Press Release **27th August 2012**

COSCO Pacific Limited

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

2012 Interim Results

Results Highlights

Revenue increased by 31.8% to US$367,355,000 (corresponding period of 2011: US$278,667,000) and revenue from terminal business and container leasing, management and sale businesses recorded growths of 32.3% to US$197,806,000 (corresponding period of 2011: US$149,504,000) and 31.9% to US$170,569,000 (corresponding period of 2011: US$129,275,000) respectively.

Gross profit rose by 38.7% to US$165,470,000 (corresponding period of 2011: US$119,311,000). This rise was partly attributable to satisfactory business growths as well as continuous improvement in operational leverage of Piraeus Container Terminal S.A. ("Piraeus Terminal") and Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal"). Meanwhile, a sharp increase of 308.7% to 19,522 TEUs (corresponding period of 2011: 4,777 TEUs) in the number of returned containers disposed of also drove the growth of gross profit of container leasing, management and sale businesses.

Profit from terminal business and container leasing, management and sale businesses grew steadily. However, the growth of the Company's overall profit was affected by a decrease in the share of profit from China International Marine Containers (Group) Co., Ltd. ("CIMC"). Excluding the share of profit from CIMC and the non-recurring items [Note], profit attributable to equity holders of the Company rose by 22.9% to US$149,174,000 (corresponding period of 2011: US$121,353,000). Including the share of profit from CIMC and excluding the non-recurring items, profit attributable to equity holders of the Company was US$178,925,000 (corresponding period of 2011: US$212,643,000), a decrease of 15.9%. Including the share of profit of CIMC and the non-recurring items, profit attributable to equity holders dropped by 24.5% to US$178,925,000 (corresponding period of 2011: US$237,041,000).

Interim dividend of HK20.5 cents per share (corresponding period of 2011: HK27.2 cents) was declared. The dividend will be payable in cash and with a scrip dividend alternative. Dividend payout maintained at 40.0% (corresponding period of 2011: 40.0%).

Excluding the gain of US$12,557,000 on disposal of Qingdao Cosport International Container Terminals Co., Ltd. ("Qingdao Cosport Terminal") in the first half of 2011, profit from terminal business grew by 16.3% to US$97,841,000 (corresponding period of 2011: US$84,105,000). Equity throughput increased by 16.2% to 7,581,363 TEUs (corresponding period of 2011: 6,521,928 TEUs). Total throughput increased by 10.8% to 26,876,860 TEUs (corresponding period of 2011: 24,249,265 TEUs).

Profit from container leasing, management and sale businesses increased 29.5% to US$72,766,000 (corresponding period of 2011: US$56,195,000). The container fleet size rose by 4.9% to 1,797,377 TEUs (corresponding period of 2011: 1,713,872 TEUs) with an overall average utilisation rate of 95.2% (corresponding period of 2011: 96.8%).

The Group holds a 21.8% equity stake in CIMC. Share of profit from CIMC dropped by 67.4% to US$29,751,000 (corresponding period of 2011: US$91,290,000).

Note : 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 from a jointly controlled entity to a subsidiary and gain on disposal of Qingdao Cosport Terminal of US$12,557,000.

The board of directors (the "Board") 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 2012.

Interim Dividend

The directors have declared an interim dividend of HK20.5 cents per share (corresponding period of 2011: HK27.2 cents) for the six months ended 30th June 2012, a decrease of 24.6%. Dividend payout maintained at 40.0% (corresponding period of 2011: 40.0%).

Operational Review

In the first half of 2012, China's trade growth was affected by the continued slowdown in the global economic growth amid the intensifying Eurozone sovereign debt crisis in the second half of 2011. According to the statistics from the Ministry of Commerce of the PRC, the year-on-year growth of China's import and export trade slowed down to 6.7% and 9.2% respectively in the first half of 2012. The growth of China's port container throughput also lost momentum as a result. According to the statistics of the Ministry of Transport of the PRC, container throughput at China's ports increased by 8.8% in the first half of 2012 compared with last year. The Group's principal activities including terminal business and container leasing, management and sale businesses still recorded robust performance during the period.

