



**COSCO Pacific Limited**  
(Incorporated in Bermuda with Limited Liability)

**2009 Interim Results**

The Board of Directors of COSCO Pacific Limited ("COSCO Pacific" or the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2009. In the first half of 2009, the real economies and international trade were seriously affected by the global financial crisis, resulting in a contraction in global economy and world trade volume. The Company's terminal, container leasing and container manufacturing businesses had, to a certain extent, inevitably affected by the challenging market environment.

- Profit attributable to equity holders of the Company decreased by 31.8% year-on-year to US\$104,509,000 (corresponding period of 2008: US\$153,152,000)
- Interim cash dividend of HK14.4 cents (corresponding period of 2008: HK27.4 cents) per share was declared. Dividend payout was 40.0% (corresponding period of 2008: 51.5%)
- The container throughput dropped by 8.5% year-on-year to 20,207,025 TEUs (corresponding period of 2008: 22,088,046 TEUs)
- The container fleet size decreased by 1.6% year-on-year to 1,605,963 TEUs (corresponding period of 2008: 1,632,356 TEUs)
- For the third consecutive year, the Company won the "Corporate Governance Asia Recognition Award" granted by Corporate Governance Asia magazine

**Results Highlights**

In the first half of 2009, COSCO Pacific's core businesses continued to face many challenges. The market competition in the global shipping and China port industry became more intense, making business operations even more difficult. In response to falling operating income and profit, COSCO Pacific made timely adjustments in its strategies, and pace of its expansion plans. It also substantially reduced its capital expenditure and strengthened cost control measures.

During the period, profit attributable to equity holders of the Company was US\$104,509,000 (corresponding period of 2008: US\$153,152,000), a decline of 31.8% from the corresponding period of last year. Profit contribution from terminal business dropped 35.8% to US\$44,662,000 (corresponding period of 2008: US\$69,593,000). Profit contribution from container leasing, management and sale businesses amounted to US\$37,049,000 (corresponding period of 2008: US\$52,691,000), a decrease of 29.7% year-on-year. Profit from container manufacturing business increased slightly by 0.7% to US\$29,322,000 during the period (corresponding period of 2008: US\$29,126,000). Profit from logistics business rose 4.9% year-on-year to US\$17,020,000 (corresponding period of 2008: US\$16,229,000).

## **Dividend Distribution**

COSCO Pacific has always been committed to enhancing shareholders' returns. Maintaining a stable dividend payout policy is an important measure to deliver value to the shareholders. The Board has declared an interim cash dividend of HK14.4 cents (corresponding period of 2008: HK27.4 cents) per share for the six months ended 30th June 2009. The dividend payout ratio was 40.0% (corresponding period of 2008: 51.5%), remained the same as the full year payout ratio of 2008.

## **Terminals**

During the first half of the year, the total container throughput decreased by 8.5% (corresponding period of 2008: +22.7%) with an aggregate throughput reaching 20,207,025 TEUs (corresponding period of 2008: 22,088,046 TEUs). The terminal operations in China handled a total of 18,298,499 TEUs (corresponding period of 2008: 19,737,223 TEUs), representing a decrease of 7.3% over the same period of last year (corresponding period of 2008: +14.5%), which was less than the 11.0% year-on-year decline in China market as the Company's Bohai Rim and Southeast Coast terminals outperformed ports in other regions.

During the first half of 2009, the throughput in Bohai Rim rose by 1.1% over the same period of last year (corresponding period of 2008: +8.2%) to 8,493,867 TEUs (corresponding period of 2008: 8,400,703 TEUs), accounting for 42.1% of the total container throughput.

The throughput in Yangtze River Delta decreased by 14.7% over the same period of last year (corresponding period of 2008: +17.9%) to 3,902,197 TEUs (corresponding period of 2008: 4,576,107 TEUs), accounting for 19.3% of the total container throughput.

Total throughput in Pearl River Delta and Southeast Coast reached 5,902,435 TEUs (corresponding period of 2008: 6,760,413 TEUs), a decrease of 12.7% year-on-year (corresponding period of 2008: +21.0%), accounting for 29.2% of the total container throughput.

