



COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 1199)

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2007

This announcement is made by the Company on a voluntary basis to enhance the standard of corporate governance and promote the transparency of the Company. The Company currently intends to continue to publish the quarterly financial and operational highlights in the future.

The financial data for the nine months ended 30th September 2007 is based on the internal records and management accounts of the Group and are unaudited. Accordingly, figures contained in this announcement should in no way be regarded as any assurance on the financial results of the Group for the nine months ended 30th September 2007.

The Company's shareholders and potential investors are urged to exercise caution in dealing in the shares of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

The board of directors of COSCO Pacific Limited (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the nine months ended 30th September 2007.

Unaudited Condensed Consolidated Income Statement

	Three months ended		Nine months ended	
	30th September		30th September	
	2007	2006	2007	2006
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	75,996	62,884	223,327	232,071
Cost of sales	(35,844)	(31,643)	(116,100)	(106,984)
Gross profit	40,152	31,241	107,227	125,087
Other operating income/(expenses), net	2,579	(472)	24,994	31,538
Profit on disposal of containers	-	-	6,034	84,454
Administrative expenses	(9,692)	(10,410)	(40,406)	(26,430)

Initial recognition of put options granted in connection with share reform of an associate	-	-	-	(140,064)
Fair value gain on put options granted	27,612	14,415	38,241	90,192
	<u>27,612</u>	<u>14,415</u>	<u>38,241</u>	<u>(49,872)</u>
Operating profit	60,651	34,774	136,090	164,777
Finance income	2,423	5,680	6,924	8,996
Finance costs	(13,286)	(8,995)	(32,262)	(35,237)
	<u>60,651</u>	<u>34,774</u>	<u>136,090</u>	<u>164,777</u>
Operating profit after finance income and costs	49,788	31,459	110,752	138,536
Share of profits less losses of				
- jointly controlled entities	25,873	24,330	70,208	65,228
- associates	20,871	26,126	69,330	66,627
	<u>46,744</u>	<u>50,456</u>	<u>139,538</u>	<u>131,855</u>
Profit before income tax	96,532	81,915	250,290	270,391
Income tax (expenses)/credit	(1,063)	1,570	(3,473)	(48,883)
	<u>95,469</u>	<u>83,485</u>	<u>246,817</u>	<u>221,508</u>
Profit for the period	<u>95,469</u>	<u>83,485</u>	<u>246,817</u>	<u>221,508</u>
Profit attributable to:				
Equity holders of the Company	93,995	82,631	242,512	219,035
Minority interests	1,474	854	4,305	2,473
	<u>95,469</u>	<u>83,485</u>	<u>246,817</u>	<u>221,508</u>
Earnings per share for profit attributable to the equity holders of the Company				
- basic	US4.19 cents	US3.72 cents	US10.83 cents	US9.90 cents
- diluted	US4.17 cents	US3.70 cents	US10.77 cents	US9.85 cents
	<u>US4.19 cents</u>	<u>US3.72 cents</u>	<u>US10.83 cents</u>	<u>US9.90 cents</u>
	<u>US4.17 cents</u>	<u>US3.70 cents</u>	<u>US10.77 cents</u>	<u>US9.85 cents</u>

* Basic earnings per share are calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue during the three months ended 30th September 2007 of 2,241,560,341 (Three months ended 30th September 2006: 2,219,484,189) and the nine months ended 30th September 2007 of 2,238,848,459 (Nine months ended 30th September 2006: 2,211,921,609).

Diluted earnings per share are calculated based on the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the three months ended 30th September 2007 of 2,254,007,942 (Three months ended 30th September 2006: 2,231,756,045) and the nine months ended 30th September 2007 of 2,250,784,479 (Nine months ended 30th September 2006: 2,224,103,923), after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no consideration as if all outstanding share options granted by the Company had been exercised.

Unaudited Condensed Consolidated Balance Sheet As at 30th September 2007

	As at 30th September 2007 US\$'000	As at 31st December 2006 US\$'000
Non-current assets		
Property, plant & equipment	1,516,959	1,108,852
Investment properties	1,540	1,540
Leasehold land and land use rights	37,364	34,401
Intangible assets	3,511	3,839
Jointly controlled entities	566,238	476,764
Associates	497,209	619,590
Available-for-sale financial assets	501,000	376,589
Financial lease receivables	2,093	2,989
Deferred income tax assets	609	162
Restricted bank deposits	151	158
	3,126,674	2,624,884
Current assets		
Inventories	2,528	3,553
Trade and other receivables	205,246	133,629
Asset held for sale	178,948	-
Available-for-sale financial assets	17,973	-
Derivative financial assets	22	579
Bank balances and cash	305,007	224,510
	709,724	362,271

