東權益回報率



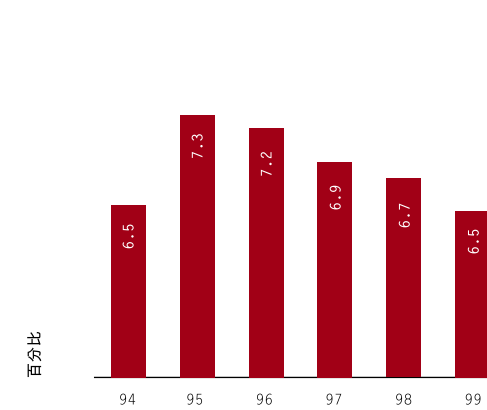
由於各核心業務表現理想，純利上升3.7%，達134,082,000美元。但基於負債淨額大幅減少，故股東權益回報率由1998年之15%微跌至1999年之14%。

成本分析 (佔營業額百分比)



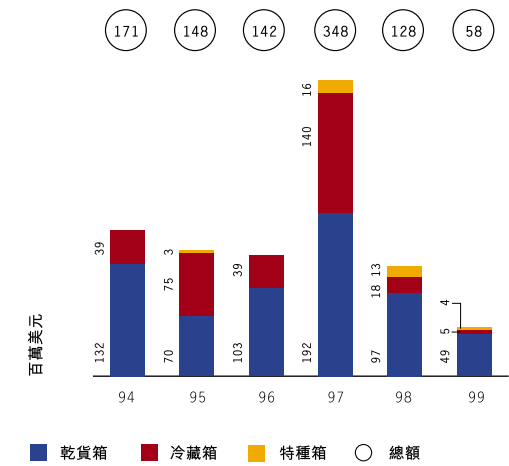
整體成本結構與1998財政年度相若。三大成本項目為折舊、行政費用及淨利息支出。

實際利率



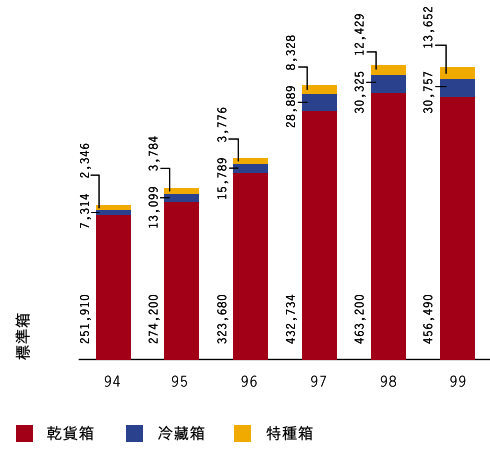
整體借貸成本從1998年之6.7%下降至6.5%。雖然倫敦銀行同業拆息之利率與1998年大致相若，由於年內償還相對高息之貸款，因而令利息差收窄至1.0%(1998年: 1.2%)。

資本性支出—集裝箱



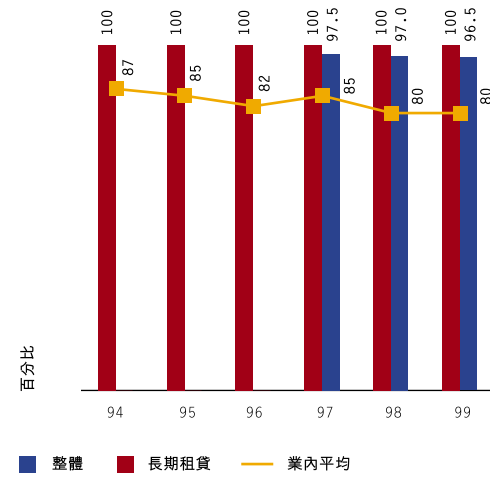
由於市場環境並不理想，本集團在過往2年謹慎控制資本性支出。

集裝箱隊箱類分析



中遠太平洋箱隊規模微降1.0%至500,899標準箱，但箱隊出租率仍持續高踞業內首位。

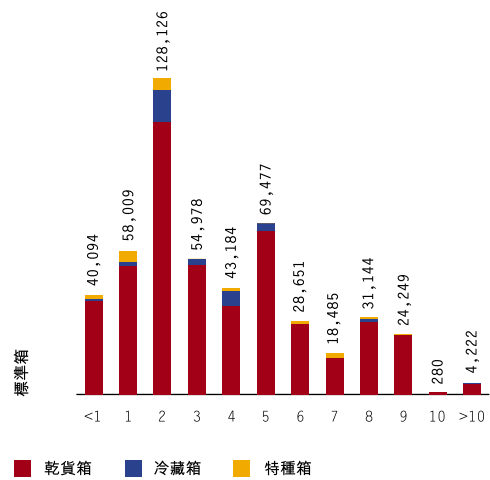
集裝箱出租率



中遠太平洋積極擴大客戶基礎，箱隊出租率達96.5%，高於業內約80%的平均數。集團超過84%的收入來自集裝箱長期租約。

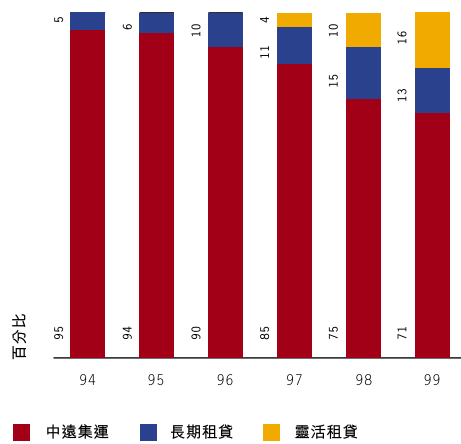
管理層討論及分析 (集裝箱租賃)

集裝箱隊箱齡分析



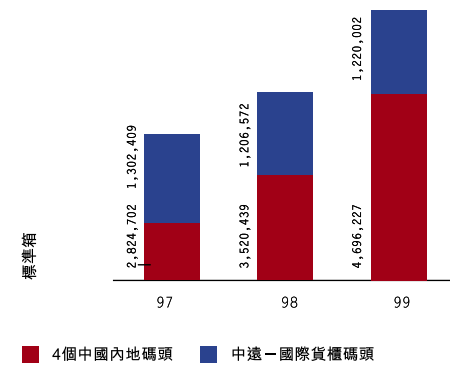
中遠太平洋集裝箱隊箱齡較年輕，有助其市場競爭力。

開拓新收入來源



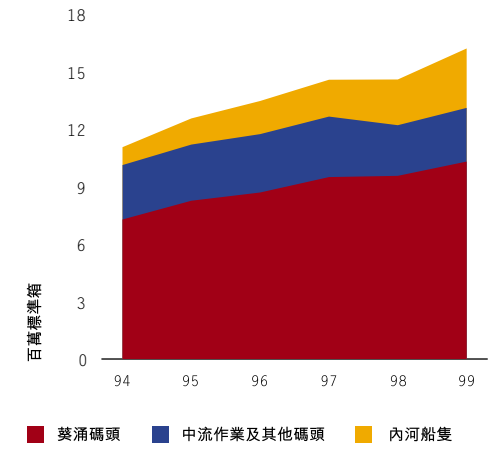
中遠太平洋不斷致力擴展國際客戶基礎，增加收入來源。

集裝箱碼頭吞吐量持續增長



本集團之集裝箱碼頭業務之總吞吐量上升25.2%，其中以內地碼頭之表現更為突出。

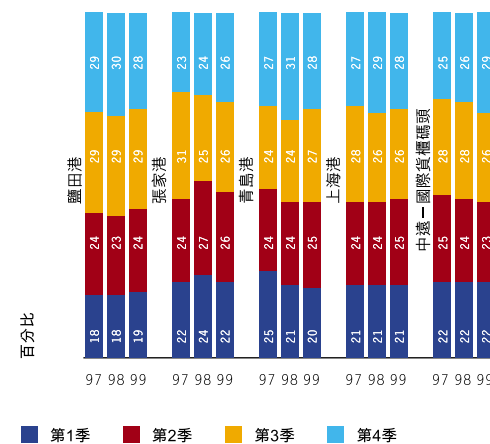
香港港口總吞吐量



中遠-國際貨櫃碼頭在1999年內共處理1,220,002標準箱，佔香港葵涌貨櫃碼頭總吞吐量之11.8%。

管理層討論及分析 (集裝箱碼頭)

集裝箱碼頭季度分析



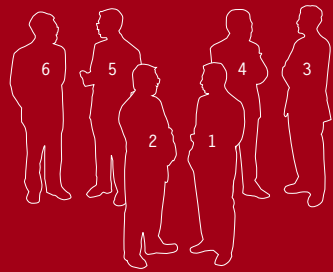
各集裝箱碼頭於1999年之季度吞吐量並無顯著變化。

國內十大集裝箱港吞吐量 (標準箱)

港口	99	與98年比較
上海	4,200,000	37.9%
深圳	2,980,000	51.8%
青島	1,540,000	26.9%
天津	1,300,000	27.5%
廣州	1,180,000	42.2%
廈門	802,000	22.7%
大連	720,000	36.9%
寧波	600,000	71.5%
福州	320,000	26.8%
珠海	221,000	-15.5%

本集團在中國內地三大集裝箱港持有碼頭股權，享有一定的市場份額及進一步的增長機會。

董事及高層管理人員



- 1 施勤
(董事總經理)
- 2 黃天祐
(董事副總經理)
- 3 魯成鋼
(董事及佛羅倫貨箱服務有限公司董事總經理)
- 4 秦富炎
(董事及中遠一國際貨櫃碼頭副總經理)
- 5 李建雄
(副總經理)
- 6 李偉豪
(財務總監)



執行董事



陳忠表

陳先生，62歲，本公司主席，亦為中國遠洋運輸(集團)總公司(「中遠集團」)和中遠(香港)集團有限公司(「中遠(香港)」)董事長及中遠國際控股有限公司(「中遠國際」)主席。彼於1992年4月至1998年11月擔任中遠集團總裁，另自1992年4月起擔任中國船東協會會長。陳先生於1964年畢業於大連海運學院，在航運業擁有逾36年經驗。彼於1994年9月加入本公司，現負責本公司之整體企業策劃。



董致丰

董先生，60歲，本公司副主席，亦為中遠(香港)常務副董事長兼總裁及中遠國際副主席。彼亦為金朝陽集團有限公司副主席和廖創興銀行有限公司非執行董事。董先生於1963年畢業於大連海運學院，曾擔任中遠集團副總裁、中國交通部船舶檢驗局局長、中國船級社社長、國際船級社協會主席及中遠美洲公司總裁等要職。董先生擁有超過36年的國際航運管理經驗及教授級高級工程師職稱。彼於1999年3月加入本公司，現負責本公司之策略部署及重大投資。



施勤

施先生，45歲，本公司董事總經理，彼亦為中遠(香港)董事兼副總裁和廖創興銀行有限公司非執行董事。施先生於1977年畢業於上海海運學院遠洋運輸業務專業後加入中遠集團，其後獲中國交通部授予高級經濟師資格。施先生長期從事航運業及船貨代理等工作，具有豐富經驗及卓越管理能力。彼於1996年7月加入本公司，現負責本公司之策略部署、企業發展、整體管理及行政事務。



楊斌

楊先生，50歲，自2000年3月起出任本公司董事，彼亦為中遠集團副總裁。楊先生於1976年畢業於大連海運學院，擁有上海海運學院航運管理碩士和高級工程師資格。楊先生曾任中遠集團運輸部總經理和天津遠洋運輸公司副總經理，具有豐富的遠洋運輸和企業管理經驗。



陸治明

陸先生，57歲，自1994年9月起出任本公司董事，彼亦為中遠集團總會計師。陸先生於1965年畢業於上海海運學院，並擁有超過35年財務管理及會計經驗。彼負責協助本公司制定財務計劃。



李建紅

李先生，43歲，自1997年10月起出任本公司董事，彼亦為中遠集團總經濟師。李先生於1983年畢業於武漢水運工程學院，並擁有超過16年企業管理經驗。彼負責協助本公司制定投資發展計劃。



許立榮

許先生，42歲，自2000年3月起出任本公司董事，彼亦為中遠集裝箱運輸有限公司總經理。許先生於1975年畢業於大連海事大學成人學院海洋船舶駕駛專業，其後取得上海海運學院工商管理碩士學位。許先生曾任上海遠洋運輸公司副總經理和上海航運交易所總裁，具有豐富的遠洋運輸和企業管理經驗。



鄺志強

鄺先生，50歲，自1998年5月起出任本公司董事，彼亦為中遠(香港)董事兼副總裁及中遠國際董事總經理，亦為天津發展控股有限公司獨立非執行董事及金朝陽集團有限公司非執行董事。鄺先生於1972年畢業於香港大學，獲社會科學學士學位。1977年獲取英格蘭及威爾斯特許會計師公會之特許會計師資格。1984年7月至1998年4月為羅兵咸會計師事務所合夥人。自90年代起，他曾擔任港府中央政策小組顧問、香港聯合交易所有限公司獨立理事、香港中央結算有限公司及股票期權結算有限公司董事等職。



黃天祐

黃先生，39歲，本公司董事副總經理，彼亦為中遠(香港)總裁助理。黃先生為英國銀行學會會員、香港董事學會資深會員、香港證券學院會員及美國National Investor Relations Institute會員。彼於1992年在美国密茲根The Andrews University 獲取工商管理碩士學位，在金融及證券業擁有超過15年經驗。黃先生於1996年7月加入本公司前曾任香港多間上市公司的高級職位，現負責本公司之整體管理及投資者關係工作。



