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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 31 MARCH 2014

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 31 March 2014.

Results Highlights

For the three months ended 31 March 2014, excluding the operation discontinued in the corresponding period of 2013 ^{Note}, profit attributable to equity holders of the Company increased by 6.6% to US\$64,346,000 (corresponding period of 2013: US\$60,383,000).

- The Group’s total throughput growth of terminals business was satisfactory with an increase of 9.2% to 15,448,002 TEU (corresponding period of 2013: 14,147,893 TEU). Equity throughput rose 12.3% to 4,366,938 TEU (corresponding of 2013: 3,887,227 TEU), leading to growth in profit from the terminals business. The Group acquired a 40% effective interest in Asia Container Terminals Limited (“Asia Container Terminal”) on 13 March 2014 and started to include the throughput and the share of profit from that terminal on 14 March 2014.
- Although new container prices rebounded in early 2014, leasing rental yields remained at low levels throughout the first quarter of 2014. Meanwhile, resale prices remained under pressure and the returned containers had a higher net book value, resulting in a decline in profit from the disposal of returned containers. During the period, the profit from the container leasing, management and sale businesses declined. The Group’s container fleet rose 2.6% to 1,920,329 TEU (corresponding period of 2013: 1,872,083 TEU) and the overall average utilisation rate was stable at 94.6% (corresponding period of 2013: 94.6%).

Note: On 20 May 2013, the Group announced the disposal of its 21.8% equity interest in China International Marine Containers (Group) Co., Ltd. (“CIMC”) for a cash consideration of US\$1,219,789,000, which was completed on 27 June 2013, resulting in a net gain of US\$393,411,000. The Group’s share of profit from CIMC was US\$5,669,000 for the three months ended 31 March 2013.

Unaudited Condensed Consolidated Balance Sheet
As at 31 March 2014

	As at 31 March 2014 US\$'000	As at 31 December 2013 US\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,231,179	4,167,794
Investment properties	5,328	5,356
Land use rights	240,626	244,175
Intangible assets	9,337	9,677
Joint ventures	908,653	635,554
Loan to a joint venture	4,139	4,129
Associates	833,848	824,598
Loan to an associate	33,626	33,543
Available-for-sale financial asset	27,000	27,000
Finance lease receivables	11,507	11,944
Deferred income tax assets	1,259	1,236
Other non-current assets	108,707	105,269
	<u>6,415,209</u>	<u>6,070,275</u>
Current assets		
Inventories	15,351	18,985
Trade and other receivables	258,455	224,493
Restricted bank deposits	195	148
Cash and cash equivalents	940,017	1,237,403
	<u>1,214,018</u>	<u>1,481,029</u>
Total assets	<u><u>7,629,227</u></u>	<u><u>7,551,304</u></u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	37,391	37,391
Reserves	4,503,868	4,452,332
Proposed final dividend	56,383	56,383
	<u>4,597,642</u>	<u>4,546,106</u>
Non-controlling interests	<u>297,305</u>	<u>297,388</u>
Total equity	<u><u>4,894,947</u></u>	<u><u>4,843,494</u></u>

LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	36,681	34,622
Long term borrowings	1,576,057	1,770,425
Loans from non-controlling shareholders of subsidiaries	50,000	50,000
Other long term liabilities	22,451	22,530
	<u>1,685,189</u>	<u>1,877,577</u>
Current liabilities		
Trade and other payables	478,441	464,739
Current income tax liabilities	92,532	89,709
Current portion of long term borrowings	428,612	259,383
Short term bank loans	49,506	16,402
	<u>1,049,091</u>	<u>830,233</u>
Total liabilities	<u>2,734,280</u>	<u>2,707,810</u>
Total equity and liabilities	<u>7,629,227</u>	<u>7,551,304</u>
Net current assets	<u>164,927</u>	<u>650,796</u>
Total assets less current liabilities	<u>6,580,136</u>	<u>6,721,071</u>

Unaudited Condensed Consolidated Income Statement
For the three months ended 31 March 2014

	Note	Three months ended	
		31 March	
		2014	2013
		US\$'000	US\$'000
Continuing operations:			
Revenues		212,477	191,126
Cost of sales		<u>(135,018)</u>	<u>(112,472)</u>
Gross profit		77,459	78,654
Administrative expenses		(19,184)	(21,054)
Other operating (expenses)/income, net		<u>(5,330)</u>	<u>1,247</u>
Operating profit		52,945	58,847