Current liabilities		
Trade and other payables	243,938	172,728
Derivative financial liabilities	16,940	55,181
Current income tax liabilities	9,032	7,676
Current portion of long term borrowings	177,426	2,421
Short term bank loans	10,028	10,245
	<u>457,364</u>	<u>248,251</u>
Net current assets	<u>252,360</u>	<u>114,020</u>
Total assets less current liabilities	<u>3,379,034</u>	<u>2,738,904</u>
Non-current liabilities		
Derivative financial liabilities	2,217	4,362
Deferred income tax liabilities	1,077	2,202
Long term borrowings	842,923	518,932
Other long term liability	4,091	5,207
	<u>850,308</u>	<u>530,703</u>
Net assets	<u>2,528,726</u>	<u>2,208,201</u>
Capital and reserves attributable to the equity holders of the Company		
Share capital	28,770	28,583
Reserves	2,461,789	2,051,627
Proposed final dividend	-	92,424
	<u>2,490,559</u>	<u>2,172,634</u>
Minority interests	<u>38,167</u>	<u>35,567</u>
Total equity	<u>2,528,726</u>	<u>2,208,201</u>

* The accounting policies adopted in preparing the financial data for the nine months ended 30th September 2007 are consistent with those used in the 2006 annual consolidated financial statements of the Group for the year ended 31st December 2006.

The financial data for the nine months ended 30th September 2007 is based on the internal records and management accounts of the Group and are unaudited.

Operational highlights

In the three months ended 30th September 2007, total container throughput handled by the Group's container terminal companies achieved 10,405,463 TEUs, an increase of 17.1% when compared with the corresponding period last year. For the nine months ended 30th September 2007, total container throughput amounted to 28,822,893 TEUs, an increase of 20.7% when compared with the corresponding period last year.

In the three months ended 30th September 2007, throughput of the container terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and the southeast coastal region, and overseas were 4,364,791 TEUs, 2,187,063 TEUs, 3,427,591 TEUs and 426,018 TEUs respectively, representing an increase of 19.5%, 10.0%, 17.7% and 28.9% respectively over the corresponding period last year. For the nine months ended 30th September 2007, throughput of container terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and southeast coastal region, and overseas were 12,545,816 TEUs, 6,068,624 TEUs, 9,015,845 TEUs and 1,192,608 TEUs respectively, representing an increase of 28.2%, 5.0%, 20.9% and 39.1% respectively over the corresponding period last year.

For the nine months ended 30th September 2007, throughput of the Group's container terminals were set out below :-

	Three months ended 30th September			Nine months ended 30th September		
	2007	2006	Changes	2007	2006	Changes
	(TEUs)	(TEUs)		(TEUs)	(TEUs)	
Bohai Rim	4,364,791	3,652,674	+19.5%	12,545,816	9,788,657	+28.2%
Qingdao Qianwan Container Terminal Co., Ltd.	2,077,061	1,792,000	+15.9%	6,103,738	4,947,907	+23.4%
Qingdao Cosport International Container Terminals Co., Ltd.	259,172	199,137	+30.1%	751,754	599,519	+25.4%
Dalian Port Container Co., Ltd.	981,718	828,207	+18.5%	2,731,085	2,147,893	+27.2%
Dalian Port Container Terminal Co., Ltd.	222,812	104,915	+112.4%	637,022	239,759	+165.7%
Tianjin Five Continents International Container Terminal Co., Ltd.	533,652	511,329	+4.4%	1,486,325	1,248,700	+19.0%
Yingkou Container Terminals Company Limited	290,376	217,086	+33.8%	835,892	604,879	+38.2%
Yangtze River Delta	2,187,063	1,987,409	+10.0%	6,068,624	5,777,434	+5.0%
Shanghai Container Terminals Limited	878,439	933,116	-5.9%	2,496,776	2,874,833	-13.2%
Shanghai Pudong International Container Terminals Limited	697,694	698,398	-0.1%	2,054,867	1,940,912	+5.9%
Ningbo Yuan Dong Terminals Limited	143,450	-	N/A	183,346	-	N/A
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	145,155	117,547	+23.5%	445,544	335,390	+32.8%
Yangzhou Yuanyang International Ports Co., Ltd.	64,158	65,596	-2.2%	203,029	173,158	+17.3%
Nanjing Port Longtan Container Co., Ltd.	258,167	172,752	+49.4%	685,062	453,141	+51.2%
Pearl River Delta and southeast coastal region	3,427,591	2,911,792	+17.7%	9,015,845	7,458,927	+20.9%
COSCO-HIT Terminals (Hong Kong) Limited	484,717	431,559	+12.3%	1,391,306	1,255,052	+10.9%
Yantian International Container Terminals Ltd. (Phases I, II, III)	2,545,883	2,418,875	+5.3%	6,710,819	6,142,517	+9.3%
Guangzhou South China Oceangate Container Terminal Company Limited	151,196	-	N/A	282,874	-	N/A
Quanzhou Pacific Container Terminal Co., Ltd.	245,795	61,358	+300.6%	630,846	61,358	+928.1%
Overseas	426,018	330,619	+28.9%	1,192,608	857,351	+39.1%
COSCO-PSA Terminal Private Limited	215,470	157,069	+37.2%	615,587	441,819	+39.3%
Antwerp Gateway NV	210,548	173,550	+21.3%	577,021	415,532	+38.9%
Total throughput	10,405,463	8,882,494	+17.1%	28,822,893	23,882,369	+20.7%
Total throughput of terminals in Mainland China	9,494,728	8,120,316	+16.9%	26,238,979	21,769,966	+20.5%