The throughput of overseas terminals reached 1,908,526 TEUs (corresponding period of 2008: 2,350,823 TEUs), a year-on-year drop of 18.8% (corresponding period of 2008: +206.7%), accounting for 9.4% of the total container throughput.

<b>Throughput of Terminals</b>	<b>1H 2009 (TEUs)</b>	<b>1H 2008 (TEUs)</b>	<b>y-o-y</b>
<b>Bohai Rim</b>	<b>8,493,867</b>	<b>8,400,703</b>	<b>+1.1%</b>
Qingdao Qianwan Container Terminal Co., Ltd.	4,427,379	4,315,000	+2.6%
Qingdao Cosport International Container Terminals Co., Ltd.	588,495	572,260	+2.8%
Dalian Port Container Co., Ltd.	1,314,773	1,272,752	+3.3%
Dalian Port Container Terminal Co., Ltd.	697,356	794,296	-12.2%
Tianjin Five Continents International Container Terminal Co., Ltd.	943,717	962,681	-2.0%
Yingkou Container Terminals Company Limited	522,147	483,714	+7.9%
<b>Yangtze River Delta</b>	<b>3,902,197</b>	<b>4,576,107</b>	<b>-14.7%</b>
Shanghai Pudong International Container Terminals Limited	1,125,924	1,314,428	-14.3%
Shanghai Container Terminals Limited	1,430,306	1,848,826	-22.6%
Ningbo Yuan Dong Terminals Limited	494,794	394,914	+25.3%
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	301,513	377,091	-20.0%
Yangzhou Yuanyang International Ports Co. Ltd.	93,973	127,285	-26.2%
Nanjing Port Longtan Container Co., Ltd.	455,687	513,563	-11.3%
<b>Pearl River Delta and Southeast Coastal Areas</b>	<b>5,902,435</b>	<b>6,760,413</b>	<b>-12.7%</b>
COSCO-HIT Terminals (Hong Kong) Limited	657,451	883,700	-25.6%
Yantian International Container Terminals Co., Ltd.	3,791,260	4,264,901	-11.1%
Guangzhou South China Oceangate Container Terminal Co. Ltd	884,220	1,078,564	-18.0%
Quan Zhou Pacific Container Terminal Co., Ltd.	439,734	469,881	-6.4%
Jinjiang Pacific Ports Development Co., Ltd.	129,770	63,367	+104.8%
<b>Overseas</b>	<b>1,908,526</b>	<b>2,350,823</b>	<b>-18.8%</b>
COSCO-PSA Terminal Private Limited	362,379	677,308	-46.5%
Antwerp Gateway NV	297,045	574,087	-48.3%
Suez Canal Container Terminal S.A.E.	1,249,102	1,099,428	+13.6%
<b>Total container throughput in China</b>	<b>18,298,499</b>	<b>19,737,223</b>	<b>-7.3%</b>
<b>Total container throughput</b>	<b>20,207,025</b>	<b>22,088,046</b>	<b>-8.5%</b>
<b>Total throughput of break-bulk cargo (Tons)</b>	<b>7,021,875</b>	<b>6,568,015</b>	<b>+6.9%</b>

### Container Leasing, Management and Sale

COSCO Pacific's container leasing, management and sale businesses are operated and managed by its wholly-owned subsidiary, Florens Container Holdings Limited and its subsidiaries ("Florens"). In the face of intense competition in the market and slowdown in the shipping industry, Florens exercised effective control over its fleet size. It continued to operate its fleet under an asset light business model which comprises owned, managed and sale-and-leaseback containers. As at 30th June 2009, the fleet size was 1,605,963 TEUs (corresponding period of 2008: 1,632,356 TEUs), representing a year-on-year contraction of 1.6%. Florens continued to rank as the world's second largest container leasing company, capturing approximately 13.6% (corresponding period of 2008: approximately 13.2%) of the global container leasing market. During the period, the overall average utilisation rate was 90.3% (corresponding period of 2008: 94.3%), which was higher than the industry average of about 86.0% (corresponding period of 2008: about 93.4%). The average fleet age was 4.85 years (corresponding period of 2008: 4.06 years).

