





Modern Terminals

For 2008, Modern Terminals group's consolidated revenue grew by 7% to HK\$3,446 million with a 3% increase in its Hong Kong throughput.



Balance Sheet (Extract)

As at 31 December 2008

	HK\$ Million
Fixed assets	13,448
Interest in associates/jointly controlled entities	4,208
Goodwill	297
Net current liabilities	(1,009)
Other non-current liabilities	(616)
Net business assets (before debt)*	16,328

* Modern Terminals has net debt of HK\$10,556 million, which is non-recourse to the Company and other subsidiaries of the Group

South China saw positive growth in container throughput for the first three quarters of 2008. A net growth of 3% was recorded in 2008 as a whole, despite the impact of the global economic slowdown in the last quarter with a year-on-year drop of 7%. Shenzhen's and Hong Kong's market shares remained at about 55% and 45% respectively.

For 2008, Modern Terminals group's consolidated revenue grew by 7% to HK\$3,446 million while operating profit slid by 10% to HK\$1,651 million. The lower operating profit was mainly due to increase in depreciation charges and initial loss on operations of Da Chan Bay Terminal One.

Modern Terminals' throughput in Hong Kong grew by 3% to 5.9 million TEUs and maintained a market share of 33.3% in Kwai Tsing during 2008, on the back of an increase in Intra-Asia services and South America services being partially offset by the decline in Europe and Middle East volume. In Shenzhen, Chiwan Container Terminal, in which Modern Terminals holds an 8% attributable stake, handled 3.9 million TEUs and Shekou Container Terminals, in which Modern Terminals holds a 27% stake, handled 4.1 million TEUs, a 24% increase from a year earlier. Such 27% stake was diluted from 30% upon the completion of Stage two of a rationalisation agreement in 2008 and will be eventually diluted to 20% with the completion of all stages of rationalisation.

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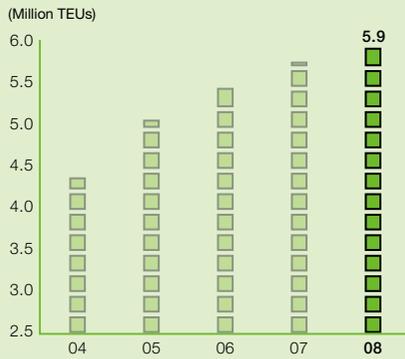


Da Chan Bay Terminal One commenced commercial operation in July 2008



Taicang International Gateway expanded from four to six container berths in 2008

Throughput (HK)



Taicang International Gateway (51%- and 70%-owned in Phases I & II respectively) expanded from four to six container berths with a capacity of 3.6 million TEUs. Throughput in 2008 was maintained at about one million TEUs.

Da Chan Bay Terminal One ("DCB") in Shenzhen (65%-owned) commenced commercial operation in July 2008 when the Customs office was finally commissioned, after diligent efforts with Central and Provincial Government. With its berths coming on stream in stages, DCB has since been building up its business steadily, achieving a throughput close to 90,000 TEUs in its initial year of operations.

Despite the global economic crisis, Modern Terminals' strong foothold and positioning in the two largest manufacturing regions (Pearl River Delta and Yangtze River Delta) in China through its Hong Kong business, its investments in Chiwan Container Terminal and Shekou Container Terminals (both in Shenzhen), and new terminal projects in Taicang (Suzhou) and Dachan Bay (Shenzhen) will help the company ride over the forthcoming difficulties in the medium term, given that Greater China should remain the trade growth engine for the world.

Market Share (HK)



Several strategic framework agreements have been signed including the ones with Dalian Port (PDA) Co. Ltd and the Dalian Municipal Government (Liaoning), and Zhoushan Port Authority (Zhejiang). These, together with possible further expansion at the existing terminals in Taicang and Dachan Bay, will affirm Modern Terminals' strong positioning in Greater China.