Finance income		5,514	2,265
Finance costs		<u>(17,729)</u>	<u>(24,451)</u>
Operating profit after finance income and costs		40,730	36,661
Share of profits less losses of			
- joint ventures		22,593	18,078
- associates		<u>13,022</u>	<u>12,480</u>
Profit before income tax from continuing operations		76,345	67,219
Income tax expenses		<u>(8,641)</u>	<u>(5,160)</u>
Profit for the period from continuing operations		67,704	62,059
Discontinued operation:			
Share of profit of an associate		<u>-</u>	<u>5,669</u>
Profit for the period		<u>67,704</u>	<u>67,728</u>
Profit attributable to:			
Equity holders of the Company		64,346	66,052
Non-controlling interests		<u>3,358</u>	<u>1,676</u>
		<u>67,704</u>	<u>67,728</u>
Earnings per share for profit attributable to the equity holders of the Company			
Basic			
- from continuing operations	1	US2.21 cents	US2.17 cents
- from discontinued operation	1	<u>-</u>	<u>US0.20 cents</u>
		<u>US2.21 cents</u>	<u>US2.37 cents</u>
Diluted			
- from continuing operations	1	US2.21 cents	US2.17 cents
- from discontinued operation	1	<u>-</u>	<u>US0.20 cents</u>
		<u>US2.21 cents</u>	<u>US2.37 cents</u>

Notes:

- 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 31 March 2014 of 2,912,325,528 (corresponding period of 2013: 2,786,197,002).

For the three months ended 31 March 2014, as the Company's outstanding share options did not have a dilutive effect on the earnings per share, the diluted earnings per share is equal to the basic earnings per

share. Diluted earnings per share for the three months ended 31 March 2013 was 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 31 March 2013 of 2,786,634,646, 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.

2. The accounting policies adopted in preparing the financial information for the three months ended 31 March 2014 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2013.

The financial information for the three months ended 31 March 2014 is based on the internal records and financial data of the Group and are unaudited.

Operational Highlights

Terminals

For the three months ended 31 March 2014, the total throughput of the Group's terminals business rose 9.2% to 15,448,002 TEU (corresponding period of 2013: 14,147,893 TEU). The Group's terminal companies in mainland China (excluding Hong Kong and Taiwan) handled a total of 12,524,907 TEU (corresponding period of 2013: 11,741,942 TEU), an increase of 6.7%. The throughput of overseas terminals rose by 26.5% to 2,179,708 TEU (corresponding period of 2013: 1,722,792 TEU).

The Group's equity throughput increased by 12.3% to 4,366,938 TEU (corresponding period of 2013: 3,887,227 TEU).

For the three months ended 31 March 2014, throughput of the Group's operating terminals was set out below:

Terminal Companies	Three months ended 31 March		Change (%)
	2014 (TEU)	2013 (TEU)	
Bohai Rim	6,103,066	5,781,688	+5.6
Qingdao Qianwan Container Terminal Co., Ltd. ^{Note 1}	4,045,288	3,774,081	+7.2
Tianjin Five Continents International Container Terminal Co., Ltd.	573,611	529,669	+8.3
Tianjin Port Euroasia International Container Terminal Co., Ltd.	444,097	408,835	+8.6
Dalian Port Container Terminal Co., Ltd.	554,034	612,071	-9.5
Yingkou Container Terminals Company Limited	486,036	457,032	+6.3
Yangtze River Delta	2,399,991	2,097,111	+14.4
Shanghai Pudong International Container Terminals Limited	551,435	482,134	+14.4
Ningbo Yuan Dong Terminals Limited	766,469	656,198	+16.8
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	281,285	330,775	-15.0
Yangzhou Yuanyang International Ports Co., Ltd.	103,161	93,275	+10.6
Taicang International Container Terminal Co., Ltd. ^{Note 2}	121,634	-	N/A
Nanjing Port Longtan Container Co., Ltd.	576,007	534,729	+7.7
Southeast Coast and others	809,457	699,937	+15.6
Quan Zhou Pacific Container Terminal Co., Ltd.	238,553	215,576	+10.7
Jinjiang Pacific Ports Development Co., Ltd.	115,681	72,862	+58.8
Xiamen Ocean Gate Container Terminal Co., Ltd.	177,178	135,920	+30.4
Kao Ming Container Terminal Corp.	278,045	275,579	+0.9
Pearl River Delta	3,955,780	3,846,365	+2.8
Yantian International Container Terminals Co., Ltd.	2,456,890	2,412,307	+1.8
COSCO-HIT Terminals (Hong Kong) Limited	410,024	407,580	+0.6
Asia Container Terminals Limited ^{Note 3}	55,318	-	N/A
Guangzhou South China Oceangate Container Terminal Company Limited	1,033,548	1,026,478	+0.7
Overseas	2,179,708	1,722,792	+26.5
Piraeus Container Terminal S.A.	685,098	535,326	+28.0
Suez Canal Container Terminal S.A.E.	843,814	653,403	+29.1
COSCO-PSA Terminal Private Limited	274,902	234,100	+17.4
Antwerp Gateway NV	375,894	299,963	+25.3
Total	15,448,002	14,147,893	+9.2