Terminals

The terminal business of COSCO Pacific achieved solid results during the period. Excluding the gain of US$12,557,000 on the disposal of Qingdao Cosport Terminal in the first half of 2011, the Group's profit from the terminal business grew by 16.3% to US$97,841,000 (corresponding period of 2011: US$84,105,000). This growth was mainly attributable to a rise of 16.2% in equity throughput. In line with the Group's expectation, Piraeus Terminal and Guangzhou South China Oceangate Terminal continued to drive the growth of the Group's terminal business. Benefited from the new shipping routes opened in 2011, the throughput of these two terminals increased by 117.5% and 23.2% respectively in the first half of 2012, leading to an increase in profit contribution by 591.7% and 382.6% to US$11,828,000 (corresponding period of 2011: US$1,710,000) and US$3,335,000 (corresponding period of 2011: US$691,000) respectively, reflecting continuous improvement in operational leverage.

Revenue of Piraeus Terminal and Guangzhou South China Oceangate Terminal increased by 46.1% and 43.5% to US$69,545,000 (corresponding period of 2011: US$47,595,000) and US$59,333,000 (corresponding period of 2011: US$41,347,000) respectively, driving a growth in the revenue of terminal business by 32.3% to US$197,806,000 (corresponding period of 2011: US$149,504,000).

The total container throughput of COSCO Pacific recorded a satisfactory growth in the first half of 2012 with an increase of 10.8% to 26,876,860 TEUs (corresponding period of 2011: 24,249,265 TEUs). The terminal companies in China (excluding Hong Kong) handled 22,302,104 TEUs in aggregate (corresponding period of 2011: 20,305,010 TEUs), a 9.8% increase, outperforming China's national average growth rate of 8.8%. Piraeus Terminal and Guangzhou South China Oceangate Terminal showed a rapid growth in throughput, driving a growth in the Group's equity throughput by 16.2% to 7,581,363 TEUs (corresponding period of 2011: 6,521,928 TEUs).

Regional breakdown of total throughput

	1H 2012 (TEUs)	y-o-y change (%)	% of total throughput
Bohai Rim	10,673,045	+12.1	39.7
Yangtze River Delta	3,928,777	+8.1	14.6
Pearl River Delta and Southeast Coast	8,574,737	+7.6	31.9
China (including Hong Kong)	23,176,559	+9.7	86.2
Overseas	3,700,301	+18.5	13.8
Total throughput	**26,876,860**	**+10.8**	**100.0**

Regional breakdown of equity throughput (calculated according to the shareholding proportion of the Group)

	1H 2012 (TEUs)	y-o-y change (%)	% of total throughput
Bohai Rim	2,138,684	+6.7	28.2
Yangtze River Delta	1,132,568	+6.6	15.0
Pearl River Delta and Southeast Coast	2,535,542	+10.5	33.4
China (including Hong Kong)	5,806,794	+8.3	76.6
Overseas	1,774,569	+52.9	23.4
Total equity throughput	**7,581,363**	**+16.2**	**100.0**

As of 30th June 2012, there were 95 berths (corresponding period of 2011: 88) under the Group's operating container terminals, with a total annual handling capacity of 56,850,000 TEUs (corresponding period of 2011: 52,367,500 TEUs). There were eight operating break-bulk berths (corresponding period of 2011: 8), with a total annual handling capacity of 9,050,000 tonnes (corresponding period of 2011: 9,050,000 tonnes). The upgrading of Pier 2 at Piraeus Terminal was completed in June 2012, which increased the annual handling capacity from 1,600,000 TEUs to 2,600,000 TEUs, leading to continuous business growth. Xiamen Ocean Gate Container Terminal Co., Ltd. started trial operation at the end of November 2011 and commenced formal operation in May 2012. The terminal has two berths put into operation, with an annual handling capacity of 1,400,000 TEUs.

