Press Release **29 March 2016**

COSCO Pacific Limited

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

2015 Final Results

Results Highlights

The Group's revenue fell by 8.3% to US$798,151,000 (2014: US$870,091,000).

Revenue from the terminals business fell by 5.8% to US$486,772,000 (2014: US$516,993,000), mainly due to the depreciation of the Euro and Renminbi against the US dollar. Piraeus Container Terminal S.A. ("Piraeus Terminal") recorded a stable operational performance. Its revenue in Euro increased by 4.2%, but the US$156,126,000 equivalent represented a decrease of 12.5% (2014: US$178,466,000).

Revenue from the container leasing, management and sale businesses fell by 11.6% to US$315,675,000 (2014: US$357,075,000). Due to the significant 55.3% decrease in the number of disposed containers and the 15.2% fall in the average resale prices of returned containers compared with last year, revenue from the sale of returned containers decreased substantially, by 62.1%. In addition, lease rates continued to be affected by the sluggish container leasing market, and revenue from container leasing dropped by 3.5%.

The Group's gross profit declined by 7.3% to US$300,104,000 (2014: US$323,857,000). Gross profit margin rose by 0.4 percentage points to 37.6% (2014: 37.2%).

Despite revenue from the terminals business having decreased by 5.8%, the operational performance of Piraeus Terminal and Xiamen Ocean Gate Container Terminal Co., Ltd. ("Xiamen Ocean Gate Terminal") improved. Gross profit from the terminals business declined only slightly, by 0.1%.

Gross profit from the container leasing, management and sale business recorded a 15.7% decrease compared with last year. As competition in the container leasing market remained fierce, market lease rates fell. This, combined with the decrease of 0.3 percentage points in the average utilisation rate of the Group to 95.0% (2014: 95.3%), caused the gross profit for container leasing to decline. As a result of the decrease in revenue from the sale of returned containers, gross profit from the sale of returned containers also decreased.

Including the write back of provision on the disposal of 21.8% equity interest in China International Marine Containers (Group) Co., Ltd. ("CIMC") in 2013, profit attributable to equity holders of the Company increased by 30.4% to US$381,644,000 (2014: US$292,759,000).

Excluding the write back of provision on the disposal of 21.8% equity interest in CIMC in 2013, profit attributable to equity holders of the Company increased by 3.3% to US$302,492,000 (2014: US$292,759,000).

The terminals business experienced slow growth in container throughput and profit due to a slowdown in global economic growth and negative growth of imports and exports in the PRC. Total throughput increased by 2.0% to 68,670,714 TEU (2014: 67,326,122 TEU). Equity throughput increased by 1.1% to 19,262,210 TEU (2014: 19,047,214 TEU). Profit rose by 5.7% to US$233,653,000 (2014: US$220,978,000).

Profit from the container leasing, management and sale businesses dropped by 13.5% to US$82,849,000 (2014: US$95,757,000). The container fleet size increased by 1.9% to 1,944,654 TEU (2014: 1,907,778 TEU).

The proposed final dividend is HK22.9 cents per share (2014: HK15.4 cents), and the dividend will be payable in cash and with a scrip dividend alternative. The full-year dividend amounted to HK40.2 cents (2014: HK31.0 cents), representing a payout ratio of 40.0% (2014: 40.0%).

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 year ended 31 December 2015.

Operational Review

Terminals

The economic growth rates of emerging markets and developing economies slowed further in 2015, while the recovery of the developed economies was sluggish. The International Monetary Fund estimates that the global economy grew by 3.1% in 2015, 0.3 percentage points less than in 2014. The growth of global trade slowed by 0.8 percentage points to 2.6% in 2015 as compared to 3.4% in 2014. Under the impact of the slowdown in global economic growth, growth in global port container throughput also slowed. According to the forecast made by Drewry in December 2015, the growth in global port container handling in 2015 decreased by 4.1 percentage points to 1.3%, from 5.4% in 2014.

A change in its structure, together with downward pressure from domestic and foreign trade, saw China's economic growth moderate to 6.9%. China's import and export trade decreased by 7.0% (2014: +4.9%), creating a challenging operating environment for the ports industry.

