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COSCO Pacific Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

**FINANCIAL AND OPERATIONAL HIGHLIGHTS
FOR THE THREE MONTHS ENDED 31ST MARCH 2011**

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”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31st March 2011.

Results Highlights

For the three months ended 31st March 2011, profit attributable to equity holders of the Company decreased by 18.2% to US\$109,012,000 (corresponding period of 2010: US\$133,247,000). Excluding the non-recurring items ^{Note 1}, profit attributable to equity holders of the Company increased by 134.1% to US\$97,171,000 (corresponding period of 2010: US\$41,517,000).

Note 1: Non-recurring items include gain on release of exchange reserve upon reclassification of COSCO Ports (Nansha) Limited (“CP Nansha”) from a jointly controlled entity to a subsidiary of US\$11,841,000 in 2011; profit on disposal of COSCO Logistics Co., Ltd. of US\$84,710,000 in 2010 and profit on disposal of Dalian Port Container Co., Ltd. of US\$7,020,000 in 2010.

**Unaudited Condensed Consolidated Balance Sheet
As at 31st March 2011**

	As at 31st March 2011 US\$’000	As at 31st December 2010 US\$’000
ASSETS		
Non-current assets		
Property, plant and equipment	2,962,805	2,127,307
Investment properties	7,611	4,742

Land use rights	218,575	141,736
Intangible assets	9,530	7,593
Jointly controlled entities	481,369	460,898
Loans to jointly controlled entities	38,660	131,342
Associates	1,453,583	1,460,370
Loans to associates	30,281	28,500
Available-for-sale financial asset	25,000	25,000
Finance lease receivables	1,372	1,418
Deferred income tax assets	3,587	3,477
Derivative financial instruments	17,350	19,532
Other non-current assets	67,988	64,466
	<u>5,317,711</u>	<u>4,476,381</u>
Current assets		
Inventories	12,512	13,553
Trade and other receivables	244,290	214,771
Current income tax recoverable	733	860
Cash and cash equivalents	599,068	524,274
	<u>856,603</u>	<u>753,458</u>
Asset held for sale	22,078	22,078
	<u>878,681</u>	<u>775,536</u>
Total assets	<u>6,196,392</u>	<u>5,251,917</u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	34,805	34,801
Reserves	3,374,873	3,245,993
Proposed final dividend	67,327	67,327
	<u>3,477,005</u>	<u>3,348,121</u>
Non-controlling interests	219,960	145,741
Total equity	<u>3,696,965</u>	<u>3,493,862</u>
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	34,473	29,814
Long term borrowings	1,812,546	1,389,646
Loan from a non-controlling shareholder	47,732	-
Other long term liabilities	2,663	2,425
	<u>1,897,414</u>	<u>1,421,885</u>

Current liabilities		
Trade and other payables	248,330	162,370
Current income tax liabilities	3,142	4,691
Current portion of long term borrowings	174,117	136,045
Short term bank loans	176,424	33,064
	<u>602,013</u>	<u>336,170</u>
Total liabilities	<u>2,499,427</u>	<u>1,758,055</u>
Total equity and liabilities	<u>6,196,392</u>	<u>5,251,917</u>
Net current assets	<u>276,668</u>	<u>439,366</u>
Total assets less current liabilities	<u>5,594,379</u>	<u>4,915,747</u>

Unaudited Condensed Consolidated Income Statement
For the three months ended 31st March 2011

	Note	Three months ended	
		2011	2010
		US\$'000	US\$'000
Continuing operations:			
Revenue		130,338	108,424
Cost of sales		<u>(76,197)</u>	<u>(78,539)</u>
Gross profit		54,141	29,885
Other operating income, net		6,751	13,739
Administrative expenses		<u>(20,465)</u>	<u>(12,356)</u>
Operating profit		40,427	31,268
Finance income		1,078	1,042
Finance costs		<u>(16,215)</u>	<u>(9,399)</u>
Operating profit after finance income and costs		25,290	22,911
Share of profits less losses of			
- jointly controlled entities		23,575	13,615
- associates		56,036	12,015
Gain on release of exchange reserve upon reclassification from a jointly controlled entity to a subsidiary	1	<u>11,841</u>	<u>-</u>
Profit before income tax from continuing operations		116,742	48,541
Income tax (expenses)/credit		<u>(7,279)</u>	<u>792</u>
Profit for the period from continuing operations		<u>109,463</u>	<u>49,333</u>

