



# COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

## FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THREE MONTHS ENDED 31ST MARCH 2008

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

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 three months ended 31st March 2008.

### Unaudited Condensed Consolidated Balance Sheet

As at 31st March 2008

|                                     | As at<br>31st March<br>2008<br>US\$'000 | As at<br>31st December<br>2007<br>US\$'000 |
|-------------------------------------|---|--|
| <b>ASSETS</b>                       |   |  |
| <b>Non-current assets</b>           |   |  |
| Property, plant and equipment       | 1,657,398                               | 1,474,264                                  |
| Investment properties               | 1,676                                   | 1,676                                      |
| Leasehold land and land use rights  | 44,575                                  | 43,654                                     |
| Intangible assets                   | 3,392                                   | 3,506                                      |
| Jointly controlled entities         | 795,768                                 | 752,503                                    |
| Associates                          | 776,079                                 | 480,151                                    |
| Available-for-sale financial assets | 503,000                                 | 503,000                                    |
| Finance lease receivables           | 2,309                                   | 2,315                                      |
| Deferred income tax assets          | 1,250                                   | 1,271                                      |
| Derivative financial instruments    | 13,464                                  | 4,641                                      |
| Restricted bank deposits            | 521                                     | 506  |
|                                     | 3,799,432                               | 3,267,487                                  |
| <b>Current assets</b>               |   |  |
| Inventories                         | 9,617                                   | 10,105                                     |
| Trade and other receivables         | 227,814                                 | 193,496                                    |

|   |                  |           |
|---|------------------|-----------|
| Available-for-sale financial assets   | <b>8,768</b>     | 13,620    |
| Cash and cash equivalents   | <b>134,687</b>   | 386,867   |
|   | <b>380,886</b>   | 604,088   |
| <b>Total assets</b>   | <b>4,180,318</b> | 3,871,575 |
| <b>EQUITY</b>   |                  |           |
| <b>Capital and reserves attributable to the equity holders of the Company</b> |                  |           |
| Share capital   | <b>28,792</b>    | 28,790    |
| Reserves  | <b>2,654,076</b> | 2,543,971 |
| Proposed 2007 final and special dividends                                     | <b>139,632</b>   | 139,632   |
|   | <b>2,822,500</b> | 2,712,393 |
| <b>Minority interests</b>   | <b>66,663</b>    | 62,266    |
| <b>Total equity</b>   | <b>2,889,163</b> | 2,774,659 |
| <b>LIABILITIES</b>  |                  |           |
| <b>Non-current liabilities</b>  |                  |           |
| Deferred income tax liabilities   | <b>10,419</b>    | 8,620     |
| Long term borrowings  | <b>900,519</b>   | 874,435   |
| Other long term liabilities   | <b>4,623</b>     | 5,189     |
|   | <b>915,561</b>   | 888,244   |
| <b>Current liabilities</b>  |                  |           |
| Trade and other payables  | <b>276,459</b>   | 153,739   |
| Current income tax liabilities  | <b>15,160</b>    | 15,334    |
| Current portion of long term borrowings                                       | <b>26,332</b>    | 25,904    |
| Short term bank loans   | <b>57,643</b>    | 13,695    |
|   | <b>375,594</b>   | 208,672   |
| <b>Total liabilities</b>  | <b>1,291,155</b> | 1,096,916 |
| <b>Total equity and liabilities</b>   | <b>4,180,318</b> | 3,871,575 |
| <b>Net current assets</b>   | <b>5,292</b>     | 395,416   |
| <b>Total assets less current liabilities</b>                                  | <b>3,804,724</b> | 3,662,903 |

\* The accounting policies adopted in preparing the financial data for the three months ended 31st March 2008 are consistent with those used in the 2007 annual consolidated financial statements of the Group for the year ended 31st December 2007.

The financial data for the three months ended 31st March 2008 is based on the internal records and management accounts of the Group and are unaudited.