The Group estimates that additional annual handling capacity provided by its new operations in the second half of 2012 will reach 2,750,000 TEUs. The new capacity will come from Dalian Port Container Terminal Co., Ltd. (850,000 TEUs), Jinjiang Pacific Ports Development Co., Ltd. (500,000 TEUs), Yangzhou Yuanyang International Ports Co., Ltd. (200,000 TEUs) and Ningbo Yuan Dong Terminals Limited (1,200,000 TEUs).

<u>Container Leasing, Management and Sale</u>

In line with the Group's expectation, the market of new containers and container leasing began to show a rapid recovery in late March following weak demand witnessed in the first quarter of 2012, with the price of new containers and the rental of containers rebounding. The overall average utilisation rate of the Group's containers began to recover in April.

The Group's container leasing, management and sale businesses, operated and managed by the Group's wholly owned subsidiary, Florens Container Holdings Limited and its subsidiaries, achieved satisfactory performance in the first half of 2012. Profit increased by 29.5% to US$72,766,000 (corresponding period of 2011: US$56,195,000), mainly driven by the growth in the total container fleet size and the number of returned containers disposed of.

The Group's container leasing business maintains an optimal balance of leases, with containers leased mainly on a long-term basis so as to maintain a relatively high utilisation rate and provide a stable source of income. Revenue from long-term leases accounted for 94.6% (corresponding period of 2011: 93.2%) of the revenue of the container leasing in the first half of 2012 while master leases accounted for 5.4% (corresponding period of 2011: 6.8%). The overall average utilisation rate of the Group's containers was 95.2% (corresponding period of 2011: 96.8%), which was slightly higher than the industry average of approximately 94.7% (corresponding period of 2011: approximately 95.5%).

Total revenue generated from container leasing, management and sale businesses of the Group amounted to US$170,569,000 (corresponding period of 2011: US$129,275,000), representing an increase of 31.9%. The growth was mainly attributable to increased revenue from container leasing and substantial growth in revenue from returned containers disposal of. Of this, the revenue from container leasing rose by 20.4% to US$137,686,000 (corresponding period of 2011: US$114,335,000), mainly attributable to an increase of 10.6% in the fleet capacity of owned containers and sale-and-leaseback containers to 1,136,968 TEUs (corresponding period of 2011: 1,027,921 TEUs). The revenue from container leasing accounted for 80.7% (corresponding period of 2011: 88.4%) of the total revenue of the container leasing, management and sale businesses. Meanwhile, the number of returned containers disposed of increased by 308.7% to 19,522 TEUs (corresponding period of 2011: 4,777 TEUs). Of this, the number of containers returned from COSCO Container Lines Company Limited ("COSCON") upon expiry of 10-year leases was 19,498 TEUs (corresponding period of 2011: 4,084 TEUs), driving a substantial increase in the revenue from returned containers disposal of by 182.0% to US$26,843,000 (corresponding period of 2011: US$9,518,000), accounting for 15.7% (corresponding period of 2011: 7.4%) of the total revenue. The fleet size of managed containers decreased by 3.7% to 660,409 TEUs (corresponding period of 2011: 685,951 TEUs), resulting in a drop in the revenue from container management by 12.9% to US$3,630,000 (corresponding period of 2011: US$4,169,000), accounting for 2.1% (corresponding period of 2011: 3.2%) of the total revenue.

As of 30th June 2012, the Group's container fleet size had reached 1,797,377 TEUs (corresponding period of 2011: 1,713,872 TEUs), representing a 4.9% increase. The Group remained the world's third largest container leasing company, with a global market share of approximately 12.2% (corresponding period of 2011: approximately 13.0%). The average age of container fleet was 6.40 years (corresponding period of 2011: 5.71 years).

In the first half of the year, the Group ordered approximately 103,000 TEUs of new containers (corresponding period of 2011: 118,000 TEUs). New containers received by the Group amounted to 47,642 TEUs (corresponding period of 2011: 102,598 TEUs). Among these, 16,000 TEUs (corresponding period of 2011: 41,098 TEUs) were purchased for COSCON, accounting for 33.6% (corresponding period of 2011: 40.1%) of the total received new containers, while 31,642 TEUs (corresponding period of 2011: 61,500 TEUs) were for international customers, representing 66.4% (corresponding period of 2011: 59.9%) of the total received new containers. The capital expenditure for the purchase of containers was US$119,443,000 (corresponding period of 2011: US$272,907,000).

