Press Release **24th August 2011**

COSCO Pacific Limited

(Incorporated in Bermuda with Limited Liability)
(stock code: 1199)

2011 Interim Results

Results Highlights

Revenue increased by 25.2% to US$278,667,000 (corresponding period of 2010: US$222,658,000) and revenue from terminal business and container leasing, management and sale businesses recorded growths of 44.8% to US$149,504,000 (corresponding period of 2010: US$103,266,000) and 8.3% to US$129,275,000 (corresponding period of 2010: US$119,392,000) respectively

Gross profit rose by 71.0% to US$119,311,000 (corresponding period of 2010: US$69,771,000) attributable to the turnaround to become profitable of Piraeus Container Terminal S.A. ("Piraeus Terminal"), a wholly owned subsidiary of the Group since September 2010 and the reclassification of Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") from a jointly controlled entity to a subsidiary starting from 1st January 2011

Excluding the non-recurring items [Note 1], profit attributable to equity holders of the Company was US$212,643,000 (corresponding period of 2010: US$98,208,000), an increase of 116.5%. Including the non-recurring items, profit attributable to the equity holders rose by 24.8% to US$237,041,000 (corresponding period of 2010: US$189,938,000)

Interim cash dividend of HK27.2 cents per share (corresponding period of 2010: an interim cash dividend of HK13.7 cents per share), an increase of 98.5%. Dividend payout [Note 2] maintained at 40.0% (corresponding period of 2010: 40.0%)

Profit from terminal business grew significantly by 144.3% to US$96,662,000 (corresponding period of 2010: US$39,566,000) on the back of an increase in equity throughput of 31.0% to 6,537,508 TEUs (corresponding period of 2010: 4,991,142 TEUs), an approximately additional 10% stake in Yantian International Container Terminals Co., Ltd. ("Yantian Terminal") and turnarounds to become profitable of Piraeus Terminal and Guangzhou South China Oceangate Terminal. Total throughput increased by 19.7% to 24,249,265 TEUs (corresponding period of 2010: 20,251,095 TEUs)

Profit from container leasing, management and sale businesses increased by 17.1% to US$56,195,000 (corresponding period of 2010: US$47,993,000) attributable to the increase in container fleet size by 7.3% to 1,713,872 TEUs (corresponding period of 2010: 1,597,779 TEUs) and the overall average utilisation rate rose by 1.4 percentage points to 96.8% (corresponding period of 2010: 95.4%)

Profit from container manufacturing business increased by 238.8% to US$91,290,000 (corresponding period of 2010: US$26,943,000)

The Company won the "Corporate Governance Asia Recognition Award" given by Corporate Governance Asia magazine for the fifth consecutive year. Meanwhile, the Company was awarded "Foreign Company In-House Team of the Year" by Asian Legal Business, a well recognised professional magazine for the second consecutive year

Note 1: Non-recurring items in the first half of 2011 include gain on release of exchange reserve of US$11,841,000 upon reclassification of COSCO Ports (Nansha) Limited and its subsidiary, Guangzhou South China Oceangate Terminal, from jointly controlled entities to subsidiaries starting from 1st January 2011 and profit on disposal of Qingdao Cosport International Container Terminals Co., Ltd. ("Qingdao Cosport Terminal") of US$12,557,000 (corresponding period of 2010: profit on disposal of COSCO Logistics Co., Ltd. ("COSCO Logistics") of US$84,710,000 and profit on disposal of Dalian Port Container Co., Ltd. ("Dalian Port Container") of US$7,020,000).

Note 2: A special interim cash dividend of HK11.1 cents per share was declared as a result of the disposal of 49% equity interest in COSCO Logistics in the corresponding period of 2010. Dividend payout excluded the special dividend.

The board of directors (the "Board") of COSCO Pacific Limited (the "Company" or "COSCO Pacific") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the six month ended 30th June 2011.

Operational Review

During the period, COSCO Pacific's terminal business, container leasing, management and sale businesses and container manufacturing business continued to benefit from the steady growth of the global container shipping volume and recorded solid results.

Terminals

Revenue increased by 44.8%

Terminal business of the Group recorded a revenue of US$149,504,000 (corresponding period of 2010: US$103,266,000), representing an increase of 44.8%, which was primarily a result of the reclassification of Guangzhou South China Oceangate Terminal from a jointly controlled entity to a subsidiary beginning from 1st January 2011. Meanwhile, the contribution from terminal business to the Group's revenue increased to 53.6% (corresponding period of 2010: 46.4%).