## Unaudited Condensed Consolidated Income Statement

|  | <b>Three months ended</b>   |                     |              |
|--|---|---------------------|--------------|
|  | <b>31st March</b>   |                     |              |
|  | <b>2008</b>   | 2007                |              |
|  | <b>US\$'000</b>   | US\$'000            |              |
| Revenue  | <b>73,558</b>   | 65,006              |              |
| Cost of sales  | <b>(36,034)</b>   | (35,573)            |              |
| <b>Gross profit</b>  | <b>37,524</b>   | 29,433              |              |
| Other operating income, net  | <b>9,683</b>  | 3,605               |              |
| Administrative expenses  | <b>(11,274)</b>   | (9,912)             |              |
| Fair value loss on put options granted   | <b>-</b>  | (806)               |              |
| <b>Operating profit</b>  | <b>35,933</b>   | 22,320              |              |
| Finance income   | <b>1,498</b>  | 2,310               |              |
| Finance costs  | <b>(12,424)</b>   | (9,475)             |              |
| Operating profit after finance income and costs  | <b>25,007</b>   | 15,155              |              |
| Share of profits less losses of  |   |                     |              |
| - jointly controlled entities  | <b>30,000</b>   | 26,380              |              |
| - associates   | <b>14,139</b>   | 16,469              |              |
| <b>Profit before income tax</b>  | <b>69,146</b>   | 58,004              |              |
| Income tax expenses  | <b>(1,749)</b>  | (216)               |              |
| <b>Profit for the period</b>   | <b>67,397</b>   | 57,788              |              |
| Profit attributable to:  |   |                     |              |
| Equity holders of the Company  | <b>65,835</b>   | 56,947              |              |
| Minority interests   | <b>1,562</b>  | 841                 |              |
|  | <b>67,397</b>   | 57,788              |              |
| <b>Earnings per share for profit attributable to the equity holders of the Company</b> |   |                     |              |
| - basic  | Note  | <b>US2.93 cents</b> | US2.55 cents |
| - diluted  | Note  | <b>US2.93 cents</b> | US2.53 cents |
| Note:  | 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 31st March 2008 of 2,244,972,287 (Three months ended 31st March 2007: 2,235,341,598).  |                     |              |
|  | 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 31st March 2008 of 2,249,562,694 (Three months ended 31st March 2007: 2,246,903,210), 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. |                     |              |

## Operational highlights

For the three months ended 31st March 2008, total container throughput handled by the Group's terminal companies achieved 10,396,235 TEUs, an increase of 22.2% when compared with the corresponding period last year.

For the three months ended 31st March 2008, throughput of the container terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and the southeast coast, and overseas were 4,069,408 TEUs, 2,129,128 TEUs, 3,109,485 TEUs and 1,088,214 TEUs respectively, representing an increase of 10.4%, 14.6%, 20.9% and 177.8% respectively over the corresponding period last year.

For the three months ended 31st March 2008, throughput of the Group's terminals were as set out below:-

| Operating Container Terminals  | Three months ended<br>31st March |                  | Changes        |
|--|----------------------------------|------------------|----------------|
|  | 2008<br>(TEUs)                   | 2007<br>(TEUs)   |                |
| <b>Bohai Rim</b>   | <b>4,069,408</b>                 | <b>3,685,995</b> | <b>+10.4%</b>  |
| Qingdao Qianwan Container Terminal Co., Ltd.                             | 2,122,909                        | 1,919,370        | +10.6%         |
| Qingdao Cosport International Container Terminals Co., Ltd.              | 268,584                          | 238,964          | +12.4%         |
| Dalian Port Container Co., Ltd.  | 617,240                          | 610,242          | +1.1%          |
| Dalian Port Container Terminal Co., Ltd.                                 | 364,856                          | 204,291          | +78.6%         |
| Tianjin Five Continents International Container Terminal Co., Ltd.       | 452,572                          | 457,497          | -1.1%          |
| Yingkou Container Terminals Company Limited                              | 243,247                          | 255,631          | -4.8%          |
| <b>Yangtze River Delta</b>   | <b>2,129,128</b>                 | <b>1,858,665</b> | <b>+14.6%</b>  |
| Shanghai Container Terminals Limited                                     | 876,528                          | 808,467          | +8.4%          |
| Shanghai Pudong International Container Terminals Limited                | 625,773                          | 643,878          | -2.8%          |
| Zhangjiagang Win Hanverky Container Terminal Co., Ltd.                   | 176,811                          | 138,190          | +27.9%         |
| Yangzhou Yuanyang International Ports Co. Ltd.                           | 53,384                           | 66,175           | -19.3%         |
| Nanjing Port Longtan Container Co., Ltd.                                 | 222,277                          | 196,988          | +12.8%         |
| Ningbo Yuan Dong Terminals Limited                                       | 174,355                          | 4,967            | +3,410.3%      |
| <b>Pearl River Delta and Southeast Coast</b>                             | <b>3,109,485</b>                 | <b>2,571,059</b> | <b>+20.9%</b>  |
| COSCO-HIT Terminals (Hong Kong) Limited                                  | 410,304                          | 421,295          | -2.6%          |
| Yantian International Container Terminals Ltd.<br>(Phases I, II and III) | 2,013,164                        | 1,970,147        | +2.2%          |
| Guangzhou South China Oceangate Container Terminal<br>Company Limited    | 469,195                          | 22,357           | +1,998.6%      |
| Quan Zhou Pacific Container Terminal Co., Ltd.                           | 216,822                          | 157,260          | +37.9%         |
| <b>Overseas</b>  | <b>1,088,214</b>                 | <b>391,691</b>   | <b>+177.8%</b> |
| COSCO-PSA Terminal Private Limited                                       | 334,568                          | 211,213          | +58.4%         |
| Antwerp Gateway NV   | 249,994                          | 180,478          | +38.5%         |
| Suez Canal Container Terminal S.A.E.                                     | 503,652                          | -                | N/A            |
| <b>Total container throughput in Mainland China</b>                      | <b>8,897,717</b>                 | <b>7,694,424</b> | <b>+15.6%</b>  |
| <b>Total container throughput</b>  | <b>10,396,235</b>                | <b>8,507,410</b> | <b>+22.2%</b>  |
| <b>Total break-bulk cargo throughput (tons)</b>                          | <b>2,641,102</b>                 | <b>1,565,532</b> | <b>+68.7%</b>  |