魯成鋼

魯先生，47歲，自1999年11月起出任本公司董事，彼亦為佛羅倫貨箱服務有限公司之董事總經理、中國道路運輸協會和中國倉儲協會副會長。魯先生於1975年畢業於長沙鐵道學院，並進修於上海海運學院和首都經貿大學工商管理研究生，獲中國交通部授予高級經濟師資格，曾任中遠美洲公司高級副總裁、中遠國際貨運總公司副總經理和中遠集裝箱管理中心主任。魯先生在集裝箱行業累積豐富經驗，現負責佛羅倫貨箱服務有限公司之企業發展、整體策劃和管理工作。



秦富炎

秦先生，47歲，自1996年3月起出任本公司董事，彼亦為中遠—國際貨櫃碼頭(香港)有限公司董事副總經理。秦先生於1975年大學畢業，隨即加入中遠集團從事航運管理工作。1983年起在香港遠洋輪船有限公司租船部任職。彼在中遠集團服務20多年，對船舶管理、世界航運市場及各地港口發展狀況均有深入認識。秦先生獲中國交通部授予航運管理高級經濟師資格及持有英國威爾斯大學集裝箱碼頭經營管理文憑。

非執行董事



李國寶

李博士，61歲，自1998年2月起出任本公司獨立非執行董事。彼為東亞銀行有限公司主席兼行政總裁。彼亦為香港特別行政區立法會委員、香港華商銀行公會主席及香港電訊有限公司副主席。他曾為中國委任的香港事務顧問及香港特別行政區土地信託基金的投資委員會召集人之一。



廖烈文

廖先生，70歲，自1996年9月起出任本公司獨立非執行董事。現任廖創興集團董事長、廖創興銀行有限公司董事長兼總經理、香港中華煤氣有限公司及亞洲商業銀行有限公司董事、國際潮團聯誼年會創辦人兼永遠名譽主席、香港中總常務會董、中文大學新亞書院校董、理工大學顧委會創會委員。1975年獲委為太平紳士，曾任基本法諮詢委員會及香港特別行政區第一屆政府推選委員會委員。



韓武敦

韓先生，58歲，自1994年11月起出任本公司獨立非執行董事，彼亦為中遠國際、中信泰富有限公司、思捷環球控股有限公司、廣安銀行有限公司及多間香港上市公司董事。彼為蘇格蘭特許會計師協會會員、香港會計師公會及英國董事學會資深會員。彼曾任羅兵咸會計師事務所合夥人16年，擁有超過20年核數及會計經驗。



李業華

李先生，58歲，自1999年7月起出任本公司獨立非執行董事及自1996年6月起出任本公司之公司秘書。李先生為香港執業律師及胡關李羅律師行之合夥人，彼亦出任香港多間上市公司的非執行董事職務，包括深業控股有限公司和依利安達國際集團有限公司。



洪雯

洪小姐，30歲，自1996年11月起出任本公司法律顧問及法律部主管。洪小姐畢業於香港大學，獲法律學士學位，為香港及英國律師。洪小姐負責本公司法律及相關事務。



陳鏗

陳先生，42歲，本公司企業發展部總經理。陳先生於1985年在加拿大取得工商管理碩士學位，之後在美國華盛頓大學深造。陳先生於1998年加入本公司，之前曾先後在本港銀行及國際證券公司擔任高級職位，在金融、證券和企業策劃與管理方面逾15年經驗。

高層管理人員



李建雄

李先生，40歲，自1997年6月起出任本公司副總經理，並擔任香港內河碼頭董事，亦為Crestway Terminal Holdings Limited董事副總經理。李先生於1986年畢業於青島遠洋船員學院，曾任中遠—國際貨櫃碼頭(香港)有限公司商務部經理，李先生長期從事碼頭管理業務，具有豐富的經驗和管理能力，現負責本公司屬下集裝箱服務和碼頭之日常管理和企業策劃工作。



李偉豪

李先生，46歲，本公司財務總監。彼為英國特許管理會計師公會及香港會計師公會會員。李先生於1998年加入本公司前，曾先後於一間國際會計師事務所任職10年及於一間上市公司任職10年。

大事回顧

日期	事項	日期	事項
1999年3月19日	張大春先生辭任及董玖丰先生獲委任中遠太平洋副主席及執行董事。	1999年10月17日	亞洲財經雜誌“The Asset”在六月至八月期間，向全球200位機構性投資者進行一項調查，對亞洲區上市公司之管理水準進行評分，中遠太平洋入選中國最佳管理企業之一。
1999年3月23日	審核委員會會議。	1999年11月15日	陳揮先生辭任及魯成鋼先生獲委任為中遠太平洋執行董事和佛羅倫貨箱服務有限公司董事總經理之職務。
1999年3月25日	中遠太平洋董事會及1998年度終期業績公佈。	1999年11月22日	中遠太平洋1998年年報獲香港管理協會頒發最佳年報優異獎，這是中遠太平洋連續第二年獲頒優異獎。
1999年4月22日	中遠(香港)集團有限公司以每股4.78港元，配售167,599,752股中遠太平洋股份。	1999年12月16日	中遠太平洋持有50%股權之中遠－國際貨櫃碼頭簽署一項18億港元銀團貸款。
1999年5月5日	中遠(香港)集團有限公司以每股4.78港元向中遠太平洋認購87,311,767股新股。	1999年12月27日	中遠太平洋執行董事陳文珍女士逝世。
1999年5月18日	股東週年大會。	2000年3月6日	金忠明先生辭任及楊斌先生與許立榮先生獲委任為中遠太平洋執行董事。
1999年6月29日	何厚浚先生辭任中遠太平洋獨立非執行董事。	2000年3月19日	中遠太平洋獲選為摩根士丹利資本國際之「中國自由指數」成分股之一。
1999年7月27日	委任李業華先生為中遠太平洋獨立非執行董事。	2000年3月27日	審核委員會會議。
1999年8月27日	審核委員會會議。	2000年3月28日	中遠太平洋董事會及1999年度終期業績公佈。
1999年8月31日	中遠太平洋董事會及1999年度中期業績公佈。		
1999年9月15日	中遠太平洋獲選為「標準普爾亞太100指數」成份股之一。		
1999年9月28日	中遠太平洋之全資附屬公司Florens Container Corporation S.A.簽署7,500萬美元5年期銀團貸款。該貸款由中遠太平洋作擔保。		

財務報告

42	董事會報告書
49	核數師報告書
50	綜合損益帳
51	綜合資產負債表
52	資產負債表
53	綜合現金流量表
54	已確認損益報表
55	帳目附註
94	五年財務概要

董事會報告書

董事會謹提呈截至1999年12月31日止年度報告書及本公司與其附屬公司(統稱「本集團」)的經審核帳目。

主要業務及其收入來源地之分析

本公司的主要業務是投資控股。附屬公司的主要業務載於帳目附註12。

各主要業務佔本集團年內營業額及扣除財務費用之經營溢利貢獻額分析如下：

	營業額 千美元	扣除財務 費用之 經營溢利 貢獻額 千美元
集裝箱租賃	205,115	85,098
處理及儲存集裝箱	10,942	2,881
集裝箱碼頭業務	4,581	1,514
減：公司財務支出		(2,514)
公司開支淨額		(3,595)
	<u>220,638</u>	<u>83,384</u>

根據營業租約或租購合約出租的集裝箱，其移動情況由租用人匯報得知，除非集裝箱受租約條款或安全問題限制移動，否則本集團無法控制集裝箱的位置變動。因此本集團難以按地區就集裝箱租賃涉及的營業額或經營溢利貢獻額作出分析。

處理及儲存集裝箱的有關業務在香港進行，集裝箱碼頭業務在中華人民共和國(「中國」)進行。

業績及分配

本集團截至1999年12月31日止年度的業績載列於本年報第50頁的綜合損益帳內。

董事會已宣派中期股息每股0.994美仙(7.7港仙)，股息總額為21,258,000美元(164,718,000港元)，已於1999年10月4日派發。

董事會建議派發末期股息每股1.350美仙(10.5港仙)，股息總額為28,890,000美元(224,620,000港元)，將於2000年6月8日或之前派發。

五年財務概要

本集團過去五個財政年度的業績及資產負債概要載於本年報第94頁。

儲備

本集團及本公司在本年度的儲備變動情況載於帳目附註22。

固定資產

本集團在本年度的固定資產變動詳情載於帳目附註11。

股本

本公司在本年度的股本變動詳情載於帳目附註21。

借貸

本集團及本公司的銀行貸款及其他貸款詳情載於帳目附註20及23。

退休福利計劃

本集團退休福利計劃的詳情載於帳目附註9。

董事

在本年度及截至本報告日出任本公司董事的人士如下：

執行董事

陳忠表先生(主席)
董玖丰先生(副主席)
(於1999年3月19日獲委任)
施勤先生(董事總經理)
楊斌先生
(於2000年3月6日獲委任)
陸治明先生
李建紅先生
許立榮先生
(於2000年3月6日獲委任)
鄺志強先生
黃天祐先生
魯成鋼先生
(於1999年11月15日獲委任)
秦富炎先生
張大春先生
(於1999年3月19日辭任)

陳揮先生
(於1999年11月15日辭任)
金忠明先生
(於2000年3月6日辭任)
陳文珍女士
(於1999年12月27日逝世)

非執行董事

李國寶博士
廖烈文先生
韓武敦先生
李業華先生
(於1999年7月27日獲委任)
何厚浚先生
(於1999年6月29日辭任)

根據本公司的公司細則第86(2)條，楊斌先生、許立榮先生、魯成鋼先生及李業華先生須於應屆股東週年大會上退任，並願膺選連任。

根據本公司的公司細則第87(1)及(2)條，黃天祐先生、廖烈文先生及韓武敦先生須於應屆股東週年大會上輪值告退，並願膺選連任。

董事及高層管理人員簡介

截至本報告日的董事及高層管理人員的簡介載於本年報第32頁至第39頁。

董事的服務合約

施勤先生與本公司訂有由1996年7月1日起為期3年的服務合約，期滿後可自動續期3年。如欲解約，訂約的任何一方需向對方發出不少於6個月的書面解約通知，方可於首3年期滿後或該服務合約的任何續約期滿後終止合約。

黃天祐先生與本公司於1996年7月22日簽訂服務合約。如欲解約，訂約的任何一方需向對方發出不少於1個月的書面解約通知。

除上文披露者外，概無其他董事與本公司訂有本公司不可於一年內終止而須作出賠償(法定賠償除外)的服務合約。

董事的合約權益

於本年度終結或年內任何時間，本公司、其附屬公司、其同系附屬公司或其控股公司概無簽訂任何本公司董事直接或間接擁有重大權益且與本公司業務有關的重大合約。

董事的股份及購股權權益

於1999年12月31日，本公司根據香港證券(披露權益)條例(「披露權益條例」)第29條設置的登記冊所記錄或接獲的通知，本公司董事在本公司及其相聯法團(按披露權益條例的定義)擁有的股本及購股權權益如下：

在本公司的普通股權益

董事姓名	權益類別	持有普通股股數
李國寶博士	個人	258,000
李業華先生	個人	40,000

本公司授予的購股權權益

董事姓名	購股權數目
陳忠表先生*	2,000,000
陸治明先生*	1,500,000
秦富炎先生*	1,500,000
黃天祐先生**	5,000,000

* 根據1994年11月30日本公司採納的購股權計劃(「購股權計劃」)，本公司在1996年7月1日授出此等購股權。購股權行使價為每股5.53港元，可在授出日期起10年內任何時間行使。

** 本公司根據購股權計劃，在1997年5月20日授出此等購股權。購股權行使價為每股8.80港元，可在授出日期起10年內任何時間行使。

董事的股份及購股權權益(續)

各董事在截至1999年12月31日止年度內均無獲授予或行使購股權。

除上述者外，於本年度內任何時間，本公司或其任何附屬公司均無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體的股份或債券而獲益。

除上述者外，於1999年12月31日，各董事及行政總裁均無擁有本公司及其相聯法團(按披露權益條例的定義)的任何股份權益。在本年度內，各董事及行政總裁或其配偶及未滿18歲之子女亦無擁有任何權利或曾行使有關權利認購本公司的股份。

主要股東

於1999年12月31日，本公司根據披露權益條例第16(1)條設置的主要股東登記冊所記錄，持有本公司已發行股本10%或以上權益的人士如下：

股東名稱	普通股股份數目	佔已發行股份總額百分比
中遠(香港)集團有限公司	1,134,581,298	53.04%
中國遠洋運輸(集團)總公司*	1,134,581,298	53.04%

* 由於中遠(香港)集團有限公司(「中遠(香港)」)為中國遠洋運輸(集團)總公司(「中遠集團」)的全資附屬公司，故中遠(香港)的權益列作中遠集團的權益。

除上述者外，本公司並未接獲任何人士通知指彼等持有本公司已發行股本10%或以上權益。

購股權

本公司購股權在本年度的詳情及變動情況載於帳目附註21c。

購買、出售或贖回上市股份

本公司於年內並無贖回本身之股份。在本年度內，本公司或其任何附屬公司概無購買或出售本公司任何上市股份。

優先購買權

本公司的公司細則並無載有優先購買權的條文，惟百慕達法律亦無就該等權利施加任何限制。

管理合約

在本年度內，本公司並無就全部或任何重大部份業務簽訂或存有任何管理及行政合約。

主要租用人及供應商

主要供應商及租用人佔本集團集裝箱採購額及租賃收入的百分比如下：

本集團最大供應商佔集團集裝箱採購額百分比	22.7%
本集團首5大供應商佔集團集裝箱採購額百分比	61.0%
本集團最大集裝箱租用人(為本公司的同系附屬公司)	
佔集團集裝箱租賃收入百分比	70.7%
本集團首5大集裝箱租用人佔集團集裝箱租賃收入百分比	79.1%

各董事或其聯繫人士概無擁有本公司任何供應商或集裝箱租用人之權益。

最終控股公司擁有本集團首4大供應商(彼等佔本集團集裝箱採購額43.7%)的控股公司的27.75%股本權益。本集團亦擁有集團首4大供應商其中2名(彼等佔本集團集裝箱採購額13.9%)的20.0%及22.5%股本權益。

