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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 2012

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 2012.

Results Highlights

For the three months ended 31st March 2012, profit attributable to equity holders of the Company decreased by 29.2% to US\$77,147,000 (corresponding period of 2011: US\$109,012,000). Excluding the non-recurring item ^{Note 1}, profit attributable to equity holders of the Company decreased by 20.6% to US\$77,147,000 (corresponding period of 2011: US\$97,171,000). During the period, terminal business and container leasing, management and sale businesses achieved satisfactory performance. Excluding the non-recurring item ^{Note 1} and the profit contribution from the container manufacturing business to the Group, profit attributable to equity holders of the Company rose by 27.7% to US\$68,041,000 (corresponding period of 2011: US\$53,296,000).

Note 1: Non-recurring item in 2011 included 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.

Unaudited Condensed Consolidated Balance Sheet

As at 31st March 2012

	As at 31st March 2012 US\$'000	As at 31st December 2011 US\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,184,465	3,155,865

Investment properties	7,574	7,571
Land use rights	222,932	223,870
Intangible assets	9,228	9,231
Jointly controlled entities	555,588	537,700
Loan to a jointly controlled entity	6,000	-
Associates	1,539,915	1,550,030
Loan to an associate	29,812	28,930
Available-for-sale financial asset	17,000	17,000
Finance lease receivables	14,901	15,259
Deferred income tax assets	797	1,690
Derivative financial instruments	12,319	13,948
Other non-current assets	62,033	60,668
	<u>5,662,564</u>	<u>5,621,762</u>
Current assets		
Inventories	12,877	9,332
Trade and other receivables	276,473	259,991
Current income tax recoverable	-	30
Restricted bank deposits	111	111
Cash and cash equivalents	706,815	580,958
	<u>996,276</u>	<u>850,422</u>
Total assets	<u><u>6,658,840</u></u>	<u><u>6,472,184</u></u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	34,805	34,805
Reserves	3,614,670	3,531,763
Proposed final dividend	60,744	60,744
	<u>3,710,219</u>	<u>3,627,312</u>
Non-controlling interests	<u>256,271</u>	<u>252,847</u>
Total equity	<u><u>3,966,490</u></u>	<u><u>3,880,159</u></u>
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	46,321	45,455
Long term borrowings	1,805,301	1,573,470
Loans from non-controlling shareholders of subsidiaries	169,878	169,812
Other long term liabilities	3,579	3,564
	<u>2,025,079</u>	<u>1,792,301</u>

Current liabilities		
Trade and other payables	207,652	201,470
Current income tax liabilities	3,643	3,730
Current portion of long term borrowings	352,511	420,131
Short term bank loans	103,465	174,393
	<u>667,271</u>	<u>799,724</u>
Total liabilities	<u>2,692,350</u>	<u>2,592,025</u>
Total equity and liabilities	<u>6,658,840</u>	<u>6,472,184</u>
Net current assets	<u>329,005</u>	<u>50,698</u>
Total assets less current liabilities	<u>5,991,569</u>	<u>5,672,460</u>

**Unaudited Condensed Consolidated Income Statement
For the three months ended 31st March 2012**

	Note	Three months ended 31st March	
		2012 US\$'000	2011 US\$'000
Revenue		174,032	130,338
Cost of sales		<u>(97,965)</u>	<u>(76,197)</u>
Gross profit		76,067	54,141
Other operating income, net		3,097	6,751
Administrative expenses		<u>(22,198)</u>	<u>(20,465)</u>
Operating profit		56,966	40,427
Finance income		1,213	1,078
Finance costs		<u>(19,280)</u>	<u>(16,215)</u>
Operating profit after finance income and costs		38,899	25,290
Share of profits less losses of			
- jointly controlled entities		22,917	23,575
- associates		22,160	56,036
Gain on release of exchange reserve upon reclassification from a jointly controlled entity to a subsidiary	1	<u>-</u>	<u>11,841</u>
Profit before income tax		83,976	116,742
Income tax expenses		<u>(3,760)</u>	<u>(7,279)</u>
Profit for the period		<u>80,216</u>	<u>109,463</u>

Profit attributable to:			
Equity holders of the Company		77,147	109,012
Non-controlling interests		3,069	451
		<u>80,216</u>	<u>109,463</u>
Earnings per share for profit attributable to the equity holders of the Company			
- basic	2	US2.84 cents	US4.02 cents
- diluted	2	<u>US2.84 cents</u>	<u>US4.02 cents</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 operating and financial policies of CP Nansha and its subsidiary, Guangzhou South China Oceangate Container Terminal Company Limited (“Guangzhou South China Oceangate Terminal”), from then onwards. Accordingly, the Group has accounted for CP Nansha as a subsidiary since 1st January 2011. During the three months ended 31st March 2011, 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 is 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 2012 of 2,711,783,573 (corresponding period of 2011: 2,711,669,306).