Discontinued operation:			
Profit for the period from discontinued operation			
- profit on disposal of a jointly controlled entity, net of tax		-	84,710
		<u>-----</u>	<u>-----</u>
Profit for the period		109,463	134,043
		<u>-----</u>	<u>-----</u>
Profit attributable to:			
Equity holders of the Company		109,012	133,247
Non-controlling interests		451	796
		<u>-----</u>	<u>-----</u>
		109,463	134,043
		<u>-----</u>	<u>-----</u>
Earnings per share for profit attributable to the equity holders of the Company			
Basic			
- from continuing operations	2	US4.02 cents	US2.15 cents
- from discontinued operation	2	-	US3.74 cents
		<u>-----</u>	<u>-----</u>
		US4.02 cents	US5.89 cents
		<u>-----</u>	<u>-----</u>
Diluted			
- from continuing operations	2	US4.02 cents	US2.15 cents
- from discontinued operation	2	-	US3.74 cents
		<u>-----</u>	<u>-----</u>
		US4.02 cents	US5.89 cents
		<u>-----</u>	<u>-----</u>

Notes:

1. CP Nansha was a jointly controlled entity of the Group. By virtue of the clause in an agreement entered into by the Group and the other shareholder of CP Nansha, the joint control of CP Nansha expired on 31st December 2010 and the Group has the power to govern the financial and operating policies of CP Nansha and its subsidiary, Guangzhou South China Oceangate Container Terminal Company Limited, from then onwards. Accordingly, the Group has accounted for CP Nansha as a subsidiary since 1st January 2011. During the period, the Group recorded a gain on release of exchange reserve upon reclassification from a jointly controlled entity to a subsidiary of US\$11,841,000.

2. Basic earnings per share were 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 31st March 2011 of 2,711,669,306 (corresponding period of 2010: 2,262,525,573).

Diluted earnings per share for the three months ended 31st March 2011 were 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 2011 of 2,713,743,751 (corresponding period of 2010: 2,263,024,300), 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.

3. The accounting policies adopted in preparing the financial information for the three months ended 31st March 2011 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31st December 2010.

The financial information for the three months ended 31st March 2011 is based on the internal records and management accounts of the Group and are unaudited.

Operational Highlights

Terminals

According to the Ministry of Commerce of the People's Republic of China, China trade continued to grow steady in the first quarter of 2011. The imports and exports recorded growth rates of 32.6% and 26.5% respectively, which led the container throughput of China ports to increase by 13.1%. As the Group has a strong presence in China, the terminal business benefited from the continuous growth of China trade.

For the three months ended 31st March 2011, total throughput handled by the Group's terminal companies reached 11,462,929 TEUs (corresponding period of 2010: 9,590,188 TEUs^{Note 2}), an increase of 19.5% when compared with the corresponding period last year. The Group's terminal companies in China handled a total of 10,056,121 TEUs (corresponding period of 2010: 8,282,180 TEUs^{Note 2}), an increase of 21.4%. The Group's equity throughput increased by 29.3% to 3,060,710 TEUs (corresponding period of 2010: 2,367,684 TEUs^{Note 2}).

For the three months ended 31st March 2011, throughput of the terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and Southeast Coast, and overseas were 4,607,199 TEUs (corresponding period of 2010: 3,513,909 TEUs^{Note 2}), 1,712,770 TEUs (corresponding period of 2010: 1,320,735 TEUs^{Note 2}), 3,736,152 TEUs (corresponding period of 2010: 3,447,536 TEUs) and 1,406,808 TEUs (corresponding period of 2010: 1,308,008 TEUs) respectively, representing increases of 31.1%, 29.7%, 8.4% and 7.6% respectively when compared with the corresponding period last year.

For the three months ended 31st March 2011, throughput of the Group's operating terminals was set out below:

Terminal Companies	Three months ended		y-o-y change (%)
	31st March 2011 (TEUs)	2010 (TEUs)	
Bohai Rim	4,607,199	3,513,909 ^{Note 2}	+31.1
Qingdao Qianwan Container Terminal Co., Ltd. ^{Note 1}	3,063,269	2,397,439	+27.8
Dalian Port Container Terminal Co., Ltd.	425,349	402,698	+5.6
Tianjin Five Continents International Container Terminal Co., Ltd.	456,976	431,427	+5.9
Tianjin Port Euroasia International Container Terminal Co., Ltd.	308,593	-	N/A
Yingkou Container Terminals Company Limited	353,012	282,345	+25.0
Yangtze River Delta	1,712,770	1,320,735 ^{Note 2}	+29.7
Shanghai Pudong International Container Terminals Limited	579,067	491,217	+17.9
Ningbo Yuan Dong Terminals Limited	465,259	315,987	+47.2
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	219,888	189,516	+16.0
Yangzhou Yuanyang International Ports Co., Ltd.	85,427	66,038	+29.4
Nanjing Port Longtan Container Co., Ltd.	363,129	257,977	+40.8
Pearl River Delta and Southeast Coast	3,736,152	3,447,536	+8.4
COSCO-HIT Terminals (Hong Kong) Limited	379,665	346,328	+9.6
Yantian International Container Terminals Co., Ltd.	2,277,447	2,176,063	+4.7
Guangzhou South China Oceangate Container Terminal Company Limited	759,440	644,325	+17.9
Quan Zhou Pacific Container Terminal Co., Ltd.	255,096	221,229	+15.3
Jinjiang Pacific Ports Development Co., Ltd.	64,504	59,591	+8.2
Overseas	1,406,808	1,308,008	+7.6
Piraeus Container Terminal S.A.	204,988	191,232	+7.2
Suez Canal Container Terminal S.A.E.	651,074	693,194	-6.1
COSCO-PSA Terminal Private Limited	253,076	262,569	-3.6
Antwerp Gateway NV	297,670	161,013	+84.9
Total container throughput in China	10,056,121	8,282,180 ^{Note 2}	+21.4
Total container throughput	11,462,929	9,590,188 ^{Note 2}	+19.5
Total throughput of break-bulk cargo (tons)	6,718,096	5,856,682	+14.7