除以上披露者外，並無任何股東(就董事所知擁有本公司股本逾5%)擁有本公司任何供應商及集裝箱租用人之權益。

公司監管

在截至1999年12月31日止年度內，本公司一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之最佳應用守則。

關連交易

根據上市規則第14章，本公司下列關連交易須在公司年報內披露。此等關連交易概要資料亦載於帳目附註29。

獲香港聯合交易所有限公司給予豁免的關連交易

在本年度內，本公司及其附屬公司曾訂立下列關連交易。香港聯合交易所有限公司(「聯交所」)已有條件地豁免本公司遵守上市規則第14章規定的責任。據此，本公司無須以新聞通告及/或通函方式披露該等關連交易的詳情及/或事前取得獨立股東的批准(「有關豁免」)。

交易	交易各方	聯交所給予有關豁免的日期
集裝箱租賃	中遠集團及其附屬公司與本集團	1994年12月14日
集裝箱有關服務	中遠(香港)及/或其附屬公司與Plangreat Limited及/或其附屬公司	1996年12月13日
航運有關服務	中遠集團及其附屬公司與張家港永嘉集裝箱碼頭有限公司	1997年4月15日

獲香港聯合交易所有限公司給予豁免的關連交易(續)

本公司獨立非執行董事已審議上述交易，並認為：

- 各集裝箱租賃交易均在本集團的日常業務過程中進行，並根據10大獨立集裝箱租賃公司其中3家提供的平均租賃價(即市場價格)訂定收費；
- 各集裝箱有關服務交易均在本集團的日常業務過程中進行，並按照正常商業條款或不遜於向(或獲)獨立第三者提供的條款訂定收費。該等交易在本年度的總金額，並不超過本公司在截至1998年12月31日止年度經審核帳目內所披露之有形資產淨值的3%；
- 各航運有關服務交易均按制約該等交易的協議條款進行。該等交易所收取的業務金額，並不超過本集團截至1999年12月31日止年度綜合總營業額的5%；及
- 上述所有交易對本公司獨立股東均屬公平合理。

公元2000年問題

本集團已參考「英國標準協會」(BSI)對公元2000年問題(「千年蟲問題」)發出之文件，制定有關的處理方法，並已於1999年中期報告內，對千年蟲有關之問題和工作小組實施的工作作出公佈。

在過渡公元2000年期間，集團檢查了各項系統和設備，向集團內部職員及外部的有關人士提供了有關資料。根據「千年蟲問題計劃」，集團測試了所有主要系統及設備，並作出所需修改，確保公元2000年問題獲得解決。

至本報告簽發日期為止，本集團並未遇上千年蟲問題。然而，本集團相信千年蟲問題的風險仍然存在。因此，本集團之千年蟲工作小組將繼續監察本集團轄下之電腦系統及設備的運作，而在2000年過渡2001年等高危日更會加強監察，以確保本集團之營運不受任何千年蟲問題影響。

此外，本集團已經擬定主要系統的千年蟲問題應變措施。這些措施旨在應付高危日可能出現的風險，包括減低因未能糾正主要業務系統的問題而可能造成的影響，以及一旦出現系統故障時緊急恢復運作的應變計劃。

若任何業務夥伴沒有為千年蟲問題作好準備，本集團亦可能因此受到影響，業務運作程序和活動亦可能受到妨礙，並使本集團之運作受到干擾。因此，本集團仍會與有關方面充分溝通及合作，共同處理這些風險。

在1999年度，已動用於千年蟲項目的資本性支出約為760,000港元，主要用於購置硬件及軟件，而列作經營費用的支出約為120,000港元，主要是更新系統的開支及相關費用。

核數師報告書

貸款協議內規定控權股東須履行的責任 (按第19項應用指引作出披露)

根據上市規則第19項應用指引，本集團須於公司年報內作出如下披露：

本集團在某些貸款協議內承諾，在有關貸款的借貸期內，本集團的控權股東中遠(香港)不會持有本公司股權少於35%或51%。截至1999年12月31日，與上述兩項規定持股水平有關的貸款結餘(已列入帳目附註23)分別為330,000,000美元及62,778,000美元。

審核委員會

審核委員會的主要工作包括檢討及監察財務匯報程序及進行內部監控，以便保障本公司股東的利益。

核數師

本年度帳目經由羅兵咸永道會計師事務所審核，該核數師依章告退，惟願意受聘連任。

截至1997年及1998年12月31日止兩個年度的帳目由羅兵咸會計師事務所審核。羅兵咸會計師事務所與永道會計師事務所合併後，羅兵咸永道會計師事務所於1999年接任本公司核數師職位。

承董事會命

董事總經理
施勤

香港，2000年3月28日

致：中遠太平洋有限公司全體股東

(在百慕達註冊成立的有限公司)

本核數師已完成審核第50頁至第93頁的帳目，該等帳目乃按照香港普遍採納的會計原則編製。

董事及核數師各自的責任

編製真實兼公平的帳目乃 貴公司董事的責任。在編製該等真實兼公平的帳目時，董事必須採用適當的會計政策，並且貫徹應用該等會計政策。

本核數師的責任是根據審核的結果，對該等帳目作出獨立意見，並向股東報告。

意見的基礎

本核數師已按照香港會計師公會所頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與帳目所載數額及披露事項有關的憑證，亦包括評審董事於編製帳目時所作的重大估計和判斷，所採用的會計政策是否適合 貴公司與 貴集團的具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需的資料及解釋為目標，以便獲得充分憑證，就該等帳目是否存有重大錯誤陳述，作出合理的確定。在作出意見時，本核數師亦已評估該等帳目所載的資料在整體上是否足夠。本核數師相信我們的審核工作已為下列意見提供合理的基礎。

意見

本核數師認為，上述帳目在各重大方面足以真實兼公平地顯示 貴公司與 貴集團於1999年12月31日結算時的財務狀況，及 貴集團截至該日止年度的溢利及現金流量，並按照香港公司條例的披露規定妥為編製。

羅兵咸永道會計師事務所

香港執業會計師

香港，2000年3月28日

綜合損益帳

截至1999年12月31日止年度

	附註	1999 千美元	1998 千美元
營業額	2	220,638	217,130
銷售成本		(86,667)	(85,815)
毛利		133,971	131,315
其他收入	2	29,312	15,270
行政開支		(20,087)	(19,795)
其他營業開支(淨額)		(19,506)	(624)
經營溢利	3	123,690	126,166
財務費用	4	(40,306)	(45,369)
經營溢利扣除財務費用		83,384	80,797
應佔下列公司溢利減虧損			
共控實體		4,106	4,254
聯營公司		54,871	50,639
除稅前溢利		142,361	135,690
稅項	5	(7,612)	(5,896)
除稅後溢利		134,749	129,794
少數股東權益		(667)	(497)
股東應佔溢利	6	134,082	129,297
股息	7	(51,275)	(47,135)
年度保留溢利	22	82,807	82,162
年度溢利由下列公司保留：			
本公司及附屬公司		99,655	51,239
共控實體		829	2,704
聯營公司		(17,677)	28,219
		82,807	82,162
每股盈利			
每股基本盈利	8	6.36美仙	6.30美仙
每股攤薄盈利	8	不適用	不適用

綜合資產負債表

於1999年12月31日

	附註	1999 千美元	1998 千美元
固定資產	11	918,238	946,298
合營項目投資	13	32,074	38,161
聯營公司投資	14	322,298	364,345
投資	15	51,439	53,340
其他應收帳項	16	13,380	19,882
流動資產			
存貨	17	3,284	782
貿易及其他應收帳款	18	41,151	36,345
其他應收帳款的即期部份	16	7,852	13,109
定期存款		233,694	56,727
銀行結餘及現金		18,641	30,887
		304,622	137,850
流動負債			
貿易及其他應付帳款	19	62,717	45,688
短期貸款	20	20,692	56,238
長期負債的即期部份	23	241,695	78,933
應付稅款		1,123	1,271
擬派股息		28,890	26,480
		355,117	208,610
淨流動負債		(50,495)	(70,760)
		1,286,934	1,351,266
資本來源：			
股本	21	27,433	26,305
儲備	22	954,225	819,296
股東資金		981,658	845,601
少數股東權益		6,876	6,500
長期負債	23	298,400	499,165
		1,286,934	1,351,266

董事會代表

董事總經理
施勤董事
黃天祐

資產負債表

於1999年12月31日

	附註	1999 千美元	1998 千美元
附屬公司投資	12	975,306	1,026,471
流動資產			
貿易及其他應收帳款	18	459	260
銀行結餘及現金		138,216	3,049
		138,675	3,309
流動負債			
貿易及其他應付帳款	19	337	170
短期貸款	20	—	20,000
應付稅款		61	61
擬派股息		28,890	26,480
		29,288	46,711
淨流動資產/(負債)		109,387	(43,402)
淨資產		1,084,693	983,069
資本來源：			
股本	21	27,433	26,305
儲備	22	1,057,260	956,764
股東資金		1,084,693	983,069

董事會代表

董事總經理
施勤董事
黃天祐

綜合現金流量表

截至1999年12月31日止年度

	附註	1999 千美元	1998 千美元
經營業務所得現金淨額	28a	207,948	241,661
投資回報及融資費用			
已收利息		5,037	3,038
已付利息		(37,905)	(40,335)
已收聯營公司股息		65,681	21,045
已收合營項目股息		3,596	1,155
已收上市投資項目股息		199	100
已付股息		(48,865)	(45,811)
已付附屬公司少數股東股息		(291)	(894)
已付其他附帶借貸費用		(3,241)	(3,639)
投資回報及融資費用所耗現金淨額		(15,789)	(65,341)
稅項			
已繳香港利得稅		(546)	(602)
已繳海外稅項		(240)	(140)
香港利得稅退款		60	—
已收1997/98香港利得稅10%退稅		60	—
已繳稅項淨額		(666)	(742)
投資活動			
購買固定資產		(34,674)	(136,687)
購買合營項目		—	(7,574)
購買聯營公司		—	(1,050)
出售附屬公司	28c	2,215	—
貸款予聯營公司和接受投資公司		(20,931)	(21,556)
因集裝箱被遺失而獲得賠償		1,615	877
出售固定資產		583	1,011
獲償還貸款		44,085	4,290
投資活動所耗現金淨額		(7,107)	(160,689)
融資前所得現金淨額		184,386	14,889
融資	28b		
借入貸款		144,454	300,499
發售新股所得款項		53,926	—
發行股份所需開支		(42)	—
償還貸款		(218,003)	(266,140)
融資(所耗)/所得現金淨額		(19,665)	34,359
現金及等同現金項目之增加		164,721	49,248
於1月1日的現金及等同現金項目		87,614	38,366
於12月31日的現金及等同現金項目	28d	252,335	87,614

已確認損益報表

截至1999年12月31日止年度

	附註	1999 千美元	1998 千美元
附屬公司及聯營公司帳目換算產生的滙兌差額	22	(689)	—
應佔聯營公司及共控實體的資本儲備	22	7	308
應佔聯營公司的滙兌儲備		48	372
損益帳未確認的(虧損)/收益淨額		(634)	680
年度保留溢利		82,807	82,162
已確認損益總額		82,173	82,842
收購共控實體產生的資本儲備	22	—	107
		82,173	82,949

帳目附註

1 主要會計政策

編製綜合帳目採用的主要會計政策載列如下：

a) 帳目編製基準

帳目乃根據香港普遍採納的會計原則編製，並符合香港會計師公會發出的會計準則。帳目以歷史成本模式編製，並按某些租約土地和樓房及投資物業的重估價值作出修改。

由於1999年1月1日起的會計年度已採納香港會計師公會發出的會計實務準則第2.101條，因此某些比較數字已作出調整或重新編列。重新分類對股東應佔溢利及股東資金均無影響。

b) 綜合基準

綜合帳目包括本公司及其附屬公司結算至12月31日止的帳目。年內購入或出售的附屬公司，自收購日起或至出售日止的業績已包括在綜合損益帳內。

本集團系內各公司之間的重大交易和結餘已於綜合時對銷。

附屬公司的變賣收益或虧損指出售有關公司所得收入，與本集團應佔該公司淨資產及過往綜合損益帳未支銷或確認的任何商譽或資本儲備，兩者之間的差額。

少數股東權益指外界股東佔附屬公司經營業績和淨資產的權益。

c) 附屬公司

倘本公司長期持有一家公司超過50%的已發行有投票權股本，該家公司即被列為本公司的附屬公司。

本公司在附屬公司的投資按成本減去任何永久減值準備(如有)在本公司的資產負債表列帳。附屬公司的業績按本公司已收及應收的股息為基準列帳。

d) 聯營公司

聯營公司為附屬公司以外由本集團長期持有其股權並對其管理行使重大影響力的公司。

綜合損益帳包括本集團應佔聯營公司的年度業績，而綜合資產負債表則包括本集團應佔聯營公司的淨資產。

1 主要會計政策 (續)**e) 合營項目**

合營項目指本集團與其他人士就共同參與和控制一項經濟活動所達成的合約安排，而任何參與一方對該項經濟活動均無絕對控制權。

綜合損益帳包括本集團應佔該等共控實體的年度業績，而綜合資產負債表則包括本集團應佔該等共控實體的淨資產。

f) 商譽及資本儲備

商譽指收購附屬公司、聯營公司及共控實體所支付的購買代價超出該等公司的淨資產公平值之數，於進行收購的年度內在儲備中撇銷。

資本儲備指被收購的附屬公司、聯營公司及共控實體的淨資產公平值超出收購彼等所支付的購買代價之數，並直接撥入儲備內。

g) 投資物業

投資物業指已完成建築工程和發展計劃的土地及樓房權益，並因其具有投資潛質而持有，其租金按公平基礎議定。

尚餘20年以上租約年期的投資物業由獨立估值師每年估值。各物業均按其個別的公開市值基準進行估值，惟不會將土地及樓房分開估值。估值均列入全年帳目內，如為估值增值則列入投資物業重估儲備，減值則以組合方式先與早前進行估值所得的增值對銷，然後從經營溢利中扣除，其後如有任何增值則最高以過去扣除的數額為限撥入經營溢利。

