Press Release **24th August 2010**

COSCO Pacific Limited

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

2010 Interim Results

Results Highlights

Revenue increased by 40.0% to US$222,658,000 (corresponding period of 2009: US$159,028,000)

Piraeus Container Terminal S.A. ("Piraeus Terminal"), a wholly owned subsidiary of the Group, took over the operation of Pier 2 of the Piraeus Port in Greece on 1st October 2009, bringing significant growth in the Group's revenue in the first half of 2010. However, as this subsidiary is in the early phase of ramping up and incurred high operation cost in the initial period, it recorded a loss during the period, which affected the Group's gross profit

Gross profit dropped by 4.4% to US$69,771,000 (corresponding period of 2009: US$73,009,000)

Profit attributable to the equity holders rose by 81.7% to US$189,938,000 (corresponding period of 2009: US$104,509,000)

Interim cash dividend of HK13.7cents (corresponding period of 2009: HK14.4 cents) per share and special interim cash dividend of HK11.1cents (corresponding period of 2009: Nil) per share as a result of the disposal of 49% equity interest in COSCO Logistics Co., Ltd. ("COSCO Logistics") were declared. Dividend payout was 40.0% (corresponding period of 2009: 40.0%)

The container throughput increased by 18.7% to 22,428,048 TEUs over the same period of last year (corresponding period of 2009: 18,892,252 TEUs [Note])

Equity throughput increased by 25.3% to 5,460,361 TEUs (corresponding period of 2009: 4,357,151 TEUs [Note])

The container fleet size slightly decreased by 0.5% to 1,597,779 TEUs over the same period of last year (corresponding period of 2009: 1,605,963 TEUs)

The overall average utilisation rate rose by 5.1 percentage points to 95.4% (corresponding period of 2009: 90.3%)

On 29th April 2010, the Group announced the acquisition of approximately 10% additional equity interests in Yantian terminal for a total consideration of US$520,000,000. The acquisition was completed on 11th June 2010 and the Group's shareholding in Yantian terminal increased from approximately 5% to approximately 15%. From 30th June 2010 onwards, the Group's investment in Yantian terminal was reclassified from an available-for-sale financial asset to an associate, and is accounted for using the equity method.

On 12th May 2010, the Group completed the placing of 449,000,000 new shares at HK$10.4 per share. After deduction of commission and expenses of the placing, the net proceeds of US$584,000,000 were raised, which were mainly for the acquisition of an approximate 10% equity interest in Yantian terminal. After placing, the number of issued shares increased from 2,262,525,573 shares to 2,711,525,573 shares.

For the fourth consecutive year, the Company won the "Corporate Governance Asia Recognition Award" given by Corporate Governance Asia magazine

The Company was awarded "Foreign Company In-House Team of the Year" in the PRC by Asian Legal Business, a well recognised professional magazine

Note: The Group disposed of its 8.13% stake in Dalian Port Container Co., Ltd. in January 2010. The throughput in the first half of 2009 did not include the throughput of this terminal company. The total throughput and equity throughput of this terminal company in the first half of 2009 amounted to 1,314,773 TEUs and 106,891 TEUs respectively.

Interim Results

The board of directors of COSCO Pacific Limited (the "Company" or "COSCO Pacific") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2010.

The world economy showed encouraging signs in the first half of 2010 on the back of the economic stimulus measures adopted by the governments in the world. According to the Ministry of Commerce of the PRC, the import and export trade of China recorded a year-on-year growth of 52.7% and 35.2% respectively. The recovery of global trade led to the increase in container shipping volume and the revival of the container shipping industry and drove up demand for containers and throughput of container terminals, which benefited terminal, container leasing and container manufacturing operations under COSCO Pacific.

