



COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE THIRD QUARTER ENDED 30TH SEPTEMBER 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 third quarter and the nine months ended 30th September 2008.

Results Highlights

Profit attributable to the equity holders of the Company for the three months and nine months ended 30th September 2008 rose by 17.0% and 13.0% to US\$77,663,000 and US\$230,815,000 respectively as compared to the corresponding periods of 2007 (excluding the fair value gain of the China International Marine Containers (Group) Co., Ltd. (“CIMC”) put options which was included in profit for the corresponding periods of 2007: US\$66,383,000 and US\$204,271,000, respectively).

Unaudited Condensed Consolidated Balance Sheet

As at 30th September 2008

	As at 30th September 2008 US\$'000	As at 31st December 2007 US\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,618,027	1,474,264
Investment properties	1,676	1,676
Leasehold land and land use rights	59,263	43,654
Intangible assets	3,830	3,506
Jointly controlled entities	816,553	752,503
Associates	750,698	480,151
Available-for-sale financial assets	478,000	503,000
Finance lease receivables	2,230	2,315
Deferred income tax assets	1,275	1,271

Derivative financial instruments	6,797	4,641
Restricted bank deposits	-	506
	3,738,349	3,267,487
	3,738,349	3,267,487
Current assets		
Inventories	3,016	10,105
Trade and other receivables	225,074	193,496
Available-for-sale financial assets	2,348	13,620
Cash and cash equivalents	329,590	386,867
	560,028	604,088
	560,028	604,088
Total assets	4,298,377	3,871,575
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	28,792	28,790
Reserves	2,676,861	2,543,971
Proposed final and special dividends	-	139,632
	2,705,653	2,712,393
Minority interests	76,422	62,266
Total equity	2,782,075	2,774,659
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	14,886	8,620
Long term borrowings	1,253,717	874,435
Other long term liabilities	3,489	5,189
	1,272,092	888,244
	1,272,092	888,244
Current liabilities		
Trade and other payables	171,933	153,739
Current income tax liabilities	14,081	15,334
Current portion of long term borrowings	47,343	25,904
Short term bank loans	10,853	13,695
	244,210	208,672
	244,210	208,672
Total liabilities	1,516,302	1,096,916
Total equity and liabilities	4,298,377	3,871,575
Net current assets	315,818	395,416
Total assets less current liabilities	4,054,167	3,662,903

Unaudited Condensed Consolidated Income Statement

	Note	Three months ended 30th September		Nine months ended 30th September	
		2008 US\$'000	2007 US\$'000	2008 US\$'000	2007 US\$'000
Revenue	1	91,234	75,996	253,299	223,327
Cost of sales	1	(45,758)	(35,844)	(123,434)	(116,100)
Gross profit		45,476	40,152	129,865	107,227
Other operating income, net		2,866	2,579	30,994	31,028
Administrative expenses		(10,318)	(9,692)	(35,288)	(40,406)
Fair value gain on put options granted		-	27,612	-	38,241
Operating profit		38,024	60,651	125,571	136,090
Finance income		1,858	2,423	4,138	6,924
Finance costs		(13,061)	(13,286)	(37,839)	(32,262)
Operating profit after finance income and costs		26,821	49,788	91,870	110,752
Share of profits less losses of					
- jointly controlled entities		30,741	32,190	90,464	87,948
- associates		23,809	14,554	61,631	51,590
Profit before income tax		81,371	96,532	243,965	250,290
Income tax expenses		(2,104)	(1,063)	(8,087)	(3,473)
Profit for the period		79,267	95,469	235,878	246,817
Profit attributable to:					
Equity holders of the Company	2	77,663	93,995	230,815	242,512
Minority interests		1,604	1,474	5,063	4,305
		79,267	95,469	235,878	246,817
Earnings per share for profit attributable to the equity holders of the Company					
- basic	3, 4	US3.46 cents	US4.19 cents	US10.28 cents	US10.83 cents
- diluted	3, 4	US3.46 cents	US4.17 cents	US10.28 cents	US10.77 cents

Notes:

- Revenue and cost of sales for the three months ended 30th September 2008 have reflected the results for the new container terminal subsidiaries consolidated in 2008.
- Profit attributable to the equity holders of the Company for the three months and nine months ended 30th September 2008 dropped by 17.4% and 4.8% to US\$77,663,000 and US\$230,815,000 respectively (corresponding period of 2007: US\$93,995,000 and US\$242,512,000 respectively). However, a like to like basis, excluding the fair value gain of the CIMC put options in 2007, profit attributable to the equity holders of the Company should have been increased by 17.0% and 13.0% respectively for the three months and nine months ended 30th September 2008.