Sustaining Profit Growth through Stable Performance at our Major Terminals

In 2015, the container throughput and profit growth of the Group's terminals business slowed down. Equity throughput rose by 1.1% to 19,262,210 TEU (2014: 19,047,214 TEU). Profit from the terminals business rose by 5.7% to US$233,653,000 (2014: US$220,978,000), primarily due to Xiamen Ocean Gate Terminal achieving a turnaround, with robust growth in throughput and higher average revenue per TEU leading to a profit contribution of US$137,000 (2014: a loss of US$6,858,000). In addition, those terminals that account for relatively high proportions of the Group's terminals business profit had stable growth in both throughput and profit. Among them, the share of profit from Yantian Terminals increased by 8.5% to US$53,667,000 (2014: US$49,446,000). Thanks to the increase in its average revenue per TEU and throughput, the profit from Qingdao Qianwan Terminal increased by 9.9% to US$42,898,000 (2014: US$39,034,000). The profit from Shanghai Pudong International Container Terminals Limited ("Shanghai Pudong Terminal") increased by 4.0% to US$21,511,000. (2014: US$20,689,000).

Piraeus Terminal maintained profit growth momentum, with its profit in Euro rising by 18.1% following optimisation of its terminal operations. Due to the depreciation of the Euro against the US dollar compared with last year, its profit contribution in US dollar terms decreased slightly by 0.5% to US$28,845,000 (2014: US$ 28,980,000). Profit at COSCO-HIT Terminals (Hong Kong) Limited ("COSCO-HIT Terminal") declined 0.7% to US$16,376,000 (2014: US$16,487,000).

The revenue from the Group's terminals business is primarily generated by seven terminal subsidiaries. In 2015, the total revenue of these terminal subsidiaries amounted to

US$486,772,000 (2014: US$516,993,000), down 5.8%. The revenue from the terminals business accounted for 61.0% (2014: 59.4%) of total Group revenue. The decline in terminals business revenue was mainly due to Piraeus Terminal being affected by the depreciation of the Euro against the US Dollar compared with last year. Piraeus Terminal delivered stable operational performance, with its revenue in Euro rising by 4.2%. However, its revenue in US dollar terms decreased 12.5% to US$156,126,000 (2014: US$178,466,000). The business volume of Xiamen Ocean Gate Terminal saw a continued increase. Combined with the revenue from its subsidiary, Xiamen Haitou Tongda Terminal Co., Ltd., this terminal reported an aggregate revenue of US$48,833,000 (2014: US$39,199,000), a 24.6% increase.

Achieving Higher Market Share through Continuing Volume Growth

On the basis of total throughput in the world's container terminal market in 2014 as shown in Drewry's Global Terminal Operator Report 2015, the total container throughput of COSCO Pacific's terminals accounted for approximately 9.9% of the world total, representing an increase in market share. COSCO Pacific's rank as Number Four among the world's container terminal operators has therefore been strengthened.

In 2015, the total throughput of the Group increased by 2.0% to 68,670,714 TEU (2014: 67,326,122 TEU). The equity throughput increased only modestly, by 1.1% to 19,262,210 TEU (2014: 19,047,214 TEU).

The Group's terminal companies in Mainland China (excluding Hong Kong and Taiwan) handled 54,786,540 TEU (2014: 53,787,323 TEU) in total, an increase of 1.9%, accounting for 79.8% of the Group's total throughput.

The throughput of the Bohai Rim region reached 25,653,747 TEU (2014: 25,130,274 TEU), an increase of 2.1% and accounting for 37.3% of the Group's total throughput. Thanks to the increased foreign trade cargo volume, the throughput at Qingdao Qianwan Terminal reached 16,995,934 TEU (2014: 16,108,145 TEU), up 5.5%.

The throughput of the Yangtze River Delta region declined 0.3% to 9,876,808 TEU (2014: 9,902,712 TEU), accounting for 14.4% of the Group's total throughput. Thanks to the increases in shipping routes, the throughput of Shanghai Pudong Terminal rose 5.7% to 2,508,121 TEU (2014: 2,373,620 TEU). From the beginning of July 2015, the number of terminal berths in operation at Ningbo Yuan Dong Terminal decreased from five to three. With decreased operating capacity, the terminal's throughput dropped by 5.4% to 3,040,762 TEU (2014: 3,214,703 TEU).