Note 1: Qingdao Qianwan United Container Terminal Co., Ltd. ("Qingdao Qianwan United Terminal") is a jointly controlled entity held by Qingdao Qianwan Container Terminal Co., Ltd. ("Qingdao Qianwan Terminal"). The throughput of Qingdao Qianwan Terminal included the throughput of Qingdao Qianwan United Terminal. The throughput of Qingdao Qianwan United Terminal for the three months ended 31st March 2011 amounted to 410,812 TEUs.

Note 2: The container throughput in 2010 did not include the throughput handled by Qingdao Cosport International Container Terminals Co., Ltd. ("Qingdao Cosport Terminal") and Shanghai Container Terminals Limited ("Shanghai Terminal"). The Group entered into an agreement to dispose of its 50% equity interest in Qingdao Cosport Terminal on 10th March 2011. Shanghai Terminal commenced to change the use of its land, and stopped handling containers from January 2011. The two terminals handled 297,881 TEUs and 690,584 TEUs respectively for the three months ended 31st March 2010.

Container Leasing, Management and Sale

The demand for container leasing service remained stable in the first quarter of 2011. The overall average utilisation rate of the Group for the three months ended 31st March 2011 was 98.0% (corresponding period of 2010: 93.5%).

During the period, the Group purchased and received 63,000 TEUs (corresponding period of 2010: 2,000 TEUs) of new containers. COSCO Container Lines Company Limited returned 737 TEUs (corresponding period of 2010: 9,785 TEUs) of containers upon expiry of their 10-year leases. The Group sold a total of 2,362 TEUs (corresponding period of 2010: 9,160 TEUs) of returned containers.

At 31st March 2011, the Group's total container fleet size was 1,687,557 TEUs, representing an increase of 7.8% when compared with 1,565,291 TEUs at 31st March 2010. Among the total fleet capacity, 51.9% (at 31st March 2010: 46.9%) was owned containers, 41.1% (at 31st March 2010: 45.6%) was managed containers and 7.0% (at 31st March 2010: 7.5%) was sale-and-leaseback containers.

Breakdown of the owned, managed and sale-and-leaseback containers was as follows:

		At 31st March 2011	At 31st March 2010	y-o-y change
Owned containers	TEUs	875,180	734,505	+19.2%
	% of Total	51.9	46.9	+5.0pp
COSCO Container Lines Company Limited	TEUs	403,665	398,068	+1.4%
	% of Total	23.9	25.4	-1.5pp
International customers	TEUs	471,515	336,437	+40.1%
	% of Total	28.0	21.5	+6.5pp
Managed containers	TEUs	694,283	712,692	-2.6%
	% of Total	41.1	45.6	-4.5pp
Sale-and-leaseback containers	TEUs	118,094	118,094	-
	% of Total	7.0	7.5	-0.5pp
Total	TEUs	1,687,557	1,565,291	+7.8%

Container Manufacturing

The Group holds 21.8% stake in China International Marine Containers (Group) Co., Ltd. ("CIMC"), the world's largest container manufacturer. Suffered from the impact of the global financial crisis, CIMC nearly halted dry container production in 2009. Although CIMC resumed the dry container production in the first quarter of 2010, its production and sales volume and profitability were at a comparatively low level. In the second half of 2010, CIMC received sufficient orders for dry cargo containers with a huge surge in the price. CIMC continued to maintain a relatively high level of sales volume and profitability in the first quarter of 2011. During the period, the profit contribution from the container manufacturing business to the Group rose by 323.5% to US\$43,875,000 (corresponding period of 2010: US\$10,360,000).

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 three months ended 31st March 2011.

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, 26th April 2011

As at the date of this announcement, the board of directors of the Company comprises Mr. XU Lirong² (Chairman), Mr. XU Minjie¹ (Vice Chairman & Managing Director), Dr. SUN Jiakang², Mr. HE Jiale¹, Mr. WANG Zenghua¹, Mr. FENG Jinhua¹, Mr. WANG Haimin², Mr. GAO Ping², Dr. WONG Tin Yau, Kelvin¹, Mr. YIN Weiyu¹, Dr. LI Kwok Po, David³, Mr. CHOW Kwong Fai, Edward³, Mr. Timothy George FRESHWATER³ and Dr. FAN HSU Lai Tai, Rita³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director