尚餘20年或以下租約年期的投資物業，於剩餘的租約期內攤銷折舊。

在出售投資物業時，就以往估值變現的重估儲備有關部份由投資物業重估儲備轉撥至損益帳。

h) 固定資產資本化

廠房和機器在建造期間涉及的所有直接或間接支出(包括建造期內有關借貸的利息支出)以及在投用日期前錄得的經營業績，均資本化為固定資產。

當廠房可持續生產商業質量產品供銷時，該廠房即被視為投用。

1 主要會計政策 (續)**i) 固定資產**

非投資物業(附註1g)的固定資產按成本值或估值減累計折舊列帳。

自1995年9月30日起，本集團並無就租約土地及樓房作進一步估值。這項決定是依據香港會計師公會發出的會計實務準則第2.117條第72段的豁免條款而作出，據此本集團無須定期重估租約土地及樓房的價值。

租約土地按成本值或估值列帳，並於剩餘的租約期內攤銷。

土地使用權按成本值列帳，並於建造工程竣工後在尚餘使用期內攤銷。

集裝箱之折舊以直線法按15年估計可使用期在計入成本值10%的餘值後計算。

其他固定資產以直線法按董事估計的可使用年期及餘值計算折舊，以充分撇銷其成本值或估值。其他固定資產的估計可使用年期概述如下：

樓房	25年至35年
汽車	5年
租約物業裝修	5年或租約尚餘期，以較短者為準
傢俬、裝置及設備	5年
廠房及機器	5年

發展中的電腦系統及在建工程均不計算折舊。

為恢復固定資產的正常運作狀態而動用的大額開支在損益帳內扣除。改良裝修成本則予以資本化，並按本集團之預計可使用期折舊。

固定資產的帳面值定期作複核，以評定其可收回值有否降至低於其帳面值。在確定可收回值時，預期的未來現金流量並無折現計算。

非投資物業的固定資產變賣收益或虧損指有關資產的變賣所得淨收入與帳面值的差額，在損益帳內予以確認。有關資產在重估儲備的應佔餘額均撥入保留溢利，並列作儲備變動。

1 主要會計政策 (續)**j) 融資租約**

倘資產擁有權涉及的絕大部分回報及風險(法定業權除外)均轉移至本集團,該等租約列為融資租約。於訂立融資租約時,有關資產的公平值及應付未來租金的責任(利息除外)一併列帳。

付予出租人的繳款被視為包括資本與利息成分計算。融資租約利息支出在租約期內以直線法於損益帳內支銷。

k) 營業租約

倘資產擁有權涉及的絕大部分風險及回報仍歸出租公司所有,該等租約列為營業租約。此等營業租約的應計租金在租約期內以直線法於損益帳內支銷。

l) 借貸成本

因購入、建造或生產一項需經一段頗長時間籌備以作預定用途之資產所直接產生的借貸成本乃資本化為該資產的部分成本。

所有其他借貸成本均於其產生年度的損益帳內支銷。

m) 資產負債表外的金融工具

本集團以利率掉期合約管理貸款利率風險。利率掉期合約的任何應付或應收款項差額於合約期內確認為利息開支的部分。

n) 投資項目

以長期方式持有的上市及非上市投資項目按成本扣除減值準備列帳。

投資項目的個別帳面值於每年結算日檢討,以評定其公平值有否下跌至低於帳面值。倘某項投資項目出現非暫時性減值,則將其帳面值下調至公平值。有關減值於損益帳確認為開支。

其他投資以公平值列帳。於每年結算日,其他投資因公平值變動而產生的未變現收益或虧損淨額於損益帳確認。變賣其他投資的利潤或虧損指變賣所得淨額與其帳面值的差額,於產生時在損益帳內確認。

o) 存貨

備用配件及消耗品均以先入先出基準按成本減去任何陳舊庫存撥備列帳。

可轉售集裝箱按成本值及可變現淨值之較低者列帳。成本值以加權平均基準計算,而可變現淨值則以預計銷售所得款項減去預期銷售開支釐定。

1 主要會計政策 (續)**p) 應收帳款**

應收帳款中被視為呆帳者均作撥備。資產負債表列出的應收帳款已扣除有關撥備。

q) 租購合約

集裝箱租購合約為租賃集裝箱的合約,其中規定承租人有權於合約列明的若干條件獲履行後購入集裝箱的法定業權。

承租人就租購合約應付的金額以應收租購帳款列帳,並扣除未賺取的收入。

r) 遞延稅項

遞延稅項就計算稅項的溢利與帳目所列的溢利,根據兩者因時差而在可見將來預計的應付負債或應得資產,按現行稅率作出撥備。

s) 外幣換算

非美元交易按交易日的匯率換算。於結算日以非美元結算的貨幣資產及負債均按結算日的匯率換算。滙兌差額撥入損益帳內。

附屬公司、聯營公司及共控實體以非美元結算的帳目按結算日的匯率換算。滙兌差額列作儲備變動。

t) 退休福利成本

本集團為所有香港和美國僱員設有界定供款退休金計劃。該等計劃的資產由獨立運作基金持有,並與本集團的資產分開。本集團向該等計劃的供款在產生時按開支列帳。倘香港僱員在全數取得其應佔供款權益前退出計劃,則沒收的供款可用作減低本集團的供款額。

本公司在德國、意大利、日本及英國的附屬公司參與由彼等所屬國家的政府所營辦的僱員公積金計劃。該等計劃屬於定額供款計劃,供款額按適用的薪金成本的某個百分比計算。本集團向該等計劃的供款在產生時於損益帳扣除。

1 主要會計政策(續)**u) 收入確認**

本集團按下列基準確認收入：

i) 出租集裝箱收入

根據營業租約出租集裝箱的收入在租期內以直線法列帳。因搬運及儲存集裝箱涉及之直接成本或承租人之補償於產生或出現時計入銷售成本。

從租購合約所得之集裝箱收入按會計期攤分，以便顯示本集團之淨投資在各會計期內均有固定回報。因商討及安排合約涉及之直接成本於產生時在損益帳撇銷。

ii) 處理、運輸及儲存集裝箱收入

處理及運輸集裝箱收入於提供服務時列帳。

儲存集裝箱收入在儲存期內以直線法列帳。

iii) 集裝箱碼頭業務收入

集裝箱碼頭業務收入於完成提供服務而船舶離開泊位時列帳。

iv) 投資物業營業租約的租金收入

投資物業營業租約的租金收入以直線法於每份租約的租期內列帳。

v) 銷售集裝箱收入

銷售集裝箱收入於擁有權涉及之風險和回報轉移時列帳，風險和回報的轉移通常為集裝箱付運予客戶及集裝箱業權易手之時。

vi) 滯港費及銷售集裝箱佣金收入

滯港費佣金收入於收到代理人支付的滯港費時列帳。

銷售集裝箱佣金收入於收到銷售款項時列帳。

vii) 利息收入

利息收入根據尚欠之本金金額及適用息率按時間比例基準列帳。

viii) 股息收入

股息收入於本集團收取股息的權利獲確定時列帳。

2 收入及營業額

本集團主要從事集裝箱租賃、處理及儲存，以及經營集裝箱碼頭業務。本年度確認的收入如下：

	1999 千美元	1998 千美元
營業額		
集裝箱之營業租約租金	201,809	197,856
租購收入	3,306	4,215
集裝箱處理、運輸及儲存收入、佣金及回佣收入	10,942	10,804
集裝箱碼頭業務收入	4,581	4,255
	220,638	217,130
其他收入		
存貨銷售額	23,985	11,948
利息收入	5,068	3,117
投資物業租金總收入	60	105
上市投資股息收入	199	100
	29,312	15,270
總收入	249,950	232,400

3 經營溢利

經營溢利已計入及扣除下列各項：

	1999 千美元	1998 千美元
計入		
因集裝箱被遺失獲下列公司賠償帶來的收益		
— 最終控股公司	—	232
— 同系附屬公司	213	—
扣除		
折舊及攤銷		
— 自置固定資產	70,551	66,805
— 租用固定資產	—	36
已出售存貨的成本	12,808	2,729
出售固定資產的虧損	370	1,108
投資物業所需支銷	1	2
就接受投資公司作出撥備(附註15)	2,845	—
營業租約的租金開支		
— 土地及樓房	3,485	2,791
— 廠房及機器	441	487
退休福利成本(附註9)	360	491
投資物業重估虧蝕(附註11b)	232	888
職工成本	11,319	11,470
核數師酬金	314	271

4 財務費用

	1999 千美元	1998 千美元
利息開支		
— 銀行貸款	26,983	34,146
— 須於5年內全數償還的其他貸款	8,206	7,357
— 由附屬公司少數股東借出無須在5年內全數償還的貸款	262	386
— 融資租約	—	13
— 購買集裝箱應付費用	1,213	—
利率掉期合約的虧損/(收益)	401	(172)
	37,065	41,730
其他附帶借貸費用	3,241	3,639
	40,306	45,369

5 稅項

	1999 千美元	1998 千美元
本公司及附屬公司		
香港利得稅	278	323
1997/98香港利得稅10%退稅	(60)	—
海外稅項	431	292
往年剩餘稅項準備	(131)	(488)
	518	127
應佔下列公司稅項：		
共控實體		
海外稅項	227	184
聯營公司		
香港利得稅	7,856	6,598
1997/98香港利得稅10%退稅	(472)	—
海外稅項	769	278
遞延稅項	(1,286)	(1,291)
	7,612	5,896

香港利得稅根據本年度估計應課稅溢利按稅率16%(1998年：16%)撥出準備。本集團大部分溢利並非產生或源自香港，故此本集團該部分溢利毋須繳納香港利得稅。

海外利得稅乃根據本年度估計應課稅溢利按本集團經營業務所在國家的適用稅率計算。

中華人民共和國(「中國」)國家稅務局於1993年3月12日發出通知(國稅法(1993)第49號)，向經營國際運輸業的外資集裝箱租賃公司授出暫行規定，豁免彼等就租金收益繳納所得稅。因本集團的集裝箱租賃溢利獲豁免繳納該稅項，故並無撥出中國所得稅準備。

中國國家稅務局於1997年3月14日發出通知(國稅法(1997)第35號)，向在中國賺取租金及利息收入但並無在中國設有辦事處的外資企業授出規定，豁免彼等就該等租金及利息收入繳納營業稅，故本集團的有關收入亦獲豁免繳納該稅項。

5 稅項 (續)

本年度未撥備的遞延稅項支出/(減免)如下：

	1999 千美元	1998 千美元
加速折舊準備	7,229	7,107
其他時差	183	(183)
稅務虧損	(4,810)	(6,542)
	<u>2,602</u>	<u>382</u>

租約土地與樓房及投資物業的重估盈餘及虧絀並無計算遞延稅項，原因是此等重估並不構成遞延稅項涉及的時差。

6 股東應佔溢利

撥入本公司帳目處理的股東應佔溢利為99,015,000美元(1998年：80,590,000美元)。

7 股息

	1999 千美元	1998 千美元
已派中期股息每股普通股0.994美仙(1998年：1.007美仙)	21,258	20,655
擬派末期息每股普通股1.350美仙(1998年：1.291美仙)	28,890	26,480
在暫停辦理股份過戶登記前就配股計劃發行股份而派發的1998年度額外末期股息	1,127	—
	<u>51,275</u>	<u>47,135</u>

8 每股盈利**a) 每股基本盈利**

每股基本盈利按本集團之股東應佔溢利134,082,000美元(1998年：129,297,000美元)及年內已發行股份的加權平均數2,109,505,999股(1998年：2,051,826,526股)計算。

b) 每股攤薄盈利

由於截至1999年12月31日止兩個年度的購股權行使價均高於本公司股份的平均市價，故對每股盈利並無攤薄影響。

9 退休福利成本

本集團為所有香港和美國僱員設有界定供款退休金計劃。本集團及僱員向該等計劃的供款乃按僱員的基本工資某個百分比釐定。

在損益帳內支銷的退休福利成本乃本集團對退休福利基金的應付供款，金額為360,000美元(1998年：491,000美元)。於1999年及1998年12月31日，本集團並無應付供款仍未支付。年內沒收的供款額其中59,000美元(1998年：37,000美元)已用作減低本集團的供款，而截至年底仍有6,000美元(1998年：18,000美元)沒收供款可用作減低本集團將來的供款額。

該等計劃的資產由獨立管理的基金持有，並與本集團的資產分開。

10 董事及管理人員酬金**a) 董事酬金**

本年度付予本公司董事的酬金總額如下：

	1999 千美元	1998 千美元
袍金	205	205
薪金、房屋及其他津貼、實物利益	648	832
花紅	48	29
退休金計劃供款	31	46
	<u>932</u>	<u>1,112</u>

上述金額包括付予獨立非執行董事的袍金77,170美元(1998年：77,400美元)。

於1999年12月31日，本公司3名董事合共持有5,000,000份購股權，乃本公司根據1994年11月30日採納的購股權計劃(「購股權計劃」)於1996年7月1日向彼等授予。該等購股權可於授出日期起10年內任何時間以每股5.53港元行使。

於1999年12月31日，本公司1名董事持有5,000,000份購股權，乃本公司根據購股權計劃於1997年5月20日向其授予。該等購股權可於授出日期起10年內任何時間以每股8.80港元行使。