Diluted earnings per share is 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 2012 of 2,712,064,032 (corresponding period of 2011: 2,713,743,751), after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no consideration as if all outstanding dilutive 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 2012 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31st December 2011.

The financial information for the three months ended 31st March 2012 is based on the internal records and financial data of the Group and are unaudited.

Operational Highlights

Terminals

Despite the slowing economic recovery in the second half of 2011 as a result of the widening European debt crisis, the Group's terminal business delivered satisfactory throughput growth in the first quarter of 2012. During the period, Piraeus Container Terminal S.A., Guangzhou South China Oceangate Terminal and Qingdao Qianwan Container Terminal Co., Ltd. ("Qingdao Qianwan Terminal") continued to drive the growth in the Group's total throughput and equity throughput.

For the three months ended 31st March 2012, total throughput handled by the Group's terminal companies reached 12,775,760 TEUs (corresponding period of 2011: 11,462,929 TEUs), an increase of 11.5% when compared with the corresponding period last year. The Group's terminal companies in China handled a total of 11,041,806 TEUs (corresponding period of 2011: 10,056,121 TEUs), an increase of 9.8%. The Group's equity throughput increased by 18.1% to 3,609,185 TEUs (corresponding period of 2011: 3,055,203 TEUs).

For the three months ended 31st March 2012, throughput of the terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and Southeast Coast, and overseas were 5,084,354 TEUs (corresponding period of 2011: 4,607,199 TEUs), 1,844,532 TEUs (corresponding period of 2011: 1,712,770 TEUs), 4,112,920 TEUs (corresponding period of 2011: 3,736,152 TEUs) and 1,733,954 TEUs (corresponding period of 2011: 1,406,808 TEUs) respectively, representing increases of 10.4%, 7.7%, 10.1% and 23.3% respectively when compared with the corresponding period last year.

For the three months ended 31st March 2012, throughput of the Group's operating terminals was set out below:

Terminal Companies	Three months ended		y-o-y change (%)
	2012 (TEUs)	2011 (TEUs)	
Bohai Rim	5,084,354	4,607,199	+10.4
Qingdao Qianwan Container Terminal Co., Ltd. ^{Note 1}	3,394,798	3,063,269	+10.8
Dalian Port Container Terminal Co., Ltd.	440,310	425,349	+3.5
Tianjin Five Continents International Container Terminal Co., Ltd.	494,715	456,976	+8.3
Tianjin Port Euroasia International Container Terminal Co., Ltd.	341,519	308,593	+10.7
Yingkou Container Terminals Company Limited	413,012	353,012	+17.0
Yangtze River Delta	1,844,532	1,712,770	+7.7
Shanghai Pudong International Container Terminals Limited	509,649	579,067	-12.0
Ningbo Yuan Dong Terminals Limited	558,812	465,259	+20.1
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	241,863	219,888	+10.0
Yangzhou Yuanyang International Ports Co., Ltd.	93,517	85,427	+9.5
Nanjing Port Longtan Container Co., Ltd.	440,691	363,129	+21.4
Pearl River Delta and Southeast Coast	4,112,920	3,736,152	+10.1
COSCO-HIT Terminals (Hong Kong) Limited	431,533	379,665	+13.7
Yantian International Container Terminals Co., Ltd.	2,268,327	2,277,447	-0.4
Guangzhou South China Oceangate Container Terminal Company Limited	1,065,510	759,440	+40.3
Quan Zhou Pacific Container Terminal Co., Ltd.	279,988	255,096	+9.8
Jinjiang Pacific Ports Development Co., Ltd.	67,562	64,504	+4.7
Overseas	1,733,954	1,406,808	+23.3
Piraeus Container Terminal S.A.	504,645	204,988	+146.2
Suez Canal Container Terminal S.A.E.	669,663	651,074	+2.9
COSCO-PSA Terminal Private Limited	271,922	253,076	+7.4
Antwerp Gateway NV	287,724	297,670	-3.3
Total container throughput in China	11,041,806	10,056,121	+9.8
Total container throughput	12,775,760	11,462,929	+11.5