The combined throughput of the Southeast Coast and others reached 4,129,030 TEU (2014: 3,767,499 TEU), representing an increase of 9.6% and accounting for 6.0% of the Group's total throughput. With enhanced customer service and marketing efforts, throughput at Xiamen Ocean Gate Terminal surged 28.4% to 1,034,753 TEU (2014: 806,183 TEU).

The throughput of the Pearl River Delta region reached 19,480,987 TEU (2014: 19,099,473 TEU), representing an increase of 2.0% and accounting for 28.4% of the Group's total throughput. With increases in cargo volumes brought about by transshipments and exports to the United States, as well as a rise in the volume of empty containers, the throughput of Yantian Terminals rose 4.2% to 12,165,687 TEU (2014: 11,672,798 TEU).

The throughput of overseas terminals reached 9,530,142 TEU (2014: 9,426,164 TEU), representing an increase of 1.1% and accounting for 13.9% of the Group's total throughput. Although the Far East - Mediterranean shipping market saw a downturn, the throughput of Piraeus Terminal recorded steady growth of 1.6% to 3,034,428 TEU (2014: 2,986,904 TEU)

Strengthening the Mediterranean Terminal Network

As of 31 December 2015, there were 113 berths (2014: 108 berths) under the Group's operating container terminals and the total annual handling capacity was 68,370,000 TEU (2014: 65,750,000 TEU). There were 13 bulk berths (2014: 13 berths) in operation, with a total annual handling capacity of 46,050,000 tons (2014: 46,050,000 tons). Newly-added berths during the year included the six berths of Kumport Terminal (2,100,000 TEU) and one berth at Piraeus Terminal.

During the year, the Group capitalized on the strategic opportunities from the initiatives of "One Belt, One Road" and the Yangtze River Economic Belt to expand its terminal network around the globe. On 17 September 2015, the Group acquired a 26% effective equity interest at Kumport Terminal in Turkey at a total consideration of US$386,114,000. Kumport Terminal is in the Ambarli Port Complex, on the European shore of Istanbul. It has always been an important strategic location at the crossroads of Europe and Asia, which is just 35 km away from the portal to the Black Sea, the Strait of Bosporus, which is the only passage to the Black Sea for shipping. Local goods are mainly supplied by the European side of Istanbul, which contains its main commercial and industrial areas. Most transshipments are shipped to the Black Sea. The current annual handling capacity of Kumport Terminal is 2,100,000 TEU. The annual handling capacity can be increased to 3,500,000 TEU through the transformation of the existing berths (included extending berths) and a container depot as well as the enhancement and upgrading of equipment. This acquisition was completed on 9 December 2015, and the terminal's throughput and profit will be included in the Group's accounts from 1 January 2016.

In addition, the expansion project at Piraeus Terminal includes enhancing the operational capacity of Pier 2 and building the Western Part of Pier 3, bringing an additional 2,500,000 TEU annual handling capacity to the terminal, thereby raising total annual handling capacity to 6,200,000 TEU. Piraeus Terminal held the inauguration ceremony for the construction of the Western Part of Pier 3 in late January 2015 and the operating capacity enhancement of Pier 2 was gradually completed during 2015. The annual handling capacity of Piraeus Terminal thus increased to 4,300,000 TEU at the end of 2015. The construction and instalment of mechanical equipment at the Western Part of Pier 3 is scheduled to be completed by 2021. Once complete, the expansion project will enhance the facilities and operating capacity of the container terminals in Piraeus Port, strengthen the port's position as an international transshipment hub and improve the revenue generating capacity of Piraeus Terminal.

Container Leasing, Management and Sale

In 2015, the container leasing market suffered from the weak global economy and worse-than-expected overcapacity in the shipping industry. According to Drewry's estimate, the TEU capacity of global container ships increased by 8.5% year-on-year in 2015, 1.3 percentage points higher than the original prediction of 7.2%. However, container demand grew by only 0.9% year-on-year, significantly lower than the 5.3% originally predicted. The gross margin of the container leasing industry was therefore pressured by intense competition resulting from oversupply, lower new container prices and lease rates, declining resale prices, as well as the expiry of certain container leases at higher rates.

During the year, the number of the Group's leased containers increased, while overall lease rate declined year-on-year, resulting in a slight decline in revenue from the container leasing business. In addition, the number of disposed returned containers declined, while there was continued pressure on resale prices. These factors negatively affected the profit from the container leasing, management and sale businesses, which decreased by 13.5% to US$82,849,000 (2014: US$95,757,000).