As at 31st March 2008, the Group operated a container fleet of 1,605,762 TEUs, representing an increase of 21.0% over the corresponding period last year. Among the total fleet capacity, 52.0% (corresponding period of 2007: 52.7%) was owned containers and 48.0% (corresponding period of 2007: 47.3%) was managed containers. The overall average utilisation rate for the three months ended 31st March 2008 was 94.9% (Three months ended 31st March 2007: 94.4%).

As at 31st March 2008, the breakdown of the fleet capacity was as follows:-

|                                       |             | <b>As at<br/>31st March<br/>2008</b> | As at<br>31st March<br>2007 | <b>Changes</b>                 |
|---------------------------------------|-------------|--------------------------------------|-----------------------------|--------------------------------|
| COSCO Container Lines Company Limited | TEUs<br>%   | <b>550,396</b><br><b>34.3%</b>       | 477,544<br>36.0%            | <b>+15.3%</b><br><b>-1.7pp</b> |
| International customers               | TEUs<br>%   | <b>284,062</b><br><b>17.7%</b>       | 222,358<br>16.7%            | <b>+27.7%</b><br><b>+1.0pp</b> |
| Managed containers                    | TEUs<br>%   | <b>771,304</b><br><b>48.0%</b>       | 627,653<br>47.3%            | <b>+22.9%</b><br><b>+0.7pp</b> |
| <b>Total fleet capacity</b>           | <b>TEUs</b> | <b>1,605,762</b>                     | 1,327,555                   | <b>+21.0%</b>                  |

For the three months ended 31st March 2008, operations of each business segment of COSCO Logistics Co., Ltd. were set out below:-

|                                     | Three months ended<br>31st March |         |                |
|-------------------------------------|----------------------------------|---------|----------------|
|                                     | <b>2008</b>                      | 2007    | <b>Changes</b> |
| Third party logistics               |                                  |         |                |
| Product logistics                   |                                  |         |                |
| Home appliance (pieces in thousand) | <b>11,774</b>                    | 8,779   | <b>+34.1%</b>  |
| Automobile (units)                  | <b>135,063</b>                   | 168,708 | <b>-19.9%</b>  |
| Chemical (tons)                     | <b>1,008,386</b>                 | 730,089 | <b>+38.1%</b>  |
| Project logistics (RMB in million)  | <b>256</b>                       | 217     | <b>+18.0%</b>  |
| Shipping agency (voyages)           | <b>27,796</b>                    | 27,302  | <b>+1.8%</b>   |
| Freight forwarding                  |                                  |         |                |
| Sea freight forwarding              |                                  |         |                |
| Bulk cargoes (tons in thousand)     | <b>39,352</b>                    | 34,311  | <b>+14.7%</b>  |
| Container cargoes (TEUs)            | <b>548,471</b>                   | 480,407 | <b>+14.2%</b>  |
| Air freight forwarding (tons)       | <b>26,396</b>                    | 23,700  | <b>+11.4%</b>  |

## Caution Statement

**The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Investors are cautioned not to rely unduly on the financial and operational highlights for the three months ended 31st March 2008.**

**The Company's shareholders and potential investors are urged to exercise caution when 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.**

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

Hong Kong, 29th April 2008

As at the date of this announcement, the Board of Directors of the Company comprises Dr. WEI Jiafu<sup>2</sup> (Chairman), Mr. CHEN Hongsheng<sup>1</sup>, Mr. LI Jianhong<sup>1</sup>, Mr. XU Lirong<sup>2</sup>, Ms. SUN Yueying<sup>1</sup>, Mr. XU Minjie<sup>1</sup> (Vice Chairman & Managing Director), Dr. SUN Jiakang<sup>2</sup>, Dr. WONG Tin Yau, Kelvin<sup>1</sup>, Mr. WANG Zhi<sup>1</sup>, Mr. YIN Weiyu<sup>1</sup>, Dr. LI Kwok Po, David<sup>3</sup>, Mr. LIU Lit Man<sup>3</sup>, Mr. CHOW Kwong Fai, Edward<sup>3</sup> and Mr. Timothy George FRESHWATER<sup>3</sup>.

<sup>1</sup> Executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup> Independent Non-executive Director