The revenue generated from terminal division largely increased in the first half of 2010, led the Group's revenue rose by 40.0% to US$222,658,000 (corresponding period of 2009: US$159,028,000). Profit attributable to the equity holders of the Company rose by 81.7% to US$189,938,000 (corresponding period of 2009: US$104,509,000). Profit for the period from continuing operations of the Group was US$107,444,000 (corresponding period of 2009: US$89,111,000), an increase of 20.6%. The basic earnings per share rose by 70.8% to US7.96 cents.

Basic earnings per share

	1H 2010	**1H 2009**	**y-o-y change**
- from continuing operations	**US4.41cents**	US3.90cents	+13.1%
- from discontinued operation	**US3.55cents**	US0.76cents	+367.1%
Basic earnings per share	**US7.96cents**	US4.66cents	+70.8%

Interim and Special Interim Dividends

The board of directors have declared an interim cash dividend of HK13.7 cents (corresponding period of 2009: HK14.4 cents) per share, down 4.9% year-on-year and a special interim cash dividend of HK11.1cents (corresponding period of 2009: Nil) per share for the six months ended 30th June 2010 as a result of the disposal of 49% equity interest in COSCO Logistics. Dividend payout ratio was 40.0% (corresponding period of 2009: 40.0%).

Terminals

The revenue of terminal division increased by 131.4%

Piraeus Terminal, a wholly owned subsidiary of the Group, took over the operation of Pier 2 of the Piraeus Port in Greece on 1st October 2009, bringing a significant growth of 131.4% to US$103,266,000 (corresponding period of 2009: US$44,623,000) in the revenue of the terminal division in the first half of 2010.

	1H 2010 (US'000)	**1H 2009 (US$'000)**	**y-o-y change**
Revenue	103,266	44,623	+131.4%
Net profit	39,566	44,662	-11.4%
Net profit (adjusted)	43,211	35,096	+23.1%

Net profit (adjusted) rose by 23.1%

During the period, the terminal division of the Group recorded profit of US$39,566,000 (corresponding period of 2009: US$44,662,000), representing a year-on-year decrease of 11.4% even though a significant growth in revenue. As Piraeus Terminal is in the early phase of ramping up and incurred high operation cost in the initial period, it recorded US$10,665,000 loss during the period. From 1st June onwards, Piraeus Terminal is entirely operated by its own employees and the labour cost is expected to be reduced.

Moreover, Yantian Terminal did not declare its 2010 interim dividend in the first half of 2010 (corresponding period of 2009: 9,363,000). The overall profit performance of the terminal division was thus undermined. Although Yantian Terminal did not declare its 2010 interim dividend in the first half of 2010, it is expected that Yantian Terminal may declare its 2010 interim dividend in the second half of 2010.

The Group disposed of its 8.13% stake in Dalian Port Container Co., Ltd. in January 2010, yielding a pre-tax gain on disposal of US$7,020,000. During the period, no dividend income (corresponding period of 2009: US$ 1,493,000) was generated from the terminal.

Adjusted net profit contribution from terminal division of the Group during the period (excluding the dividend income of Yantian Terminal, the pre-tax gain and dividend income of Dalian Port Container Co., Ltd. and the loss generated from Piraeus Terminal) increased 23.1% year-on-year to US$43,211,000.

Increased about 10% stake in Yantian Terminal

On 29th April 2010, the Group announced the acquisition of approximately 10% additional equity interests in Yantian terminal for a total consideration of US$520,000,000. The acquisition was completed on 11th June 2010 and the Group's shareholding in Yantian terminal increased from approximately 5% to approximately 15%. From 30th June 2010 onwards, the Group's investment in Yantian terminal was reclassified from an available-for-sale financial asset to an associate, and is equity accounted. It is expected that the net profit contribution from the terminal to the Group will increase. Given Yantian terminal's leading edge in the market and its highly efficient operation, the acquisition will enhance the quality as well as the profitability of the Group's terminal business, and increase the Group's market share in Southern China.