As at 30th June 2009, the fleet size of owned containers was 745,185 TEUs (corresponding period of 2008: 866,448 TEUs), accounting for 46.4% (corresponding period of 2008: 53.1%) of the total container fleet, among which, 429,238 TEUs (corresponding period of 2008: 560,501 TEUs) of containers were made available to COSCO Container Lines Company Limited (“COSCON”) and 315,947 TEUs (corresponding period of 2008: 305,947 TEUs) were made available to international customers. The size of managed fleet was 742,684 TEUs (corresponding period of 2008: 765,908 TEUs), or 46.2% (corresponding period of 2008: 46.9%) of the total fleet. The size of sale-and-leaseback container fleet was 118,094 TEUs (corresponding period of 2008: nil), or 7.4% (corresponding period of 2008: nil) of the total fleet.

In order to maintain a steady stream of leasing revenue and warrant a high utilisation rate, leases of the Group’s owned containers were mostly long term in nature. In the first half of 2009, long-term leases contributed 93.0% (corresponding period of 2008: 93.3%) to the total container leasing revenue, and only 7.0% (corresponding period of 2008: 6.7%) from master leases.

### **Container Manufacturing**

During the period, the Group completed a sales transaction for its equity interest in Shanghai CIMC Reefer Containers Co., Ltd. and simplified the shareholder structure of its container manufacturing business.

The Group holds 21.8% interest in China International Marine Containers (Group) Co., Ltd. (“CIMC”), which is the world’s largest container manufacturer, producing more than 50% of the containers in the global market. As a result of sharp contraction in the container shipping market, demand for new dry containers drop drastically. Since the 4th quarter of 2008, CIMC plant has nearly halted dry container production and has not yet resumed production. During the period, CIMC generated profits from its disposal of shares in China Merchants Bank, and offset its operational loss.

### **Logistics**

During the first half of 2009, domestic demand in China still maintained a stable growth relative to other major economies. As a result, COSCO Logistics Co., Ltd. (“COSCO Logistics”), which the Group owns a 49% stake, achieved stable growth in its third party logistics, shipping agency and freight forwarding businesses.

### **Disposal of COSCO Logistics**

On 27th August 2009, the Company announced that COSCO Pacific Logistics Company Limited (“CP Logistics”), a wholly owned subsidiary of the Company, entered into an equity transfer agreement with China COSCO Holdings Company Limited (“China COSCO”), pursuant to which CP Logistics conditionally agreed to sell and China COSCO conditionally agreed to purchase CP Logistics’ entire 49% equity interest in COSCO Logistics, a jointly controlled entity of the Group. Please refer to the announcement of the Company published today on the designated website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.coscopac.com.hk](http://www.coscopac.com.hk) for details.

### **Awards**

COSCO Pacific has always placed great emphasis on corporate governance and investor relations. The Group is dedicated to further uplifting the standard of its information disclosure and keeping the market fully aware of the latest information on the Group’s business operation and development strategies. During the period, the Company received, for the third consecutive year, the “Corporate Governance Asia Recognition Award” from the Corporate Governance Asia magazine and was greatly inspired by it. It affirms the recognition and praise of the institutional investors for the commitment of COSCO Pacific on its corporate governance and investor relations.

## Prospects

According to the estimation by *International Monetary Fund*, the total value of global trade in 2009 will contract by 12.2% year-on-year, putting the container transport industry under pressure in the second half of 2009. COSCO Pacific's terminal, container leasing and container manufacturing businesses continue to face challenges.

In the second half of the year, the Group will further expand its overseas terminal network and increase its controlling rights in terminals. The takeover of Piraeus Terminal in Greece on 1st October 2009 will mark a corner stone for the Group. Piraeus Terminal, located at the largest port in Greece, is expected to be developed into an important hub port in the Mediterranean providing quality and comprehensive services to international container lines.

The Group will further strengthen its business operation of the container leasing division by exercising strict control over operating costs, implementing various risk management measures so as to maintain a stable utilisation.

Looking ahead, the introduction of larger scale stimulus programs by major economies in the world will help to further improve the global economy. However, it remains uncertain on when the economy will recover. In order to seize business development opportunity ahead, the Group will closely monitor the economic trends around the globe and in China, and will make timely adjustment to its operational strategies. It has also formulated a development plan for making sustainable solid growth of COSCO Pacific in the future.

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Details of the 2009 interim results announcement will be available in our website <http://www.coscopac.com.hk> and the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>). For further inquiry, please contact:

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