各董事就每次獲授購股權所支付的代價為1.00港元。在截至1999年12月31日止年度內，各董事均無行使其購股權。

10 董事及管理人員酬金(續)

a) 董事酬金(續)

董事酬金分析如下：

酬金範圍	董事數目	
	1999	1998
0—128,617美元(0—1,000,000港元)	16	14
128,618美元—192,926美元(1,000,001港元—1,500,000港元)	—	1
192,927美元—257,235美元(1,500,001港元—2,000,000港元)	1	1
257,236美元—321,543美元(2,000,001港元—2,500,000港元)	—	—
321,544美元—385,852美元(2,500,001港元—3,000,000港元)	1	1
	<u>18</u>	<u>17</u>

上述分析包括本集團5名最高薪酬人員其中2名(1998年：1名)。

b) 管理人員酬金

本集團付予3名(1998年：4名)最高薪人員的酬金總額並未包括在上述董事酬金內，詳情如下：

	1999 千美元	1998 千美元
薪金、房屋及其他津貼、實物利益	744	1,024
花紅	57	225
退休金計劃供款	31	42
	<u>832</u>	<u>1,291</u>

該等酬金的範圍如下：

酬金範圍	人數	
	1999	1998
0—128,617美元(0—1,000,000港元)	—	—
128,618美元—192,926美元(1,000,001港元—1,500,000港元)	—	—
192,927美元—257,235美元(1,500,001港元—2,000,000港元)	1	—
257,236美元—321,543美元(2,000,001港元—2,500,000港元)	1	2
321,544美元—385,852美元(2,500,001港元—3,000,000港元)	1	1
385,853美元—450,161美元(3,000,001港元—3,500,000港元)	—	1
	<u>3</u>	<u>4</u>

11 固定資產

本集團

	租約土地及樓房 香港境內 千美元	香港境外的 投資物業 千美元	香港境外的 土地 使用權 千美元	在建工程 千美元	集裝箱 千美元	汽車 千美元	租約 物業 裝修 千美元	傢俬、 裝置 及設備 千美元	廠房 及機器 千美元	發展中的 電腦系統 千美元	合計 千美元	
成本值或估值												
於1999年1月1日	22,217	9,518	1,369	1,856	—	1,314,204	1,005	1,949	2,504	12,577	1,372	1,368,571
匯兌差額	—	—	—	—	—	—	—	—	(1)	(7)	—	(8)
添置	1,749	10	—	—	125	57,702	—	19	504	1	2,470	62,580
出售／轉撥	—	(11)	—	—	—	(116,264)	(2)	—	(38)	(27)	—	(116,342)
變賣附屬公司	(2,244)	—	—	—	—	—	(1)	(18)	—	—	—	(2,263)
重估虧絀(附註3)	—	—	(232)	—	—	—	—	—	—	—	—	(232)
重新分類	—	39	—	—	(52)	—	—	—	3,855	—	(3,842)	—
於1999年12月31日	<u>21,722</u>	<u>9,556</u>	<u>1,137</u>	<u>1,856</u>	<u>73</u>	<u>1,255,642</u>	<u>1,003</u>	<u>1,967</u>	<u>6,806</u>	<u>12,544</u>	<u>—</u>	<u>1,312,306</u>
累計折舊												
於1999年1月1日	1,926	1,031	—	74	—	412,541	511	987	1,242	3,961	—	422,273
匯兌差額	—	—	—	—	—	—	—	—	—	(6)	—	(6)
本年度折舊	515	306	—	74	—	67,481	126	547	731	771	—	70,551
出售／轉撥	—	(1)	—	—	—	(98,649)	(3)	—	(27)	(24)	—	(98,704)
變賣附屬公司	(43)	—	—	—	—	—	—	—	(3)	—	—	(46)
於1999年12月31日	<u>2,398</u>	<u>1,336</u>	<u>—</u>	<u>148</u>	<u>—</u>	<u>381,373</u>	<u>634</u>	<u>1,534</u>	<u>1,943</u>	<u>4,702</u>	<u>—</u>	<u>394,068</u>
帳面淨值												
於1999年12月31日	<u>19,324</u>	<u>8,220</u>	<u>1,137</u>	<u>1,708</u>	<u>73</u>	<u>874,269</u>	<u>369</u>	<u>433</u>	<u>4,863</u>	<u>7,842</u>	<u>—</u>	<u>918,238</u>
於1998年12月31日	<u>20,291</u>	<u>8,487</u>	<u>1,369</u>	<u>1,782</u>	<u>—</u>	<u>901,663</u>	<u>494</u>	<u>962</u>	<u>1,262</u>	<u>8,616</u>	<u>1,372</u>	<u>946,298</u>
上述資產的成本值 或估值分析如下：												
按成本值	1,749	9,556	—	1,856	73	1,255,642	1,003	1,967	6,806	12,544	—	1,291,196
專業估值												
—按1994年	19,973	—	—	—	—	—	—	—	—	—	—	19,973
—按1999年	—	—	1,137	—	—	—	—	—	—	—	—	1,137
	<u>21,722</u>	<u>9,556</u>	<u>1,137</u>	<u>1,856</u>	<u>73</u>	<u>1,255,642</u>	<u>1,003</u>	<u>1,967</u>	<u>6,806</u>	<u>12,544</u>	<u>—</u>	<u>1,312,306</u>

11 固定資產(續)

附註：

a) 本集團在投資物業及其他物業的權益按帳面淨值分析如下：

	本集團	
	1999 千美元	1998 千美元
香港境內		
50年以上年期租約	20,461	19,432
10年至50年年租約	—	2,228
香港境外		
10年至50年年租約	9,928	10,269
	<u>30,389</u>	<u>31,929</u>

b) 投資物業已由獨立專業物業估值師戴德梁行有限公司(前稱梁振英測量師行有限公司)於1999年12月31日按公開市值基準重新估值。重估虧絀已列入損益帳(附註3)。

c) 香港境內某些租約土地及樓房已由戴德梁行有限公司(前稱梁振英測量師行有限公司)於1994年按公開市值基準重新估值。

假若該等租約土地及樓房按成本值減累計折舊入帳，則此等租約土地及樓房於1999年12月31日的帳面值應為16,971,000美元(1998年：17,398,000美元)。

d) 按營業租約出租的集裝箱，於1999年12月31日的總成本及累計折舊額分別為1,228,431,000美元(1998年：1,307,684,000美元)及375,830,000美元(1998年：412,541,000美元)。

e) 於1999年12月31日帳面淨值合共272,302,000美元(1998年：393,348,000美元)的某些香港境內租約土地及樓房與集裝箱已按予銀行及第三者作為批出借貸融資的抵押。

f) 本集團年內將帳面淨值總額15,283,000美元(1998年：2,803,000美元)的集裝箱撥入存貨。

12 附屬公司投資

	1999	本公司
	千美元	1998 千美元
非上市股份，按成本值	138,510	134,010
應收附屬公司欠款	863,333	894,675
應付附屬公司欠款	(15,692)	(2,214)
撥備	(10,845)	—
	<u>975,306</u>	<u>1,026,471</u>

上述應收/(應付)附屬公司欠款乃無抵押及無固定還款期。除一家附屬公司須就其尚欠的900,320美元(1998年：903,400美元)支付8%年息外，其他欠款均無計息。

附屬公司於1999年12月31日的詳情如下：

名稱	註冊成立地點	營業地點	主要業務	已發行股本/ 已繳資本	本集團 股本權益	
					1999	1998
* Allgood International Limited	英屬維爾京群島	香港	投資控股	1股每股面值1美元普通股	100%	100%
#* Bauhinia 97 Ltd.	開曼群島	香港	投資控股	2股每股面值1美元普通股	100%	100%
自豪發展有限公司	香港	香港	集裝箱處理及裝卸	10,000股每股面值10港元普通股	75%	75%
中遠集裝箱服務有限公司	香港	香港	投資控股、堆場業務及集裝箱維修	2股每股面值1港元普通股	100%	100%
#* 中遠太平洋(中國)投資有限公司	中國	中國	投資控股	4,500,000美元	100%	—
# 中遠太平洋管理有限公司	香港	香港	提供管理服務	2股每股面值1港元普通股	100%	100%
#* COSCO Pacific Nominees Limited	英屬維爾京群島	全球	提供代理人服務	1股每股面值1美元普通股	100%	100%

12 附屬公司投資(續)

名稱	註冊成立地點	營業地點	主要業務	已發行股本/ 已繳資本	本集團 股本權益	
					1999	1998
COSCO Qingdao Terminal Holdings Limited	英屬維爾京群島	香港	投資控股	1股每股面值 1美元普通股	100%	100%
#* CPL Treasury Limited	英屬維爾京群島	香港	暫無營業	1股每股面值 1美元普通股	100%	100%
Crestway International Limited	英屬維爾京群島	香港	投資控股	50,000股 每股面值1美元 普通股	100%	100%
#* Elegance Investment Limited	英屬維爾京群島	香港	投資控股	1股每股面值 1美元普通股	100%	100%
# 惠航船務有限公司	香港	香港	持有物業	5,000股 每股面值 100港元普通股	99.98%	99.98%
* Famous International Limited	英屬維爾京群島	全球	投資控股及 舊集裝箱銷售	1股每股面值 1美元普通股	100%	100%
Fentalic Limited	英屬維爾京群島	香港	投資控股	1股每股面值 1美元普通股	100%	100%
Florens Container Corporation S.A.	巴拿馬	全球	集裝箱租賃	100股每股面值 100美元普通股	100%	100%
#* 佛羅倫貨箱控股有限公司	英屬維爾京群島	香港	投資控股	22,014股每股 面值1美元 普通股	100%	100%
Florens Container Inc.	美國	美國	集裝箱租賃	1股每股面值 1美元普通股	100%	100%
Florens Container, Inc. (1998)	美國	美國	集裝箱租賃	100股每股面值 1美元普通股	100%	100%

12 附屬公司投資(續)

名稱	註冊成立地點	營業地點	主要業務	已發行股本/ 已繳資本	本集團 股本權益	
					1999	1998
佛羅倫貨箱服務有限公司	香港	全球	提供集裝箱 管理服務	100股每股面值 1港元普通股	100%	100%
* Florens Container Services (Deutschland) GmbH	德國	德國	提供集裝箱 管理服務	2股每股面值 25,000德國馬克	100%	100%
* Florens Container Services (Italy) S.R.L.	意大利	意大利	提供集裝箱 管理服務	20,000股額 每股額面值 1,000里拉	100%	100%
* Florens Container Services (Japan) Co. Ltd.	日本	日本	提供集裝箱 管理服務	200股 每股面值 50,000日圓 普通股	100%	100%
* Florens Container Services (UK) Limited	英國	英國	提供集裝箱 管理服務	183,610股 每股面值 1英鎊普通股	100%	100%
* Florens Container Services (USA), Ltd.	美國	美國	提供集裝箱 管理服務	1,000股 每股面值 0.001美元 普通股	100%	100%
# Florens Industrial Holdings Limited	百慕達	中國	投資控股	12,000股 每股面值 1美元普通股	100%	100%
#* 佛羅倫投資有限公司	英屬維爾京群島	香港	暫無營業	1股每股面值 1美元普通股	100%	100%
# Florens Ports Investments Limited	英屬維爾京群島	香港	投資控股	1股每股面值 1美元普通股	100%	100%
Florens Shipping Corporation Limited	百慕達	全球	集裝箱租賃	12,000股每股 面值1美元 普通股	100%	100%

12 附屬公司投資(續)

名稱	註冊成立地點	營業地點	主要業務	已發行股本/ 已繳資本	本集團 股本權益	
					1999	1998
* Florens U.S. Holdings, Inc.	美國	美國	投資控股	1股每股面值 1美元普通股	100%	100%
* Frosti International Limited	英屬維爾 京群島	香港	投資控股	2股每股面值 1美元普通股	100%	100%
鴻利物業 有限公司	香港	香港	持有物業	2股每股面值 1港元普通股	—	100%
裕利服務 有限公司	香港	香港	堆場業務、 集裝箱運輸 及儲存	250,000股 每股面值 1港元普通股	100%	100%
* Hero King Limited	英屬維爾 京群島	香港	持有物業	1股每股面值 1美元普通股	100%	—
* Plangreat Limited	英屬維爾 京群島	香港	投資控股	100股每股面值 1美元普通股	100%	100%
#* Toplink Enterprises Limited	英屬維爾 京群島	香港	投資控股	1股每股面值 1美元普通股	100%	100%
#* Topview Investment Limited	英屬維爾 京群島	香港	投資控股	1股每股面值 1美元普通股	100%	100%
Win Hanverky Investments Limited	香港	香港	投資控股	10,000股 每股面值 10港元普通股	100%	100%
* 張家港永嘉 集裝箱碼頭 有限公司	中國	中國	經營集裝箱 碼頭	16,800,000美元	51%	51%

由本公司直接持有股份

* 非由羅兵咸永道會計師事務所核數的附屬公司
非由羅兵咸永道會計師事務所核數的附屬公司，其淨資產、營業額及稅前溢利之總和分別佔本集團淨資產、營業額及稅前溢利約1.8%、2.1%及2.2% (1998年：0.7%、2.0%及4.7%)。

13 合營項目投資

	本集團	
	1999 千美元	1998 千美元
非上市投資，按成本值	31,707	32,266
收購所得資本儲備	1,472	1,472
應佔收購後未分派儲備	5,396	4,560
應佔淨資產	38,575	38,298
應收共控實體欠款	598	493
應付共控實體欠款	(7,099)	(630)
	<u>32,074</u>	<u>38,161</u>

上述應收/(應付)共控實體欠款乃無抵押及免息。涉及集裝箱購置結餘的付款安排依照一般商業條款，其他結餘並無固定還款期。

13 合營項目投資(續)