Long-term leases accounted for 96.7% (2014: 96.2%) of the Group's total revenue from the container leasing business in 2015, while revenue from master leases accounted for 3.3% (2014: 3.8%). With a strategic focus on long-term leasing, the Group enjoyed stable income growth. The overall average utilisation rate of the Group's containers remained stable during the year, at 95.0% (2014: 95.3%), higher than the industry average of approximately 93.0% (2014: approximately 94.0%).

Uitilisation Rate Remained Steady

In 2015, revenue from the Group's container leasing, management and sale businesses reached US$315,675,000 (2014: US$357,075,000), representing a decrease of 11.6%. The decline was mainly attributable to the decrease in revenue from disposal of returned containers. Revenue from the container leasing business was US$285,511,000 (2014: US$295,774,000), a decrease of 3.5%, and accounted for 90.4% (2014: 82.8%) of the total revenue from the container leasing, management and sale businesses. The fleet size of owned containers and sale-and-leaseback containers grew 7.7% to 1,476,507 TEU (2014: 1,370,324 TEU). However, the market lease rates were relatively low, which dragged down the Group's revenue growth.

Resale prices declined and the number of disposed returned containers dropped by 55.3% to 22,747 TEU (2014: 50,860 TEU). As a result, revenue from the disposal of returned containers decreased by 62.1% to US$18,116,000 (2014: US$47,773,000), accounting for 5.7% of the total revenue of the container leasing, management and sale businesses (2014: 13.4%). In addition, the number of containers returned from COSCO Container Lines Company Limited ("COSCON") was 4,456 TEU (2014: 43,382 TEU).

During the year, the fleet size of managed containers was down 12.9% to 468,147 TEU (2014: 537,454 TEU). As a result, revenue from managed containers deceased by 27.7% to US$4,612,000 (2014: US$6,377,000), accounting for 1.5% (2014: 1.8%) of the total revenue of container leasing, management and sale businesses.

The Group has a prudent and comprehensive customer risk management framework to evaluate the credit risk attaching to individual customers. Core customers of the Group are reliable container shipping lines. In 2015, 80.2% (2014: 79.5%) of the Group's container leasing revenue was contributed by the world's top ten container shipping lines.

As of 31 December 2015, the Group's container fleet had reached 1,944,654 TEU (2014: 1,907,778 TEU), up 1.9%. COSCO Pacific was one of the world's four largest container leasing companies with a market share of approximately 10.5% (2014: approximately 11.0%). The average age of containers in the fleet was 6.9 years (2014: 6.5 years).

Overall Management and Awards

COSCO Pacific's efforts in the fields of corporate governance and investor relations have been widely acclaimed externally and in 2015, our high level of corporate transparency and good corporate governance continued to earn market recognition.

- "Special Mention in the H-share Companies and Other Mainland Enterprises Category" in the "2015 Best Corporate Governance Disclosure Awards" by the Hong Kong Institute of Certified Public Accountants for the second consecutive year;
- "Gold Awards for Financial Performance, Corporate Governance, Environmental Responsibility and Investor Relations" from The Asset magazine for the second consecutive year;
- "Outstanding China Enterprise Award" from Capital magazine for the fourth consecutive year;
- "Best Investor Relations Company" from Corporate Governance Asia magazine for the fourth consecutive year;
- "Shipping In-House Team of the Year" from Asian Legal Business, a well-recognised professional magazine, for the third consecutive year;
- "Best Managed Listed Companies" award at the 5th China Securities Golden Bauhinia Awards;
- The 2014 Annual Report was recognised with "Bronze in the Cover Design" in shipping services category at 2015 ARC Awards;
- Piraeus Container Terminal S.A. was awarded "Excellent Performance in Transport & Logistics Awards 2015", jointly organised by Supply Chain Institute of Southeastern & Central Europe Ltd and Boussia Communications in Greece;
- Mr. QIU Jinguang, Vice Chairman & Managing Director, awarded "Best CEO (Investor Relations)" from Corporate Governance Asia magazine;

- Ms. Michelle HUNG, General Counsel & Company Secretary, named among the top 15 general counsels of the 2015 China's Top General Counsel Rankings by Asian Legal Business Magazine; and
- Miss Charlotte SO, Investor Relations Department Senior Manager, won "Best Investor Relations Professional" from Corporate Governance Asia magazine.