Remarks: Ningbo Yuan Dong Terminals Limited and Guangzhou South China Oceangate Container Terminal Company Limited commenced operation in March 2007 respectively.

As at 30th September 2007, the Group owned and managed a container fleet of 1,493,662 TEUs, representing an increase of 22.3% over the corresponding period last year. The overall average utilisation rate in the three months ended 30th September 2007 was 94.9% (Three months ended 30th September 2006 : 96.8%), whereas the average for the nine months ended 30th September 2007 was 94.7% (Nine months ended 30th September 2006 : 96.2%).

As at 30th September 2007, the breakdown of the fleet capacity was as follows :-

		As at 30th September 2007	As at 30th September 2006	Changes
COSCO Container Lines Company Limited	TEUs %	525,258 35.2%	461,401 37.8%	+13.8% -2.6pp
International customers	TEUs %	315,638 21.1%	127,465 10.4%	+147.6% +10.7pp
Management containers	TEUs %	652,766 43.7%	632,538 51.8%	+3.2% -8.1pp
Total fleet capacity	TEUs	1,493,662	1,221,404	+22.3%

For the nine months ended 30th September 2007, operations of each business segment of COSCO Logistics Co., Ltd. were set out below :-

	Three months ended 30th September			Nine months ended 30th September		
	2007	2006	Changes	2007	2006	Changes
Third party logistics						
Product logistics						
Home appliance (pieces in thousand)	13,773	9,317	+47.8%	31,507	22,934	+37.4%
Automobile (units)	24,434	92,367	-73.5%	222,425	294,320	-24.4%
Chemical (tonnes)	759,077	206,434	+267.7%	2,098,909	500,371	+319.5%
Project logistics (RMB in million)	198	142	+39.4%	626	464	+34.9%
Shipping agency (voyages)	34,527	32,053	+7.7%	98,024	94,561	+3.7%
Freight forwarding						
Sea freight forwarding						
Bulk cargoes (tonnes)	35,098,908	31,799,933	+10.4%	105,860,975	96,130,781	+10.1%
Container cargoes (TEUs)	576,027	522,608	+10.2%	1,615,480	1,427,709	+13.2%
Air freight forwarding (tonnes)	31,223	28,568	+9.3%	81,467	73,708	+10.5%

Caution Statement

The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Accordingly, figures contained in this announcement should in no way be regarded as any assurance on the financial results of the Group for the period ended 30th September 2007.

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By Order of the Board
COSCO Pacific Limited
XU Minjie
Vice Chairman & Managing Director

Hong Kong, 29th October 2007

As at date of this announcement, the Board of Directors of the Company are Dr. WEI Jiafu² (Chairman), Mr. CHEN Hongsheng¹, Mr. LI Jianhong¹, Mr. XU Lirong², Ms. SUN Yueying¹, Mr. XU Minjie¹ (Vice Chairman & Managing Director), Dr. SUN Jiakang², Dr. WONG Tin Yau, Kelvin¹, Mr. WANG Zhi¹, Mr. QIN Fuyan¹, Dr. LI Kwok Po, David³, Mr. LIU Lit Man³, Mr. CHOW Kwong Fai, Edward³ and Mr. Timothy George FRESHWATER³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director