Note 1: Throughput of Qingdao Qianwan Container Terminal Co., Ltd. ("Qingdao Qianwan Terminal") includes 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") and these two terminals are joint ventures of Qingdao Qianwan Terminal. The throughput of the two terminals for the three months ended 31 March 2014 was 1,110,332 TEU (corresponding period of 2013: 1,061,297 TEU) and 359,037 TEU (corresponding period of 2013: 323,904 TEU) respectively, increase 4.6% and 10.8% respectively.

Note 2: The throughput of Taicang International Container Terminal Co., Ltd. was included on 1 August 2013.

Note 3: The throughput of Asia Container Terminal was included on 14 March 2014.

Note 4: The total throughput of bulk cargo for the three months ended 31 March 2014 was 20,659,536 tons (corresponding period of 2013: 6,845,342 tons), an increase of 201.8%. The bulk cargo throughput of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. was included on 1 March 2014. The throughput of Dalian Automobile Terminal Co., Ltd. for the three months ended 31 March 2014 reached 102,101 vehicles (corresponding period of 2013: 67,222 vehicles), an increase of 51.9%.

Container Leasing, Management and Sale

In the first quarter of 2014, the revenue of long-term leases accounted for 96.2% (corresponding period of 2013: 94.3%) of the Group's total container leasing revenue. For the three months ended 31 March 2014, the overall average utilisation rate of the Group's containers was 94.6% (corresponding period of 2013: 94.6%).

The Group purchased 62,500 TEU (corresponding period of 2013: 27,000 TEU) of new containers. The number of containers returned from COSCO Container Lines Company Limited upon expiry of 10-year leases was 14,472 TEU (corresponding period of 2013: 4,242 TEU). The number of disposed returned containers was 20,201 TEU (corresponding period of 2013: 10,195 TEU).

At 31 March 2014, the Group's container fleet had reached 1,920,329 TEU, representing an increase of 2.6% when compared with 1,872,083 TEU at 31 March 2013. Among the total fleet capacity, 59.0% (at 31 March 2013: 54.4%) was owned containers, 13.0% (at 31 March 2013: 12.2%) was sale-and-leaseback containers and 28.0% (at 31 March 2013: 33.4%) was managed containers.

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

		At 31 March 2014	At 31 March 2013	Change
Owned Containers	TEU	1,132,373	1,017,631	+11.3%
	% of total	59.0	54.4	+4.6pp
COSCO Container Lines Company Limited	TEU	524,780	431,947	+21.5%
	% of total	27.3	23.1	+4.2pp
International Customers	TEU	607,593	585,684	+3.7%
	% of total	31.7	31.3	+0.4pp
Sale-and-leaseback Containers	TEU	250,290	229,283	+9.2%
	% of total	13.0	12.2	+0.8pp
Managed Containers	TEU	537,666	625,169	-14.0%
	% of total	28.0	33.4	-5.4pp
Total	TEU	1,920,329	1,872,083	+2.6%

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 31 March 2014.

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, 28 April 2014

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. WANG Haimin¹, Mr. FENG Jinhua¹, Mr. TANG Runjiang¹, Mr. FENG Bo¹, Mr. WANG Wei², Dr. WONG Tin Yau, Kelvin¹, Mr. QIU Jinguang¹, Mr. Timothy George FRESHWATER³, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. IP Sing Chi³ and Mr. FAN Ergang³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director