本公司於1999年及1998年12月31日並無直接持有共控實體。以下為截至1999年12月31日由本公司全資附屬公司持有的共控實體：

名稱	註冊成立/ 營業地點	主要業務	已繳資本	佔擁有權/ 投票權/溢利 攤分之百分比	
				1999	1998
青島遠港國際集裝箱碼頭有限公司	中國	經營集裝箱碼頭	人民幣337,868,700元	50%	50%
上海中集冷藏箱有限公司	中國	製造集裝箱	28,000,000美元	20%	20%
上海中集遠東集裝箱有限公司(前稱上海遠東集裝箱有限公司)	中國	製造集裝箱	9,480,000美元	20%	20%
上海關西塗料化工有限公司	中國	生產集裝箱及船舶專用油漆	人民幣58,177,941元	20%	20%
天津關西塗料化工有限公司	中國	生產集裝箱及船舶專用油漆	人民幣30,293,460元	20%	20%
天津中集北洋集裝箱有限公司(前稱天津北洋集裝箱有限公司)	中國	製造集裝箱	8,582,000美元	22.5%	22.5%

14 聯營公司投資

	1999 千美元	本集團 1998 千美元
投資，按成本值		
— 非上市股份	314,986	314,986
— 香港上市股份	219,189	219,189
撇銷收購所得商譽	(341,597)	(341,597)
應佔收購後未分派儲備	72,650	90,939
應佔資產淨值	265,228	283,517
借予聯營公司貸款	57,070	80,828
	322,298	364,345
上市股份市值	91,196	111,157

上述借予聯營公司貸款乃無抵押、免息及及無固定還款期。

本公司於1999年及1998年12月31日並無直接持有聯營公司。以下為截至1999年12月31日的聯營公司：

名稱	註冊成立/ 營業地點	主要業務	已發行股本	本集團 股本權益	
				1999	1998
中遠—國際貨櫃碼頭(香港)有限公司	香港	經營、管理及發展八號貨櫃碼頭(東)	2股每股面值10港元「A」普通股及2股每股面值10港元「B」普通股	50%	50%
Dawning Company Limited	英屬維爾京群島/香港	投資控股	200股每股面值1美元「A」股及800股每股面值1美元「B」股	20%	20%
廖創興銀行有限公司	香港	銀行及相關之金融服務	435,000,000股每股面值0.5港元普通股	20%	20%
雙橋發展有限公司	英屬維爾京群島/中國	投資控股	10,000股每股面值1美元	30%	30%

15 投資

	本集團	
	1999 千美元	1998 千美元
非上市投資，按成本值	1	1
貸款予接受投資公司	47,067	46,123
撥備(附註3)	(2,845)	—
	<u>44,223</u>	<u>46,124</u>
海外上市投資，按成本值	7,216	7,216
	<u>51,439</u>	<u>53,340</u>
上市股份市值	4,973	5,841

非上市投資包括持有River Trade Terminal Holdings Limited(「內河碼頭」)10%股權及Sigma Enterprises Limited(「Sigma」)6.85%股權。該兩家公司分別參與管理及發展香港屯門38區內河碼頭，及管理中國鹽田國際集裝箱碼頭。

貸款予接受投資公司指向內河碼頭提供貸款以融資發展屯門38區內河碼頭，以及向Sigma提供貸款以融資鹽田國際集裝箱碼頭的業務。該等貸款均為無抵押、免息及無固定還款期。

16 其他應收帳項

	本集團	
	1999 千美元	1998 千美元
應收租購帳款減撥備(附註a)	21,232	32,659
應收貸款(附註b)	—	332
	<u>21,232</u>	<u>32,991</u>
列入流動資產的一年內應收款項	(7,852)	(13,109)
	<u>13,380</u>	<u>19,882</u>

附註：

a) 於1999年12月31日，購入用以按租購合約出租的資產成本為52,451,000美元(1998年：53,309,000美元)。於1999年12月31日及在本年度有關租購合約的應收租金總額分別為24,436,000美元(1998年：38,866,000美元)及14,764,000美元(1998年：14,904,000美元)。

b) 應收貸款均無抵押，並按倫敦銀行同業拆息加2.5厘計算利息。該筆貸款已於年內獲全數償還。

17 存貨

於1999年12月31日的存貨包括備用配件和消耗品333,000美元(1998年：346,000美元)及供轉售的集裝箱2,951,000美元(1998年：436,000美元)，有關數字均以成本列帳。

18 貿易及其他應收帳款

	本集團		本公司	
	1999 千美元	1998 千美元	1999 千美元	1998 千美元
貿易及其他應收帳款、 按金及預付款項	24,242	15,615	459	260
最終控股公司欠款(附註)	—	13,345	—	—
同系附屬公司欠款(附註)	15,759	2,600	—	—
有關連公司欠款(附註)	1,150	4,785	—	—
	<u>41,151</u>	<u>36,345</u>	<u>459</u>	<u>260</u>

附註：

最終控股公司、同系附屬公司及有關連公司的欠款均為無抵押及免息。貿易結餘的付款安排依照一般商業條款，其他結餘並無固定還款期。

19 貿易及其他應付帳款

	本集團		本公司	
	1999 千美元	1998 千美元	1999 千美元	1998 千美元
貿易及其他應付帳款	14,343	10,465	224	58
應計費用及撥備	18,148	16,377	113	112
欠最終控股公司款項(附註)	—	5,359	—	—
欠直屬控股公司款項(附註)	—	5	—	—
欠同系附屬公司款項(附註)	3,818	16	—	—
欠有關連公司款項(附註)	25,181	12,640	—	—
欠附屬公司少數股東款項(附註)	1,227	826	—	—
	<u>62,717</u>	<u>45,688</u>	<u>337</u>	<u>170</u>

附註：

欠最終控股公司、直屬控股公司、同系附屬公司、有關連公司及附屬公司少數股東的款項均為無抵押及免息。涉及集裝箱購置結餘的付款安排依照一般商業條款，其他結餘並無固定還款期。

20 短期貸款

	本集團		本公司	
	1999 千美元	1998 千美元	1999 千美元	1998 千美元
無抵押				
— 銀行貸款 (附註a)	20,692	46,238	—	10,000
— 其他貸款 (附註b)	—	10,000	—	10,000
	<u>20,692</u>	<u>56,238</u>	<u>—</u>	<u>20,000</u>

附註：

- a) 截至1999年12月31日的無抵押短期銀行貸款約為1,686,000美元(1998年：零)，由本公司一家同系附屬公司提供擔保。此等貸款按市場息率計息。
- b) 截至1998年12月31日的其他貸款指合計10,000,000美元於1999年到期的浮息票據(「浮息票據」)。該等浮息票據根據1998年9月9日訂立的協議向投資者發行，每份金額為250,000美元，利息按市場息率計算並於每季季末支付。該等浮息票據已於1999年按本金值全數贖回。

21 股本

	1999 千美元	1998 千美元
法定股本		
3,000,000,000股普通股，每股面值0.10港元	<u>38,462</u>	<u>38,462</u>
已發行及繳足股本		
2,139,228,298股(1998年：2,051,826,531股) 普通股，每股面值0.10港元	<u>27,433</u>	<u>26,305</u>

- a) 本公司已發行股本的變動概述如下：

	普通股數目	面值 千美元
於1998年1月1日	2,051,826,521	26,305
就認股權證所附認股權被行使而發行的股份 (附註d)	10	—
於1998年12月31日	<u>2,051,826,531</u>	<u>26,305</u>
於1999年1月1日	2,051,826,531	26,305
就私人配售而發行的股份 (附註b)	87,311,767	1,127
就購股權被行使而發行的股份 (附註c)	90,000	1
於1999年12月31日	<u>2,139,228,298</u>	<u>27,433</u>

21 股本(續)

- b) 根據中遠(香港)集團有限公司(「中遠(香港)」)與其配售代理於1999年4月22日訂立的配售協議，中遠(香港)同意透過配售代理按每股4.78港元(「配售價」)的價格，向獨立的專業及機構投資者出售本公司股份共167,599,752股(「配售股份」)(「配售事項」)。

根據同日的認購協議，中遠(香港)認購87,311,767股新股(「認購股份」)(「認購事項」)，每股作價相等於配售價減中遠(香港)就配售事項及認購事項所承擔的每股支銷金額。本公司因發行認購股份故錄得股份溢價52,735,000美元，已撥入股份溢價儲備(附註22)。

- c) 購股權

根據購股權計劃，本公司董事會可酌情向本集團的行政人員及/或僱員(包括本集團屬下任何公司的全職董事)授出可認購本公司股份的購股權。根據該計劃，本公司董事會可釐定認購本公司股份的認購價，金額將不少於本公司股份於購股權授出日期之前5個交易日在香港聯合交易所有限公司錄得的平均收市價的80%或本公司的股份面值(以兩者中較高的金額為準)。根據該計劃授出的購股權可認購的股份數目，不得高於本公司當時已發行普通股本的10%。

於1999年1月1日，為數共8,710,000份購股權(於1996年7月1日授出)尚未被行使，持有人可按每股5.53港元認購1股本公司普通股份。於本年度內共有90,000份購股權被行使，而由於1名前董事及1名前僱員離職故沒收彼等共2,040,000份購股權。截至1999年12月31日，為數6,580,000份購股權尚未被行使，持有人可由獲授購股權日期起計10年內的任何時間行使。

於1999年1月1日，為數共17,850,000份購股權(於1997年5月20日(「授出日期」)授出)尚未被行使，持有人可按每股8.80港元認購1股本公司普通股份。於本年度內由於6名前僱員離職故沒收彼等共4,250,000份購股權。截至1999年12月31日，為數13,600,000份購股權尚未被行使，持有人可由獲授購股權日期起計10年內的任何時間行使，惟須符合下列條件：

- i) 凡獲授予購股權並已在本集團服務滿1年的全職僱員，可在授出日期起計首5個週年內每年行使不超過20%獲授予的購股權。
- ii) 凡獲授予購股權但於授出日期時尚未在本集團服務滿1年的全職僱員，可在服務滿1年後，於授出日期起計首5個週年內每年行使不超過20%獲授予的購股權。

所有獲授購股權的僱員均可在任職本集團期間累積其購股權及保留行使權利。

21 股本(續)

d) 認股權證

本公司在1996年透過私人配售方式發行166,000,000份認股權證，每份發行價為1.00港元。認股權證持有人可由1998年1月1日起至1998年6月30日止認購本公司166,000,000股每股面值0.10港元的普通股份，初步認股價為每股6.60港元。於1998年內共有10份認股權證被行使。該等認股權證的行使期已於1998年6月30日屆滿。

22 儲備

本集團

	股份溢價 千美元	其他物業 重估儲備 千美元	滙兌儲備 千美元	資本儲備 千美元	其他儲備 千美元	保留溢利 千美元	合計 千美元
本公司及附屬公司	503,772	1,127	11	—	—	150,754	655,664
共控實體	—	—	(105)	—	—	1,735	1,630
聯營公司	—	—	376	—	—	61,890	62,266
於1998年1月1日	503,772	1,127	282	—	—	214,379	719,560
就過往收購附屬公司 及聯營公司而註銷的 商譽金額作出調整	—	—	—	—	—	16,787	16,787
收購共控實體產生 的資本儲備	—	—	—	107	—	—	107
儲備轉撥	—	—	—	—	196	(196)	—
應佔聯營公司及 共控實體儲備	—	—	372	308	—	—	680
年度保留溢利	—	—	—	—	—	82,162	82,162
於1998年12月31日	503,772	1,127	654	415	196	313,132	819,296
由下列公司保留：							
本公司及附屬公司	503,772	1,127	11	—	196	218,584	723,690
共控實體	—	—	(105)	333	—	4,439	4,667
聯營公司	—	—	748	82	—	90,109	90,939
	503,772	1,127	654	415	196	313,132	819,296

22 儲備(續)

本集團

	股份溢價 千美元	其他物業 重估儲備 千美元	滙兌儲備 千美元	資本儲備 千美元	其他儲備 千美元	保留溢利 千美元	合計 千美元
本公司及附屬公司	503,772	1,127	11	—	196	218,584	723,690
共控實體	—	—	(105)	333	—	4,439	4,667
聯營公司	—	—	748	82	—	90,109	90,939
於1999年1月1日	503,772	1,127	654	415	196	313,132	819,296
根據購股權計劃發行 股份產生的溢價	63	—	—	—	—	—	63
透過私人配售發行新股 產生的溢價(附註21b)	52,735	—	—	—	—	—	52,735
發行股份所需開支	(42)	—	—	—	—	—	(42)
儲備轉撥	—	—	—	—	2,692	(2,692)	—
應佔聯營公司及 共控實體儲備	—	—	48	7	—	—	55
滙兌差額	—	—	(689)	—	—	—	(689)
年度保留溢利	—	—	—	—	—	82,807	82,807
於1999年12月31日	556,528	1,127	13	422	2,888	393,247	954,225
由下列公司保留：							
本公司及附屬公司	556,528	1,127	(17)	—	264	318,171	876,073
共控實體	—	—	(105)	340	785	4,483	5,503
聯營公司	—	—	135	82	1,839	70,593	72,649
	556,528	1,127	13	422	2,888	393,247	954,225

22 儲備(續)

本公司

	股份溢價 千美元	實繳盈餘 千美元	保留溢利 千美元	合計 千美元
於1998年1月1日	503,772	418,570	967	923,309
年度保留溢利	—	—	33,455	33,455
於1998年12月31日	503,772	418,570	34,422	956,764
於1999年1月1日	503,772	418,570	34,422	956,764
根據購股權計劃 發行股份產生的溢價	63	—	—	63
透過私人配售發行 新股產生的溢價(附註21b)	52,735	—	—	52,735
發行股份所需開支	(42)	—	—	(42)
年度保留溢利	—	—	47,740	47,740
於1999年12月31日	556,528	418,570	82,162	1,057,260