Profit largely rose by 144.3%

Terminal business of the Group recorded a profit of US$96,662,000 (corresponding period of 2010: US$39,566,000), representing an increase of 144.3%. The significant increase in the profit of terminal business was driven by an increase of 31.0% in equity throughput [Note 2], an upward adjustment to tariff of terminals, the acquisition of an approximately additional 10% stake in Yantian Terminal and the inclusion of the profit contribution from Yantian Terminal using the equity method beginning from 30th June 2010, a return to profitability or significant reduction in the loss of loss-making terminals in operation, and the profit on disposal of Qingdao Cosport Terminal. During the period, Yantian Terminal contributed a profit of US$23,382,000 (corresponding period of 2010: Nil). Piraeus Terminal recorded a profit contribution of US$1,710,000 (corresponding period of 2010: loss of US$10,665,000) attributable to a strong throughput growth of 28.5% and significant reduction in operating cost. Guangzhou South China Oceangate Terminal contributed a profit of US$691,000 (corresponding period of 2010: loss of US$3,001,000), thanks to an increase of 22.5% in throughput and an upward adjustment to tariff.

On 10th March 2011, the Group entered into an agreement for the disposal of its 50% equity interest in Qingdao Cosport Terminal to the remaining shareholder, Qingdao Port Group, for a total consideration of RMB184,000,000 (equivalent to approximately US$28,000,000). The transaction was completed on 28th April 2011, and the profit on disposal was US$12,557,000 (profit on disposal of Dalian Port Container in the corresponding period of 2010 was US$7,020,000). The disposal could help optimise the Group's terminal business structure.

An increase of 31.0% in equity throughput

COSCO Pacific's total container throughput recorded a satisfactory growth in the first half of 2011 with an increase of 19.7% (corresponding period of 2010: +18.7%) to 24,249,265 TEUs (corresponding period of 2010: 20,251,095 TEUs [Note 1]). The terminal companies in China handled 21,126,861 TEUs in aggregate (corresponding period of 2010: 17,584,080 TEUs [Note 1]), representing an increase of 20.1% (corresponding period of 2010: +16.4%) which was much higher than the average growth rate of 12.9% of the China ports. In 2010, the Group acquired approximately 10% additional equity interest in Yantian Terminal, which intensified the Group's equity throughput [Note 2] growth by 31.0% to 6,537,508 TEUs (corresponding period of 2010: 4,991,142 TEUs [Note 1]).

Regional breakdown of total throughput

	1H 2011 (TEUs)	y-o-y change (%)	% of total (%)
Bohai Rim Note 1	9,522,797	+31.8	39.2
Yangtze River Delta Note 1	3,634,691	+22.1	15.0
Pearl River Delta and Southeast Coast	7,969,373	+8.0	32.9
China Note 1	21,126,861	+20.1	87.1
Overseas	3,122,404	+17.1	12.9
Total Note 1	**24,249,265**	**+19.7**	**100.0**

Regional breakdown of equity throughput Note 2

	1H 2011 (TEUs)	y-o-y change (%)	% of total (%)
Bohai Rim Note 1	2,003,472	+33.7	30.6
Yangtze River Delta Note 1	1,062,273	+21.1	16.3
Pearl River Delta and Southeast Coast	2,310,868	+42.5	35.3
China Note 1	5,376,613	+34.5	82.2
Overseas	1,160,895	+16.7	17.8
Total Note 1	**6,537,508**	**+31.0**	**100.0**

Note 1: The Group disposed of its 50% equity interest in Qingdao Cosport Terminal on 28th April 2011, and Shanghai Container Terminals Limited commenced to change its business model and stopped handling containers from January 2011. When calculating the year-on-year changes for the year 2011, the throughput in the first half of 2010 adopted as part of the base excluded the throughput of these two terminal companies. The throughput of these two terminal companies in the first half of 2010 amounted to 628,811 TEUs and 1,548,142 TEUs respectively.

Note 2: Equity throughput is calculated according to the shareholding proportion of the Group.

Further enhancing efficiency and handling capacity of Piraeus Terminal

It is expected that eight new berths will commence operations in the second half of 2011, among them, Xiamen Ocean Gate Container Terminal Co., Ltd. will commence trial operation in the fourth quarter and its two berths will commence operation with an annual handling capacity of 1,400,000 TEUs. The upgrading work of Pier 2 of Piraeus Terminal commenced in the second quarter of 2010. After three new super post-panamax quay cranes were commissioned at the end of September of 2010, all of the eight newly-acquired rail-mounted gantry cranes were also put into operation in April this year. Another three new super post-panamax quay cranes are expected to be put into use in October. With the new equipment being put into use, the efficiency and handling capacity of Piraeus Terminal will be further enhanced. It is expected that the upgrading work of Pier 2 will be completed by the end of this year ahead of schedule.