- 3 Basic earnings per share are calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the three months ended 30th September 2008 of 2,245,029,298 (Three months ended 30th September 2007: 2,241,560,341) and the nine months ended 30th September 2008 of 2,244,999,597 (Nine months ended 30th September 2007: 2,238,848,459).
- 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 2008 of 2,245,464,845 (Three months ended 30th September 2007: 2,254,007,942) and the nine months ended 30th September 2008 of 2,246,195,828 (Nine months ended 30th September 2007: 2,250,784,479) 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.
- 4 Basic earnings per share for profit attributable to the equity holders of the Company for the three months and nine months ended 30th September 2008 dropped by 17.4% and 5.1% to US3.46 cents and US10.28 cents respectively (corresponding period of 2007: US4.19 cents and US10.83 cents respectively). Excluding the fair value gain of the CIMC put options in 2007, basic earnings per share should have been increased by 16.9% and 12.7% respectively for the three months and nine months ended 30th September 2008.
- Diluted earnings per share for profit attributable to the equity holders of the Company for the three months and nine months ended 30th September 2008 dropped by 17.0% and 4.5% to US3.46 cents and US10.28 cents respectively (corresponding period of 2007: US4.17 cents and US10.77 cents respectively). Excluding the fair value gain of the CIMC put options in 2007, diluted earnings per share should have been increased by 17.3% and 13.2% respectively for the three months and nine months ended 30th September 2008.
- 5 The accounting policies adopted in preparing the financial data for the nine months ended 30th September 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 nine months ended 30th September 2008 is based on the internal records and management accounts of the Group and are unaudited.

Operational Highlights

Terminal and Related Businesses

For the three months ended 30th September 2008, total container throughput handled by the Group's terminal companies reached 12,168,062 TEUs, representing an increase of 19.5% from the corresponding period last year.

For the three months ended 30th September 2008, throughput of the container terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and southeast coast, and overseas were 4,377,280 TEUs, 2,446,705 TEUs, 4,033,603 TEUs and 1,310,474 TEUs respectively, representing an increase of 5.7%, 11.9%, 17.7% and 207.6% respectively over the corresponding period last year.

A breakdown of the throughput of the Group's terminals were set out below for both the three-month period and the nine-month period ended 30th September 2008:

Operating Container Terminals	Three months ended 30th September			Nine months ended 30th September		
	2008 (TEUs)	2007 (TEUs)	Changes	2008 (TEUs)	2007 (TEUs)	Changes
Bohai Rim	4,377,280	4,141,979	+5.7%	12,777,983	11,908,794	+7.3%
Qingdao Qianwan Container Terminal Co., Ltd.	2,206,714	2,077,061	+6.2%	6,521,714	6,103,738	+6.8%
Qingdao Cosport International Container Terminals Co., Ltd.	263,023	259,172	+1.5%	835,283	751,754	+11.1%
Dalian Port Container Co., Ltd.*	709,201	758,906	-6.5%	1,981,953	2,094,063	-5.4%
Dalian Port Container Terminal Co., Ltd.	474,999	222,812	+113.2%	1,269,295	637,022	+99.3%
Tianjin Five Continents International Container Terminal Co., Ltd.	472,568	533,652	-11.4%	1,435,249	1,486,325	-3.4%
Yingkou Container Terminals Company Limited	250,775	290,376	-13.6%	734,489	835,892	-12.1%
Yangtze River Delta	2,446,705	2,187,063	+11.9%	7,022,812	6,068,624	+15.7%
Shanghai Container Terminals Limited	905,180	878,439	+3.0%	2,754,006	2,496,776	+10.3%
Shanghai Pudong International Container Terminals Limited	711,681	697,694	+2.0%	2,026,109	2,054,867	-1.4%
Ningbo Yuan Dong Terminals Limited	244,759	143,450	+70.6%	639,673	183,346	+248.9%
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	175,819	145,155	+21.1%	552,910	445,544	+24.1%
Yangzhou Yuanyang International Ports Co., Ltd.	82,260	64,158	+28.2%	209,545	203,029	+3.2%
Nanjing Port Longtan Container Co., Ltd.	327,006	258,167	+26.7%	840,569	685,062	+22.7%
Pearl River Delta & southeast coast	4,033,603	3,427,591	+17.7%	10,794,016	9,015,845	+19.7%
COSCO-HIT Terminals (Hong Kong) Limited	488,295	484,717	+0.7%	1,371,995	1,391,306	-1.4%
Yantian International Container Terminals Ltd. (Phases I, II and III)	2,790,938	2,545,883	+9.6%	7,055,839	6,710,819	+5.1%
Guangzhou South China Oceangate Container Terminal Company Limited	466,339	151,196	+208.4%	1,544,903	282,874	+446.1%
Quan Zhou Pacific Container Terminal Co., Ltd.	220,177	245,795	-10.4%	690,058	630,846	+9.4%
Jinjiang Pacific Ports Development Co., Ltd.	67,854	-	N.A.	131,221	-	N.A.
Overseas	1,310,474	426,018	+207.6%	3,661,297	1,192,608	+207.0%
COSCO-PSA Terminal Private Limited	359,524	215,470	+66.9%	1,036,832	615,587	+68.4%
Antwerp Gateway NV	299,186	210,548	+42.1%	873,273	577,021	+51.3%
Suez Canal Container Terminal S.A.E.	651,764	-	N.A.	1,751,192	-	N.A.
Total container throughput in China	10,857,588	9,756,633	+11.3%	30,594,811	26,993,263	+13.3%
Total container throughput	12,168,062	10,182,651	+19.5%	34,256,108	28,185,871	+21.5%
Total break-bulk cargo throughput (tons)	3,698,311	2,273,301	+62.7%	10,266,326	5,563,771	+84.5%