Total container throughput increased by 18.7%

In the first half of 2010, China's container throughput increased by 22.3% year-on-year to 68,701,800 TEUs, according to the Ministry of Transport of the PRC. Of the top ten container ports in Mainland China, Shenzhen Port and Shanghai Port, which have high exposure to export to Europe and the United States, recorded a comparatively high year-on-year growth. It was attributable to the economic recovery of the two regions as well as the lower base of last year.

COSCO Pacific's total container throughput recorded satisfactory growth in the first half of the year with an increase of 18.7% (corresponding period of 2009: -8.5%) year-on-year to 22,428,048 TEUs (corresponding period of 2009: 18,892,252 TEUs [Note1]). The Group's equity throughput rose by 25.3% year-on-year to 5,460,361 TEUs (corresponding period of 2009: 4,357,151 TEUs [Note1]).

The terminal companies in China handled 19,761,033 TEUs (corresponding period of 2009: 16,983,726 TEUs [Note1]) in aggregate, representing an increase of 16.4% over the same period of last year (corresponding period of 2009: -7.3%) and accounting for 88.1% corresponding period of 2009: 89.9%) of the total throughput. The four port zones in China recorded satisfactory container throughput growth, among which, the throughput growth of Pearl River Delta was the strongest led by the satisfactory growth rates of Yantian Terminal and Guangzhou South China Oceangate Container Terminal Company Limited, up 21.3% and 55.7% year-on-year respectively. The container throughput of each port zone is as following:

- Throughput in the Bohai Rim reached 7,852,923 TEUs (corresponding period of 2009: 7,179,094 TEUs [Note1]), representing a year-on-year growth of 9.4% (corresponding period of 2009: +1.1%) and accounting for 35.0% (corresponding period of 2009: 38.0%) of the total throughput.

- Throughput in the Yangtze River Delta region reached 4,526,047 TEUs (corresponding period of 2009: 3,902,197 TEUs), representing a year-on-year growth of 16.0% (corresponding period of 2009: -14.7%) and accounting for 20.2% (corresponding period of 2009: 20.7%) of the total throughput.

- Throughput in the Pearl River Delta region and the Southeast Coast region reached 7,382,063 TEUs (corresponding period of 2009: 5,902,435 TEUs) in aggregate, representing an increase of 25.1% (corresponding period of 2009: -12.7%) and accounting for 32.9% (corresponding period of 2009: 31.2%) of the total throughput.

Piraeus Terminal took over the operation of Pier 2 of the Piraeus Port in Greece on 1st October 2009 and handled 376,727 TEUs during the period, which led to the throughput of overseas terminals up by 39.7% (corresponding period of 2009: -18.8%) to 2,667,015 TEUs (corresponding period of 2009: 1,908,526 TEUs) and accounting for 11.9% (corresponding period of 2009: 10.1%) of the total throughput.