Investor Relations

The Group pays high attention to its investor relations. Management of the Company introduces the Group's operation, management, development strategy and prospect to its corporate stakeholders through activities such as press conferences, road shows and individual meetings. During the year, the Company met with a total of 244 investors and related personnel, 58% of which were fund managers, 24% of which were analysts, 1% of which were investment bankers and 17% were media representatives. Besides, the Company conducted three road shows and attended three investor forums as well as organised one visit to its terminals for investors.

Prospects

As a result of the faltering recovery in global trade, the IMF has adjusted down its 2016 forecast for global economic growth by 0.2% to 3.4% and for global trade growth by 0.7% to 3.4%. China's foreign trade therefore continues to face downward pressure and overall, the macroeconomic conditions for port-related industries in 2016 are not encouraging.

The Group capitalised the opportunities arising from the reorganisation of China Ocean Shipping (Group) Company and its subsidiaries ("COSCO Group") and China Shipping (Group) Company ("China Shipping Group") to announce a strategic acquisition and disposal on 11 December 2015. The Group proposed to acquire a 100% equity interest in CSPD and dispose its 100% equity interest in Florens, to transform itself into a pure terminal operator. The transactions were overwhelmingly passed by independent shareholders at the special general meeting of the Company held on 1 February 2016 and was completed on 24 March 2016. COSCO Pacific will proactively devote its efforts to completing the post-reorganisation work, so as to focus resources on terminals business development and unlock fully the Company's intrinsic value.

COSCO Pacific's leading position in terminal industry will be further strengthened with enlarged terminal portfolio and global market share following the acquisition. Based on the total throughput of the world's container terminals market in 2014, the Group's total global market share thus increases from 9.9% to 11.6%, making it the second largest operator in the world, while its global market share in terms of equity throughput increases from 2.8% to 3.6%, making it the sixth largest globally, advancing the Group's position in the global market. In addition, the Group's position in the Greater China area has been strengthened, with its market share increasing from 27.0% to 32.2%. Furthermore, its terminal network in

China has been extended to the Southwestern coastal region, encompassing China's five main coastal port clusters.

COSCO Pacific has enjoyed a privileged position among its peers thanks to the long-standing support of the container shipping fleet of COSCO Group. Following the reorganisation of COSCO Group and China Shipping Group, according to the figures provided by China COSCO Holdings Company Limited, the parent company, the capacity of its container shipping fleet will reach 1,600,000 TEU, representing world market share of approximately 8%. COSCO Pacific, being the listed terminal flagship of the parent company, will therefore receive even greater support from one of the world's top tier container shipping fleets with enlarged scale. Benefiting from synergies with its parent company, the Group's global competitiveness will become more pronounced.

Looking at the year ahead, COSCO Pacific will seize opportunities for development, expand its capacity and strengthen its competitiveness given slow economic growth and more intense competition in the ports industry. COSCO Pacific is committed to capitalizing on the strategic opportunities from the initiatives of "One Belt, One Road" and the Yangtze River Economic Belt. It will administer risk management while seizing investment opportunities and focus on the development of its global terminal network and improve its global container hub network through adherence to its four strategic focuses, with a view towards sustainable development and growth in profitability.

As backed by the shareholders and shipping companies over the years, the Group's container fleet size has been increasing since COSCO Pacific's listing on the Stock Exchange in 1994, from 261,570 TEU to 1,944,654 TEU as at the end of 2015. It was ranked the world's fourth largest container leasing company with a market share of approximately 10.5%. After the reorganisation of COSCO Group and China Shipping Group, the expanded container shipping fleet will continue to support Florens, and, Florens' container leasing business will be further strengthened in terms of scale, competitiveness and the aspect of cost optimization, paving the way to be the leader among the world's container leasing enterprises.

+++++

2015 final 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.hk). For further inquiry, please contact:

Mr. SHEN Xuan
General Manager
Investor Relations Department
Tel: 2809-8130
Fax: 2907-6088
Email: shenxuan@coscopac.com.hk

Ms. Charlotte SO
Senior Manager
Investor Relations Department
Tel: 2809-8132
Fax: 2907-6088
Email: charlotteso@coscopac.com.hk