* Note: excluding throughput handled by Dalian Port Container Terminal Co., Ltd.

Container Leasing, Management and Sale

As at 30th September 2008, the Group operated and managed a total container fleet of 1,632,238 TEUs, representing an increase of 9.3% as compared with 1,493,662 TEUs as at 30th September 2007. Among the total fleet capacity, 46.2% (30th September 2007: 56.3%) was owned containers, 46.6% (30th September 2007: 43.7%) was managed containers and 7.2% (30th September 2007: nil) was leased containers.

The overall average utilisation rate for the three months ended 30th September 2008 was 95.1% (three months ended 30th September 2007: 94.9%), whereas the average for the nine months ended 30th September 2008 was 94.6% (nine months ended 30th September 2007: 94.7%).

As at 30th September 2008, the breakdown of the fleet capacity was as follows:-

		As at 30th September 2008	As at 30th September 2007	Changes
Owned containers				
COSCO Container Lines	TEUs	439,282	525,258	-16.4%
Company Limited	%	26.9	35.2	-8.3pp
International customers	TEUs	315,303	315,638	-0.1%
	%	19.3	21.1	-1.8pp
Managed containers	TEUs	759,559	652,766	+16.4%
	%	46.6	43.7	+2.9pp
Leased containers*	TEUs	118,094	-	N.A.
	%	7.2	-	N.A.
Total fleet capacity	TEUs	1,632,238	1,493,662	+9.3%

* Note: On 2nd July 2008, the Group completed a sales agreement with a wholly owned subsidiary of the Commonwealth Bank of Australia where legal title and equitable ownership of certain containers were transferred. Subsequent to the disposal, these containers were leased back by the Group from the said company for a period of 5 years. The Group can also exercise the option granted to extend the lease period for a further 5 years.

Logistics

Operations of each business segment of COSCO Logistics Co., Ltd. were set out below for both the three-month period and the nine-month period ended 30th September 2008:

	Three months ended 30th September			Nine months ended 30th September		
	2008	2007	Changes	2008	2007	Changes
Third party logistics						
Product logistics						
Home appliance (pieces in thousand)	13,317	13,773	-3.3%	42,756	31,507	+35.7%
Automobile (units)	40,603	24,434	+66.2%	186,297	222,425	-16.2%
Chemical (tons)	873,275	759,077	+15.0%	2,838,952	2,098,909	+35.3%
Project logistics (RMB in million)	399	198	+101.5%	900	626	+43.8%
Shipping agency (voyages)	34,716	34,527	+0.5%	100,052	98,024	+2.1%
Freight forwarding						
Sea freight forwarding						
Bulk cargo (tons in thousand)	33,957	35,099	-3.3%	110,022	105,861	+3.9%
Container cargo (TEUs)	572,773	576,027	-0.6%	1,720,684	1,615,480	+6.5%
Air freight forwarding (tons)	31,102	31,223	-0.4%	89,642	81,467	+10.0%

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 on the financial and operational highlights for the third quarter and the nine months ended 30th September 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 October 2008

As at the date of this announcement, the board of directors of the Company comprises Mr. CHEN Hongsheng² (Chairman), 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. YIN Weiyu¹, Dr. LI Kwok Po, David³, Mr. CHOW Kwong Fai, Edward³ and Mr. Timothy George FRESHWATER³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director