Throughput of terminal companies

Terminal companies	1H 2010 (TEUs)	1H 2009 (TEUs)	y-o-y change (%)
Bohai Rim	**7,852,923**	**7,179,094**[Note 1]	**+9.4**
Qingdao Qianwan Container Terminal Co., Ltd. [Note 2]	4,982,054	4,427,379	+12.5
Qingdao Cosport International Container Terminals Co., Ltd.	628,811	588,495	+6.9
Dalian Port Container Terminal Co., Ltd.	787,558	697,356	+12.9
Tianjin Five Continents International Container Terminal Co., Ltd.	909,696	943,717	-3.6
Yingkou Container Terminals Company Limited	544,804	522,147	+4.3
Yangtze River Delta	**4,526,047**	**3,902,197**	**+16.0**
Shanghai Pudong International Container Terminals Limited	1,083,764	1,125,924	-3.7
Shanghai Container Terminals Limited	1,548,142	1,430,306	+8.2
Ningbo Yuan Dong Terminals Limited	780,544	494,794	+57.8
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	397,267	301,513	+31.8
Yangzhou Yuanyang International Ports Co., Ltd.	141,492	93,973	+50.6
Nanjing Port Longtan Container Co., Ltd.	574,838	455,687	+26.1
Pearl River Delta & Southeast Coast	**7,382,063**	**5,902,435**	**+25.1**
COSCO-HIT Terminals (Hong Kong) Limited	765,177	657,451	+16.4
Yantian International Container Terminals Co., Ltd.	4,597,521	3,791,260	+21.3
Guangzhou South China Oceangate Container Terminal Company Limited	1,376,392	884,220	+55.7
Quan Zhou Pacific Container Terminal Co., Ltd.	496,404	439,734	+12.9
Jinjiang Pacific Ports Development Co., Ltd.	146,569	129,770	+12.9
Overseas	**2,667,015**	**1,908,526**	**+39.7**
Piraeus Container Terminal S.A.	376,727	N/A	N/A
Suez Canal Container Terminal S.A.E.	1,378,881	1,249,102	+10.4
COSCO-PSA Terminal Private Limited	550,437	362,379	+51.9
Antwerp Gateway NV	360,970	297,045	+21.5
China	**19,761,033**	**16,983,726**[Note 1]	**+16.4**
Total container throughput	**22,428,048**	**18,892,252**[Note 1]	**+18.7**
Total break-bulk cargo throughput (tons)	**11,747,101**	**7,142,073**	**+64.5**

Note 1: The Group disposed of its 8.13% stake in Dalian Port Container Co., Ltd. in January 2010. The throughput in the first half of 2009 did not include the throughput of this terminal company. The throughput of this terminal company in the first half of 2009 amounted to 1,314,773 TEUs.

Note 2: Qingdao Qianwan United Container Terminal Co., Ltd. ("Qingdao Qianwan United Terminal") is a jointly controlled entity held by Qingdao Qianwan Container Terminal Co., Ltd. ("Qingdao Qianwan Terminal"). The throughput of Qingdao Qianwan Terminal included the throughput of Qingdao Qianwan United Terminal. Qingdao Qianwan United Terminal started operation in January 2010 and its throughput in the first half of 2010 amounted to 462,603 TEUs.

Container Leasing, Management and Sale

Container leasing market rebounded sharply

In the first half of 2010, the on-going slow steaming operations of shipping lines and the strong upturn in cargo volume caused strong demand for container leasing. While container manufacturers resumed production in the fourth quarter of 2009, the production levels remain low and supply of new container is limited. As a result, shortage of containers started to emerge in the second quarter of the year. Strong demand for containers and increase in raw materials cost of containers led to the surge in container price, followed by upward movement in the market lease rate and rental yield of containers, and hence higher utilisation rates and profitability for the container leasing business of the Group.

The Group ordered about 100,000 TEUs new containers in the first half of the year, of which most of them have been delivered in and after the second quarter of the year. It is expected that the leasing revenue from the newly acquired containers will lead to the growth in lease rental income of containers, which will be gradually reflected in the second half. During the first half, the Group purchased and received 49,056 TEUs (corresponding period of 2009: 6,000 TEUs) of new containers. The capital expenditure was US$102,138,000 (corresponding period of 2009: US$46,729,000).

Net profit contribution rose by 29.5%

During the period, total revenue generated from container leasing, management and sale businesses of the Group amounted to US$119,392,000 (corresponding period of 2009: US$114,405,000), representing an increase of 4.4% (corresponding period of 2009: -5.7%). Net profit contribution from the division increased by 29.5% to US$47,993,000 (corresponding period of 2009: US$37,049,000) over the same period of last year.

