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The proactive and aggressive cost saving initiatives rolled out in 2009, effectively reduced the consolidated operating costs by 22%, with the consolidated operating profit held up at HK\$1,307 million.

Statement of Financial Position (Extract)

As at 31 December 2009

Business Assets	HK\$ Million
Fixed assets	13,898
Interest in associates/jointly controlled entities	4,063
Goodwill	297
Other assets	478
Total business assets	18,736



MODERN
REVENUES

Modern Terminals

Modern Terminals has an established presence in Pearl River Delta and Yangtze River Delta, the two largest manufacturing regions in China.

Total Business Assets

HK\$ **18,736** million

A world-wide plunge in trade flows resulted from the global financial crisis took its toll on the throughput and revenue at Modern Terminals in 2009.

Despite some signs of stabilisation towards the end of the year, the throughput at Southern China and Shenzhen (including Nansha) as a whole dropped by 14% and 13% respectively in 2009. Kwai Tsing's throughput likewise witnessed a 14.5% decline. The Shenzhen and Hong Kong's market shares remained at about 55% and 45% respectively.

For 2009, Modern Terminals consolidated revenue was HK\$2,840 million (2008: HK\$3,446 million). Thanks to the proactive and aggressive cost saving

initiatives rolled out at the beginning of 2009, which effectively reduced the consolidated operating costs by 22%, the consolidated operating profit was held up at HK\$1,307 million (2008: HK\$1,608 million). Favourable finance costs coupled with the cost saving initiatives further mitigated Modern Terminals' bottom line and narrowed the rate of net profit decrease to 4% from a year earlier.

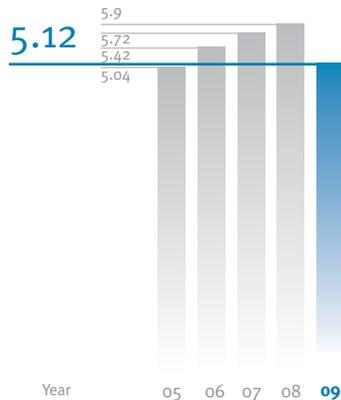
Modern Terminals' throughput in Hong Kong dropped by 13.3% to 5.12 million TEUs amidst the global-wide collapse in trade demand. Taicang International Gateway in Suzhou, comprising 6 berths with a capacity of 3.6 million TEUs, however, grew by 4% in terms

Modern Terminals is the first container terminal operator in Hong Kong, established more than 30 years ago.





Throughput (HK) (Million TEUs)

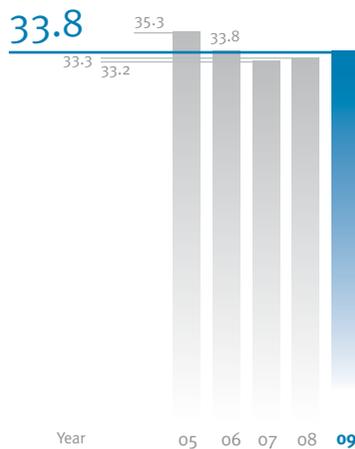


of container volume in 2009, coupled with a significant growth in breakbulk cargo alongside a revival in intra-Asia trade since the middle of 2009. Da Chan Bay Terminal One in Shenzhen, notwithstanding the difficult market climate, has successfully added eight new services throughout the year and now provides a full and comprehensive range of service routes to meet different customer needs. Chiwan Container Terminal, in which Modern Terminals holds an 8% attributable stake, handled 3.0 million TEUs and Shekou Container Terminals, in which Modern Terminals holds a 25% stake, handled 3.3 million

TEUs. Such 25% stake was diluted from 27% upon the completion of Stage three of the rationalisation agreement in March 2009 and will eventually be diluted to 20% with the completion of all stages of rationalisation.

Modern Terminals has an established presence in Pearl River Delta and Yangtze River Delta, the two largest manufacturing regions in China. The group will continue to seek business expansion opportunities, in line with China's "Master Plan" for port development.

Market Share (HK) (%)



Modern Terminals is one of the world's most efficient operators by productivity.