本公司於1999年12月31日的可分派儲備為500,732,000美元(1998年：452,992,000美元)。

23 長期負債

	本集團	
	1999 千美元	1998 千美元
貸款		
— 有抵押	132,204	244,725
— 無抵押	407,891	333,373
	540,095	578,098
一年內到期已列入流動負債的欠款	(241,695)	(78,933)
	298,400	499,165

23 長期負債(續)

a) 上述負債分析如下：

	1999 千美元	本集團 1998 千美元
須於五年內全數償還		
銀行貸款	339,875	357,258
其他貸款(附註b)	142,074	147,467
毋須於五年內全數償還		
銀行貸款	55,255	70,000
附屬公司少數股東貸款(附註c)	2,891	3,373
	540,095	578,098

b) 須於五年內全數償還的其他貸款包括根據1998年5月9日訂立的一項協議(「該協議」)向投資者發行的130,000,000美元商業票據(「票據」)。該等票據由一間銀行發出的信用證(「信用證」)支持及由本公司作擔保。每份票據按市場息率計息及定明在不超過270日內到期，而在到期日將被贖回及重新發行，直至信用證到期為止。信用證的到期日定為該協議日期起計兩年後。董事會以此為基準，認為該等票據屬於流動負債。

c) 附屬公司少數股東貸款為無抵押，並須在2005年12月前每年按不同款額分期償還，年息率按中國國家開發銀行依據前一年年底列報的當時市場利率利算。

23 長期負債(續)

d) 長期負債的到期償還日如下：

	本集團	
	1999 千美元	1998 千美元
銀行貸款		
一年內	106,938	73,058
第二年	104,595	121,941
第三至第五年(包括首尾兩年)	177,813	213,204
五年以上	5,784	19,055
	<u>395,130</u>	<u>427,258</u>
附屬公司少數股東貸款		
一年內	482	482
第二年	482	482
第三至第五年(包括首尾兩年)	1,446	1,446
五年以上	481	963
	<u>2,891</u>	<u>3,373</u>
其他貸款		
一年內	134,275	5,393
第二年	4,336	134,275
第三至第五年(包括首尾兩年)	3,463	7,799
	<u>142,074</u>	<u>147,467</u>
	<u>540,095</u>	<u>578,098</u>

24 或然負債

	本集團		本公司	
	1999 千美元	1998 千美元	1999 千美元	1998 千美元
就下列公司的銀行融資 向銀行提供的擔保				
— 附屬公司	—	—	555,986	599,124
— 共控實體	2,518	5,535	—	—
— 接受投資公司	33,158	25,786	33,158	25,786
	<u>35,676</u>	<u>31,321</u>	<u>589,144</u>	<u>624,910</u>

25 資本承擔

	本集團	
	1999 千美元	1998 千美元
已核准但未訂約		
集裝箱	92,507	90,000
電腦系統	—	4,000
	<u>92,507</u>	<u>94,000</u>
已訂約但未撥備		
集裝箱	7,493	—
	<u>7,493</u>	<u>—</u>

截至1999年12月31日，本公司向一家中國附屬公司已承諾而尚未支付的注資額為25,500,000美元(1998年：零)。

於1999年及1998年12月31日，已列於上表有關本集團在合營項目的權益並無資本承擔。

未列於上表有關本集團應佔合營項目的資本承擔如下：

	本集團	
	1999 千美元	1998 千美元
已訂約但未撥備	—	17
已核准但未訂約	—	217
	<u>—</u>	<u>234</u>

26 租賃承擔

本集團須於1999年12月31日其後12個月內支付的營業租約承擔，按租約到期日分析如下：

	本集團	
	1999 千美元	1998 千美元
土地及樓房		
第一年到期	1,478	1,034
第二至第五年到期(包括首尾兩年)	1,009	1,722
	<u>2,487</u>	<u>2,756</u>
廠房及機器		
第一年到期	—	192
第二至第五年到期(包括首尾兩年)	301	116
第五年後到期	116	—
	<u>2,904</u>	<u>3,064</u>

27 遞延稅項

於1999年12月31日，帳目內未有撥備的潛在遞延稅項負債/(資產)金額如下：

	本集團	
	1999 千美元	1998 千美元
加速折舊準備	14,630	7,401
其他時差	—	(183)
稅務虧損	(12,052)	(7,242)
	<u>2,578</u>	<u>(24)</u>

28 綜合現金流量表附註

a) 經營溢利與經營業務所得現金淨額對帳

	1999 千美元	1998 千美元
經營溢利	123,690	126,166
折舊及攤銷	70,551	66,841
上市投資項目股息	(199)	(100)
因集裝箱被遺失獲得賠償帶來的收益	(213)	(232)
出售固定資產所得虧損	370	1,108
出售附屬公司所得虧損	2	—
就接受投資公司撥備	2,845	—
重估投資物業產生的虧絀	232	888
與共控實體結餘淨額的(減少)/增加	(291)	537
在扣除撥備後應收租購帳款的減少	11,427	17,819
存貨減少	12,781	2,398
貿易及其他應收帳款、按金及預付款項的增加	(8,596)	(2,399)
最終控股公司欠款淨額的減少	7,986	38,829
同系附屬公司欠款的(增加)/減少	(13,159)	1,340
有關連公司欠款的減少/(增加)	3,635	(3,988)
貿易及其他應付帳款、應計費用及撥備的減少	(1,077)	(383)
欠直屬控股公司款項的(減少)/增加	(5)	5
欠同系附屬公司款項的增加/(減少)	3,802	(1,130)
欠有關連公司款項的減少	(1,131)	(3,580)
欠附屬公司少數股東款項的增加	401	659
利息收入	(5,068)	(3,117)
匯率變動的影響	(35)	—
經營業務所得現金淨額	<u>207,948</u>	<u>241,661</u>

28 綜合現金流量表附註(續)

b) 本年度融資變動分析

	股本(包括 股份溢價) 千美元	貸款及租購 合約責任 千美元	少數股東 權益 千美元
於1998年1月1日結餘	530,077	599,977	6,897
少數股東權益佔年度溢利	—	—	497
借入貸款	—	300,499	—
償還貸款	—	(266,140)	—
向少數股東派發股息	—	—	(894)
於1998年12月31日結餘	<u>530,077</u>	<u>634,336</u>	<u>6,500</u>
於1999年1月1日結餘	530,077	634,336	6,500
發行股份(扣除開支)	53,884	—	—
少數股東佔年度溢利	—	—	667
借入貸款	—	144,454	—
償還貸款	—	(218,003)	—
向少數股東派發股息	—	—	(291)
於1999年12月31日結餘	<u>583,961</u>	<u>560,787</u>	<u>6,876</u>

c) 出售附屬公司

	1999年 千美元
出售的淨資產：	
固定資產	2,217
出售虧損	(2)
	<u>2,215</u>
所獲代價：	
現金	2,215

於年內出售的附屬公司並無對本集團提供重大的現金流量。

d) 現金及等同現金項目結餘分析

	1999 千美元	1998 千美元
定期存款	233,694	56,727
銀行結餘及現金	18,641	30,887
	<u>252,335</u>	<u>87,614</u>

29 有關連人士交易

除了在帳目中其他章節所披露外，其他重大有關連人士交易概要如下，該等交易均在本集團日常業務中進行：

	1999 千美元	1998 千美元
集裝箱租金收入 (附註a)，來自		
— 最終控股公司	—	149,041
— 同系附屬公司	142,631	—
收取聯營公司管理費 (附註b)	2,581	2,581
收取同系附屬公司的集裝箱碼頭服務費 (附註c)	820	914
處理及儲存費收入 (附註d)，來自		
— 同系附屬公司	7,227	7,282
— 有關連公司	—	1
運輸費淨收入 (附註d)，來自		
— 同系附屬公司	2,487	2,436
— 有關連公司	—	10
因集裝箱被遺失而獲得以下公司賠償 (附註e)		
— 最終控股公司	—	877
— 同系附屬公司	1,615	—
向最終控股公司的某些附屬公司出售存貨所得利潤 (附註f)	196	—
本集團聯營公司向以下公司提供集裝箱碼頭處理服務所得收入 (附註g)		
— 最終控股公司	—	103,916
— 同系附屬公司	78,893	—
向同系附屬公司支付集裝箱運費 (附註h)	(718)	—
檢驗維修費用 (附註i)，付予		
— 最終控股公司	—	(3,000)
— 同系附屬公司	(3,000)	—
向同系附屬公司支付冷藏箱維修費 (附註j)	(2,700)	—
向最終控股公司支付集裝箱處理費 (附註k)	—	(2,861)
回收集裝箱運費 (附註l)，付予		
— 最終控股公司	—	(1,156)
— 同系附屬公司	(2,114)	—
向同系附屬公司按營業租約支付物業租金 (附註m)	(677)	(676)
向以下公司購買集裝箱 (附註n)		
— 最終控股公司的附屬公司	—	(28,974)
— 最終控股公司的聯營公司	(32,462)	(61,685)
— 本集團的共控實體	(14,683)	(9,154)
向同系附屬公司購買電腦軟件及支付電腦維修費和電訊服務費 (附註o)	(264)	(305)
購入共控實體的權益	—	(1,737)

29 有關連人士交易 (續)

附註：

- a) 中國遠洋運輸 (集團) 總公司 (「中遠集團」) 乃本公司的最終控股公司。由於中遠集團進行業務重組，由1999年1月1日起，改由中遠集團在中國成立的全資附屬公司中遠集裝箱運輸有限公司 (「中遠集運」) 向本集團租用集裝箱。

在截至1999年12月31日止的兩個年度內，本集團訂立了新的集裝箱租賃安排，並修訂了舊有集裝箱租賃合約的條款。

本集團在本年度與中遠集運進行的集裝箱租賃交易乃在本公司的日常業務過程中進行，並按10大獨立租箱公司其中3家的平均市場租金值收取租金。

- b) 在本年度內，本集團為聯營公司中遠—國際貨櫃碼頭 (香港) 有限公司 (「中遠—國際貨櫃碼頭」) 提供顧問及管理服務，雙方同意本集團收取管理年費20,000,000港元 (1998年：20,000,000港元)。

- c) 在本年度內，本集團為中遠集運往張家港碼頭的貨物提供處理及儲存服務。本集團收取的服務費乃由中國交通部訂定。

- d) 向同系附屬公司及有關連公司收取的處理費、儲存費及運輸費均按照不遜於向獨立第三者提供的條款訂定收費。

- e) 在本年度內，本集團獲中遠集運支付1,615,000美元 (1998年：獲中遠集團支付877,000美元) 作為遺失營業租約集裝箱的賠償，故錄得收益213,000美元 (1998年：232,000美元)。

- f) 在本年度內，本集團向中遠集團某些附屬公司出售總值474,000美元 (1998年：零) 存貨，獲利196,000美元 (1998年：零)。

- g) 在1998年，中遠—國際貨櫃碼頭為中遠集團運往香港八號貨櫃碼頭 (東) 的貨物提供處理及儲存服務。

如上文附註a所述，中遠集團進行業務重組，故由1999年1月1日起，中遠—國際貨櫃碼頭改向中遠集運提供有關的處理及儲存服務。

中遠—國際貨櫃碼頭收取的服務費，乃根據其分別與中遠集團及中遠集運就截至1999年12月31日止兩個年度訂立的協議條款訂定。

- h) 根據本集團與中遠集運於1999年7月7日訂立的長期租賃協議附錄 (「附錄」)，中遠集運為本集團提供集裝箱搬遷服務，本集團按此支付集裝箱運費717,600美元。

29 有關連人士交易 (續)

附註：

- i) 在1994年，本集團與中遠集團訂立為期5年的集裝箱檢驗維修協議：據此，中遠集團同意為本集團檢驗維修已使用5年的集裝箱，年費3,000,000美元。該項協議已於1998年屆滿。
根據附錄，本集團同意就1999年度向中遠集運支付集裝箱檢驗維修費3,000,000美元。
- j) 根據附錄，本集團同意向中遠集運支付2,700,000美元(1998年：零)作為某些冷藏箱的維修服務費。
- k) 在本年度內，本集團概無向中遠集團或中遠集運支付集裝箱處理費以便運送新集裝箱往指定堆場，而去年度則就有關服務向中遠集團支付2,861,000美元。
- l) 在本年度內，本集團同意就中遠集運(1998年：中遠集團)歸還舊集裝箱往本集團指定堆場供出售，向中遠集運支付2,114,000美元(1998年：向中遠集團支付1,156,000美元)回收集裝箱運輸費。
- m) 本集團與同系附屬公司Wing Thye Holdings Limited，亦即中遠(香港)的附屬公司，訂立租賃協議，向其租用寫字樓，租約由1997年12月4日起計為期3年，月租476,707港元。該租約按正常商業條款及依據專業測量師行的意見後達成。
- n) 向中遠集團的附屬公司與聯營公司及本集團之共控實體購買集裝箱均在本集團的正常業務過程中進行，並按照不遜於獲第三者集裝箱供應商提供的條款訂定收費。
- o) 中遠(香港)的附屬公司中遠資訊科技(香港)有限公司向本集團某些公司提供電腦軟件與電腦維修服務，並提供電訊系統的安裝及租賃服務，均在一般及正常業務過程中進行。

30 重要聯營公司

本集團的兩家重要聯營公司為中遠－國際貨櫃碼頭(香港)有限公司及廖創興銀行有限公司，彼等截至1999年12月31日止兩個年度的經審核財務資料已由本公司董事會作調整以便符合本集團的主要會計政策，現概述如下：

a) 中遠－國際貨櫃碼頭(香港)有限公司

	1999 千美元	1998 千美元
年度業績		
營業額	120,637	122,074
除稅前溢利 (附註)	66,151	63,393
稅項	(7,524)	(7,421)
除稅後溢利	58,627	55,972
本集團應佔的除稅前溢利 (附註)	33,075	31,697
於12月31日的淨資產 (附註)		
固定資產	364,744	379,524
流動資產	35,060	51,434
流動負債	(24,200)	(77,276)
長期負債	(231,511)	(142,737)
遞延稅項	(2,543)	(5,133)
	141,550	205,812