Container Leasing, Management and Sale

Utilisation rate increased to 96.8%

With the strong demand in 2010, container leasing market recorded a satisfactory growth in the first half of 2011. On the back of strong demand, most shipping lines were able to commit their container leasing plans for the whole 2011. The demand for container leasing service remained strong. The Group's overall average utilisation rate during the first half of the year was 96.8%, which remained at a relatively high level.

Leasing revenue rose by 18.0%

Total revenue generated from container leasing, management and sale businesses of the Group amounted to US$129,275,000 (corresponding period of 2010: US$119,392,000), representing an increase of 8.3% (corresponding period of 2010: 4.4%). The fleet size of owned and sale-and-leaseback containers grew by 15.3% to 1,027,921 TEUs (corresponding period of 2010: 891,422 TEUs), resulting in an increase of 18.0% in the revenue from container leasing to US$114,335,000 (corresponding period of 2010: US$96,933,000). Since the containers disposed of by the Group decreased to 4,777 TEUS as a result of the reduction of containers returned by shipping lines, revenue from the disposal of returned containers decreased by 47.0% to US$9,518,000 (corresponding period of 2010: US$17,947,000). Although the fleet size of the managed containers decreased by 2.9% to 685,951 TEUs (corresponding period of 2010: 706,357 TEUs), revenue from managed containers increased by 24.8% to US$4,169,000 (corresponding period of 2010: US$3,341,000). The increase was due to the increase in net operating income as a result of the increase in the utilisation rate and the reduction in the operating expenses of managed container.

Profit growth of 17.1%

During the period, profit contribution from container leasing, management and sale businesses increased by 17.1% to US$56,195,000 (corresponding period of 2010: US$47,993,000), which was attributable to high utilisation rate and an increase in total fleet size.

An increase of 7.3% in container fleet size

The Group's wholly owned subsidiary, Florens Container Holdings Limited and its subsidiaries, continued to rank as the third largest container leasing company in the world, capturing approximately 13.0% of the global market. As at 30th June 2011, the Group's fleet size was 1,713,872 TEUs (corresponding period of 2010: 1,597,779 TEUs), an increase of 7.3%. The fleet size of owned containers was 798,638 TEUs, accounting for 46.6% of the total fleet. The size of sale-and-leaseback container fleet was 229,283 TEUs, representing 13.4% of the total fleet. The size of managed container fleet was 685,951 TEUs, representing 40.0% of the total fleet.

Container Manufacturing

The Group holds a 21.8% stake in CIMC, the world's largest container manufacturer. The production of dry cargo containers of CIMC basically ceased in 2009 due to the effect of the global financial crisis. Since the second half of 2010, CIMC has been receiving sufficient orders for dry cargo containers and the price has increased significantly. In the first half of 2011, CIMC maintained a high sales volume and profitability. CIMC's profit contribution to the Group increased by 238.8% to US$91,290,000 (corresponding period of 2010: US$26,943,000) in the first half of 2011.

Investor Relations

COSCO Pacific has always regarded investor relations as an important aspect of corporate governance and has been seeking to further improve the quality of corporate information disclosure to make available to the market the latest business conditions and development strategies of the Company. The Company's management is committed to improving corporate governance. During the period, the Company was greatly encouraged by winning the Corporate Governance Asia Recognition Award given by Corporate Governance Asia magazine for the fifth consecutive year, which reflected the recognition and appreciation of COSCO Pacific's corporate governance and investor relations from institutional investors.

During the period, the Company participated in three investor conferences organised by investment banks and conducted one roadshow. The Company met with a total of 286 investors, analysts and media representatives through one-on-one and group meetings. It also arranged two visits to its terminals for the investment community.

Prospects

As for the terminal business, the Group expects a steady growth of container throughput in the second half of the year and that the terminal companies with outstanding performance in the first half of the year will continue to drive the growth of total throughput. In addition, the terminal tariff of Mainland China ports has been adjusted upwards in the first half of the year. The management is confident that the terminal business will continue to achieve satisfactory results in the second half of the year.

As for the container leasing, management and sale businesses, the Group expects that the overall average utilisation rate will continue to stand at a high level in the second half of the year. 90% of the 118,000 TEUs of new containers ordered in the first half of the year have been booked by shipping lines and delivered to generate rental income for the Group. In addition, the 111,625 TEUs of new containers purchased by the Group in 2010 will contribute full-year rental income in 2011. As such, the Group is expected to record a steady growth in rental income in the second half of the year.

Despite the uncertainties in the global economic outlook, the Group will continue to benefit from its business portfolio which largely tailors the basic need of consumers. Meanwhile, the Group will continue to implement prudent business strategies, strictly control operating costs and attach great importance to risk management and prevention measures so as to maintain sustainable business growth.

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2011 interim results announcement is available on the Company's website (http://www.coscopac.com.hk) and the designated website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.com.hk). For further inquiry, please contact:

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