The Group’s wholly owned subsidiary, Florens Container Holdings Limited and its subsidiaries (“Florens”), continued to rank as the second largest container leasing company in the world, capturing approximately 14.4% (corresponding period of 2009: approximately 13.6%) of the global market. As at 30th June 2010, the fleet size was 1,597,779 TEUs (corresponding period of 2009: 1,605,963 TEUs), a decrease of 0.5% over the same period of last year. Leases of owned containers of the Group were mainly long term leases, and the utilisation rates had been maintained at a relatively high level. Revenue from long term leases accounted for 92.5% (corresponding period of 2009: 93.0%) of the revenue from container leasing, while that of master leases accounted for 7.5% (corresponding period of 2009: 7.0%). The overall average utilisation rate was 95.4% (corresponding period of 2009: 90.3%), up 5.1 percentage points.

Container Manufacturing

The Group holds a 21.8% stake in China International Marine Containers (Group) Co., Ltd. (“CIMC”), the world’s largest container manufacturer. The supply fell short of demand for new dry cargo containers, leading to sharp increase in price and marked improvement in the dry container manufacturing business of CIMC and thus recurring profits increased. Although CIMC realized profit from the disposal of securities of China Merchants Bank in the corresponding period of 2009, its profit contribution to the Group rose to US$26,943,000 in the first half of 2010, an increase of 13.2% as compared with the same period of last year (corresponding period of 2009: US$23,806,000).

Award

Management of the Company strives to raise corporate governance standards. During the period, the Company received, for the fourth consecutive year, the "Corporate Governance Asia Recognition Award" from the Corporate Governance Asia magazine and was greatly encouraged by it. It affirms the recognition and praise from institutional investors for the commitment of COSCO Pacific on its corporate governance and investor relations.

Prospects

European countries are being confronted with sovereign debts and adopting tightened economic measures. The U.S.'s economy is recovering slowly. Since the global economic recovery remains fragile, it is expected that China will continue to implement fiscal policies to maintain a stable macroeconomic condition so as to strengthen the sustainable economic growth in China.

According to the latest forecast by the Development Research Center of the State Council, China's GDP growth will grow by approximately 9.5% this year. The Ministry of Industry and Information Technology has also released its estimates that China's imports and exports will show modest quarterly growth in the second half of this year due to higher trade performance base in the corresponding period of last year. However, the Ministry has forecast that China will continue to achieve a strong year-on-year growth of 24.5% and 33.6% respectively in exports and imports. The Group believes that China's economic growth will add impetus to the global container shipping volume growth which will in turn benefit the Group's terminal and container leasing businesses.

Referring to the forecast by the Ministry of Transport of the PRC, China's container throughput will be able to reach 140,000,000 TEUs, representing an impressive 16% year-on-year growth. During the first half of 2010, the Group's container terminal operations in China handled 19,761,033 TEUs, attributing to 88.1% of its total throughput, which is likely to continue to achieve solid throughput growth in the second half. Meanwhile, the acquisition of additional 10% interest in Yantian terminal will further strengthen the profitability of the Group's terminal business.

For the container leasing division, the Group placed orders of approximately 100,000 TEUs of new containers in the first half, which is expected to be completed before the fourth quarter of this year. Since these new containers have already been fully booked by shipping companies, with majority on long term leases while benefiting from rising return on rentals, a stable source of income will be attributed to the Group. During the first half of the year, long term leases contributed 92.5% of the Group's container leasing income. It is expected that the overall utilization rate will remain high in the second half of this year.

2010 will be a year of challenge and opportunity. While further strengthening the leading position of its core businesses, the Group will strive to develop the terminal business to be its principal earnings driver and to achieve solid growth in the container leasing business. By closely monitoring changes in economic and market conditions, the Group will make timely and appropriate adjustment to its corporate strategies so as to seize business development opportunities ahead. Facing the uncertainties of global economic recovery, the Group will continue to adopt a prudent management policy by tightening cost control and implementing measures of risk management so as to strengthen the sustainable core competence. COSCO Pacific is confident that the Group will benefit from its long range planning and long-term stability, and hence lead to a solid profitability for its shareholders.

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Details of the 2010 interim results announcement is available in the Company's 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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