Note 1: Throughput of Qingdao Qianwan Terminal included the throughput of Qingdao Qianwan United Container Terminal Co., Ltd. ("Qingdao Qianwan United Terminal") and Qingdao Qianwan United Advance Container Terminal Co., Ltd. ("Qingdao Qianwan United Advance Terminal"), both are jointly controlled entities held by Qingdao Qianwan Terminal. The throughput of Qingdao Qianwan United Terminal for the three months ended 31st March 2012 amounted to 635,233 TEUs (corresponding period of 2011: 410,812 TEUs). Qingdao Qianwan United Advance Terminal started operation in July 2011 with throughput of 233,578 TEUs for the three months ended 31st March 2012.

Note 2: The total throughput of break-bulk cargo for the three months ended 31st March 2012 was 5,304,034 tonnes (corresponding period of 2011: 6,718,096 tonnes), a decrease of 21.0%. The throughput of Dalian Automobile Terminal Co., Ltd. for the three months ended 31st March 2012 reached 49,362 vehicles (corresponding period of 2011: 44,632 vehicles), an increase of 10.6%.

Container Leasing, Management and Sale

Continuing on from the slackened demand for container leasing services in the second half of 2011, the demand remained soft in the first quarter of 2012. Since the Group's income of long-term leases accounted for 94.6% (corresponding period of 2011: 93.2%) of the total container leasing revenue, leasing revenue remained stable in the period. The overall average utilisation rate of the Group's containers for the three months ended 31st March 2012 was 94.8% (corresponding period of 2011: 98.0%).

During the period, the Group purchased and received 2,000 TEUs (corresponding period of 2011: 63,000 TEUs) of new containers. The number of containers returned from COSCO Container Lines Company Limited upon expiry of 10-year leases was 5,470 TEUs (corresponding period of 2011: 737 TEUs). The number of disposed returned containers was 9,170 TEUs (corresponding period of 2011: 2,362 TEUs).

At 31st March 2012, the Group's container fleet was 1,767,355 TEUs, representing an increase of 4.7% when compared with 1,687,557 TEUs at 31st March 2011. Among the total fleet capacity, 49.2% (at 31st March 2011: 51.9%) was owned containers, 13.0% (at 31st March 2011: 7.0%) was sale-and-leaseback containers and 37.8% (at 31st March 2011: 41.1%) was managed containers.

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

		At 31st March 2012	At 31st March 2011	y-0-y change
Owned containers	TEUs	869,753	875,180	-0.6%
	% of total	49.2	51.9	-2.7pp
COSCO Container Lines Company Limited	TEUs	312,235	403,665	-22.6%
	% of total	17.7	23.9	-6.2pp
International customers	TEUs	557,518	471,515	+18.2%
	% of total	31.5	28.0	+3.5pp
Sale-and-leaseback containers	TEUs	229,283	118,094	+94.2%
	% of total	13.0	7.0	+6.0pp
Managed containers	TEUs	668,319	694,283	-3.7%
	% of total	37.8	41.1	-3.3pp
Total	TEUs	1,767,355	1,687,557	+4.7%

Container Manufacturing

The Group holds 21.8% stake in China International Marine Containers (Group) Co., Ltd. ("CIMC"), the world's largest container manufacturer. Since the fourth quarter of 2011, due to the slowdown of economic recovery and weak shipping market, the global container market has entered into a slack season. The weak shipping market and the distinct slowdown in export growth resulted in a lower demand for containers in the first quarter of 2012 comparing to normal years. Hence, the performance of CIMC in the first quarter of 2012 declined significantly, comparing to the first quarter of 2011. During the period, the profit contribution from the container manufacturing business to the Group declined by 79.2% to US\$9,106,000 (corresponding period of 2011: US\$43,875,000).

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 2012.

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
WANG Xingru
Vice Chairman & Managing Director

Hong Kong, 25th April 2012

As at the date of this announcement, the board of directors of the Company comprises Mr. LI Yunpeng² (Chairman), Dr. WANG Xingru¹ (Vice Chairman and Managing Director), Mr. WAN Min², Mr. HE Jiale¹, Mr. FENG Jinhua¹, Mr. FENG Bo¹, Mr. WANG Haimin², Mr. WANG Wei², 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