附註：

為符合本集團的主要會計政策，已就中遠－國際貨櫃碼頭(香港)有限公司截至1999年12月31日止年度帳目的遞延借貸成本作出調整註銷。因此，本集團應佔聯營公司截至1999年12月31日止年度的除稅前溢利及淨資產均減少968,000美元。

30 重要聯營公司(續)

b) 廖創興銀行有限公司

	1999 千美元	1998 千美元
年度業績		
淨利息收入	103,682	112,771
除稅前溢利 (附註)	55,930	52,898
稅項	(9,494)	(7,982)
除稅後溢利	46,436	44,916
本集團應佔的除稅前溢利 (附註)	11,186	10,579
資產		
庫存現金及短期資金	1,294,305	1,427,175
貸款及其他帳項	2,541,399	2,380,869
有形固定資產及其他資產 (附註)	820,583	370,248
	4,656,287	4,178,292
負債		
客戶存款	3,643,445	3,163,471
存款證與同業及財務機構存款	174,637	207,920
其他負債	95,073	99,645
	3,913,155	3,471,036
於12月31日的淨資產	743,132	707,256

附註：

為符合本集團的主要會計政策，已就廖創興銀行有限公司截至1999年12月31日止年度帳目內的有形固定資產及證券投資作出調整。因此，本集團應佔廖創興銀行有限公司截至1999年12月31日止年度的除稅前溢利及淨資產分別增加108,000美元及9,977,000美元。

類似調整亦已在廖創興銀行有限公司截至1998年12月31日止年度帳目內的有形固定資產作出，以便符合本集團的主要會計政策。因此，本集團應佔廖創興銀行有限公司截至1998年12月31日止年度的除稅前溢利及淨資產分別增加218,000美元及9,881,000美元。

31 最終控股公司

董事會認為最終控股公司是中國遠洋運輸(集團)總公司(在中國成立的國有企業)。

32 帳目核准

本帳目已於2000年3月28日由董事會核准。

五年財務概要

股東週年大會通告

	1999 千美元	1998 千美元	1997 千美元	1996 千美元	1995 千美元
截至12月31日止年度					
營業額	220,638	217,130	183,526	144,588	124,084
經營溢利扣除財務費用	83,384	80,797	85,522	45,192	44,517
應佔下列公司溢利減虧損					
— 聯營公司	54,871	50,639	41,592	31,210	2,418
— 共控實體	4,106	4,254	2,593	(40)	—
除稅前溢利	142,361	135,690	129,707	76,362	46,935
稅項	(7,612)	(5,896)	(6,264)	(661)	(575)
除稅後溢利	134,749	129,794	123,443	75,701	46,360
少數股東權益	(667)	(497)	(698)	—	—
股東應佔溢利	134,082	129,297	122,745	75,701	46,360
股息	51,275	47,135	45,066	36,897	25,634
每股基本盈利 (美仙)	6.36	6.30	6.08	4.38	4.21
每股股息 (美仙)	2.344	2.298	2.123	1.923	1.826
於12月31日					
總資產	1,642,051	1,559,876	1,444,045	959,147	665,966
總負債	(660,393)	(714,275)	(698,180)	(372,365)	(327,912)
淨資產	981,658	845,601	745,865	586,782	338,054

附註：

- 1) 本集團截至1999年12月31日止兩個年度的綜合業績、資產及負債摘錄自本年報第50頁及第51頁所載的本集團經審核帳目。
- 2) 本公司於1994年7月25日根據1981年百慕達公司法(經修訂)在百慕達註冊成立。

茲通告本公司謹訂於2000年5月25日(星期四)下午2時30分假座香港皇后大道中183號中遠大廈49樓舉行股東週年大會，以便處理下列事項：

- 一、 省覽及考慮截至1999年12月31日止年度之財務報告與董事會及核數師報告。
- 二、 宣佈派發截至1999年12月31日止年度末期股息。
- 三、 重選退任董事及釐定董事酬金。
- 四、 續聘核數師及授權董事會釐定其酬金。
- 五、 作為特別事項，考慮並酌情通過(不論有否作出修訂)下列決議案為本公司普通決議案：

普通決議案

A. 「動議：

- a) 在下文b)段之規限下，一般及無附帶條件批准本公司董事會於有關期間(定義見下文)內行使本公司所有權力，在香港聯合交易所有限公司(「聯交所」)或本公司之股份可上市並經由證券及期貨事務監察委員會及聯交所就此而認可之任何其他證券交易所，遵循及按照所有適用之法例及不時修訂之聯交所證券上市規則或任何其他證券交易所之規定，購回本公司之股份；
- b) 根據上文a)段之批准，本公司獲授權可購回本公司股份之數額將不得超過本決議案獲通過當日本公司已發行股份面值總額之10%，而上述批准亦須受此數額限制；及
- c) 就本決議案而言，「有關期間」乃指通過本決議案之日起至下列任何較早之日期止之期間：
 - i) 本公司下屆股東週年大會結束時；
 - ii) 本公司之公司細則或適用之法例規定本公司須舉行下屆股東週年大會期限屆滿之日；及
 - iii) 本公司之股東於股東大會上通過普通決議案撤銷或修訂本決議案所述之授權之日。」

B. 「動議：

- a) 在下文c)段之規限下，一般及無附帶條件批准本公司董事會於有關期間(定義見下文)內行使本公司所有權力以配發、發行及處理本公司股本中之額外股份，並作出或授予需要或可能需要行使此項權力之售股建議、協議及購股權(包括可轉換本公司股份之票據、認股權證及債券)；
- b) 根據上文a)段之批准，本公司董事會獲授權可於有關期間(定義見下文)內作出或授出需要或可能需要於有關期間結束後行使該等權力之售股建議、協議及購股權(包括可轉換本公司股份之票據、認股權證及債券)；

- c) 本公司董事會根據上文a)段之批准而配發或同意有附帶條件或無附帶條件配發(不論根據購股權或以其他方式)之股本面值總額(但不包括i)配售新股(定義見下文)；ii)依據本公司之不時公司細則就以股代息計劃發行之股份；或iii)依據任何經已採納以向本公司及/或其任何附屬公司之僱員授予或發行本公司股份或購買本公司股份之權利之購股權計劃或類似安排而發行之股份)，不得超過本決議案獲通過當日本公司已發行股本面值總額之20%，而上述批准亦須受此數額限制；及
- d) 就本決議案而言，「有關期間」乃指通過本決議案之日起至下列任何較早之日期為止之期間：
- i) 本公司下屆股東週年大會結束時；
 - ii) 本公司之公司細則或適用之法例規定本公司須舉行下屆股東週年大會期限屆滿之日；及
 - iii) 本公司之股東於股東大會上通過普通決議案撤銷或修訂本決議案所述之授權之日。

「配售新股」乃指本公司董事會於指定期間內根據於某一指定記錄日期名列股東名冊之股東按彼等於當日之持股比例配售股份(惟本公司董事會有權就零碎股權或適用於本公司之香港以外任何地區之法律限制或責任或該地區任何認可管制機構或任何證券交易所之規定，作出其認為必要或權宜之豁免或其他安排)。

- C. 「動議待本大會通告第5A及第5B項普通決議案獲通過後，藉加入相當於本公司根據第5A項普通決議案授予之權力購回之本公司股本中之股份面值總額之數額，以擴大董事會根據召開本大會之通告所載5B項普通決議案之權力配發及處理額外股份之一般授權；惟該等購回股份數額不得超過上述議案獲通過當日本公司已發行股本面值總額10%。」

六、 處理任何其他事項。

承董事會命
秘書
李業華

香港，2000年3月28日

主要營業地點：
香港
皇后大道中183號
中遠大廈49樓

附註：

- 一、 凡有權出席此次大會並可於會上投票之本公司股東，均有權委派一名或多名代表出席並代其投票。獲委代表毋須為本公司之股東。
- 二、 代表委任表格連同簽署人之授權書或其他授權文件(如有)或經公證人簽署證明之授權書或授權文件副本，須於大會指定舉行時間48小時前送達本公司之主要營業地點，地址為香港皇后大道中183號中遠大廈49樓，方為有效。
- 三、 本公司將於2000年5月19日(星期五)至2000年5月25日(星期四)，包括首尾兩天在內，暫停辦理股份之過戶登記手續。為確保享有末期股息之權利，所有填妥之股份過戶文件連同有關股票，最遲須於2000年5月18日(星期四)下午4時前送達本公司之香港股份過戶登記處秘書商業服務有限公司，地址為香港干諾道中111號永安中心5樓辦理登記手續。
- 四、 根據香港聯合交易所有限公司上市規則規定，就上述第5A項之決議案建議購回授權而刊發之說明文件，將連同本公司1999年年報一併寄發予股東。

分析員聯絡資料

證券公司	分析員	電話	傳真
荷銀證券亞洲有限公司	林承異小姐	(852)2868 0368	(852)2810 4932
法國國家巴黎百富勤證券有限公司	黃健邦先生	(852)2825 1888	(852)2845 2232
時富證券有限公司	李玉冰小姐	(852)2287 8888	(852)2169 0582
京華山一國際(香港)有限公司	羅功恆先生	(852)2826 0700	(852)2536 9916
里昂證券有限公司	歐文先生	(852)2810 9338	(852)2501 0903
瑞士信貸第一波士頓(香港)有限公司	陸運剛先生	(852)2101 6393	(852)2101 7708
道亨證券有限公司	張光順先生	(852)2218 2828	(852)2285 3160
發展證券香港有限公司	鄭子傑先生	(852)2526 2002	(852)2868 3392
德意志證券亞洲有限公司	周淑敏小姐	(852)2203 8888	(852)2203 6921
帝傑集團亞太區	李慧小姐	(852)2501 3800	(852)2501 3774
吳玉欽證券(香港)有限公司	馮志慧先生	(852)2868 0380	(852)2537 1547
高盛(新加坡)私人公司	莫易君先生	(65)228 8466	(65)228 8474
匯豐證券亞洲有限公司	鄭碧海先生	(852)2843 9111	(852)2526 7484
工商東亞證券有限公司	朱君博先生	(852)2115 8888	(852)2115 8613
東方惠嘉證券有限公司	蘇國堅先生	(852)2820 7373	(852)2524 0119
霸菱證券(香港)有限公司	盧元堅先生	(852)2818 8488	(852)2810 6127
君安證券(香港)有限公司	梁志安先生	(852)2509 9118	(852)2509 0030
怡富	謝丹瀚先生	(852)2843 8888	(852)2810 8511
凱基證券亞洲有限公司	鄭志豪先生	(852)2878 6888	(852)2878 6790
金英證券(香港)有限公司	羅偉業先生	(852)2810 7755	(852)2877 0104
佳信證券(亞洲)有限公司	黃建文先生	(852)2521 5331	(852)2521 7862
美國雷曼兄弟亞洲投資有限公司	杜希諾先生	(852)2869 3000	(852)2869 3133
萬勝證券(遠東)有限公司	呂卓恒先生	(852)2843 1431	(852)2537 8158
美林集團亞太區	王國華先生	(852)2536 3888	(852)2536 3977
摩根士丹利亞洲有限公司	尤勁峰先生	(852)2848 5200	(852)2537 1701
野村國際(香港)有限公司	張力先生	(852)2536 1111	(852)2536 1820
美國培基證券有限公司	程浩明先生	(852)2822 6888	(852)2822 6916

證券公司	分析員	電話	傳真
所羅門美邦	柴履時先生	(852)2501 2756	(852)2521 5350
沙宣證券公司	麥偉姬小姐	(852)2843 2100	(852)2810 0300
法國興業證券(香港)有限公司	劉志成先生	(852)2166 4988	(852)2166 4662
南華資料研究有限公司	劉沛文先生	(852)2820 6333	(852)2845 5868
新鴻基資料研究有限公司	蕭錦榮先生	(852)2106 8261	(852)2106 8200
大福資料研究有限公司	譚浩權先生	(852)2848 4333	(852)2869 7737
唯高達香港有限公司	何建德先生	(852)2863 8933	(852)2521 1812
華寶德威	祝振駒先生	(852)2971 8888	(852)2971 8542
和昇國際有限公司	李啟宇先生	(852)2867 7288	(852)2845 1655

公司資料

董事會

執行董事

陳忠表先生(主席)
董玖丰先生(副主席)
施勤先生(董事總經理)
楊斌先生
陸治明先生
李建紅先生
許立榮先生
鄺志強先生
黃天祐先生
魯成鋼先生
秦富炎先生

非執行董事

李國寶博士
廖烈文先生
韓武敦先生
李業華先生

公司秘書

李業華先生

審核委員會

韓武敦先生(委員會主席)
李國寶博士
李業華先生

註冊地點

百慕達

註冊辦事處

Clarendon House
Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港
皇后大道中183號
中遠大廈49樓

核數師

羅兵咸永道會計師事務所
香港執業會計師
香港
太子大廈22樓

法律顧問

夏禮文律師行
胡關李羅律師行
史密夫律師行
Conyers, Dill & Pearman

主要往來銀行

中國銀行香港分行
香港上海滙豐銀行有限公司
巴克萊銀行
美國美洲銀行
ING Lease (Asia Pacific) Pte. Ltd.
法國興業銀行香港分行

股份過戶登記總處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM11
Bermuda

香港股份過戶登記處
秘書商業服務有限公司
香港
干諾道中111號
永安中心5樓

上市資料

香港聯合交易所有限公司
普通股(聯交所編號: 1199)