During the period, the number of containers returned from COSCON upon expiry of 10-year leases was 12,859 TEUs (corresponding period of 2011: 1,184 TEUs), representing an increase of 986.1%.

Breakdown of owned, managed and sale-and-leaseback containers

As at 30th June	Leasing Customers	2012 (TEUs)	2011 (TEUs)	y-o-y change (%)
Owned containers	COSCON	**320,761**	309,113	**+3.8**
Owned containers	International customers	**586,924**	489,525	**+19.9**
Sale-and-leaseback containers	COSCON	**229,283**	229,283	**-**
Managed containers	International customers	**660,409**	685,951	**-3.7**
Total		**1,797,377**	1,713,872	**+4.9**

As at 30th June	Leasing Customers	2012 % of total	2011 % of total	y-o-y change (pp)
Owned containers	COSCON	**17.8**	18.0	**-0.2**
Owned containers	International customers	**32.7**	28.6	**+4.1**
Sale-and-leaseback containers	COSCON	**12.8**	13.4	**-0.6**
Managed containers	International customers	**36.7**	40.0	**-3.3**
Total		**100.0**	100.0	**-**

Container Manufacturing

The Group holds 21.8% stake in CIMC, the world's largest container manufacturer. Since the fourth quarter of 2011, the global container market experienced an off-season as a result of slower-than-expected economic recovery and a downturn in the shipping market. The first quarter of 2012 was still an off-season for containers, with weaker demand than usual. Despite relatively strong demand witnessed in the second quarter, the results decreased significantly compared with last year as a result of exceptionally large base of last year. The Group's profit contribution from container manufacturing business for the period decreased by 67.4% to US$29,751,000 (corresponding period of 2011: US$91,290,000).

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 development strategies and the latest business conditions of the Company. During the period, the Company participated in four investor conferences organised by investment banks and conducted two roadshows. The Company met with a total of 230 investors, analysts and media representatives through one-on-one and group meetings. It also arranged four visits to its terminals for investors. The Company's management is committed to improving corporate governance performance. During the period, the Company was greatly encouraged by winning the Corporate Governance Asia Recognition Award given by Corporate Governance Asia magazine for the sixth consecutive year, which reflected the recognition and appreciation of COSCO Pacific's corporate governance and investor relations from institutional investors. In addition, the Company received the Outstanding China Enterprise Award from Capital magazine.

Hang Seng Indexes Company Limited announced the results of its review of the Hang Seng Family of Indexes on 10th August 2012. COSCO Pacific is included as a constituent of Hang Seng Corporate Sustainability Benchmark Index, effective from 10th September 2012. The Company's efforts in corporate governance, environmental protection, community care and employee relations gain market recognition.

Prospects

As for the terminal business, despite the continued slowdown in the global economic growth in the first half of the year, the Group recorded total throughput growth of 10.8% for the half year, higher than the projected full-year growth rate of 5% to 10% expected by the management at the beginning of 2012. The global economy remains clouded by the Eurozone sovereign debt crisis in second half of the year, but the Group will be committed to meeting the full-year target for throughput growth in 2012. The management believes that a balanced geographical distribution of the Group's terminal portfolio is relatively well positioned to withstand economic uncertainties and lend relative stability to its terminal business. Accordingly, the throughput growth is expected to remain relatively steady in the second half of the year.

As for the container leasing, management and sale businesses, the Group has a cautiously optimistic outlook for the container leasing business. The container leasing market had recovered rapidly in the second quarter, with the price of new containers and the rental of containers rebounding. The overall average utilisation rate of the Group's containers began to recover in April, and is expected to remain at a relatively high level in the second half of the year. All of the approximately 103,000 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 Group expects that the sale of returned containers will continue to benefit from sustainable demand and stable selling price in the second half of the year.

As the global economic outlook remains uncertain, the Group has made prudent capital expenditure plans subject to the market conditions. Meanwhile, the Group will continue to adopt a prudent business strategy, strictly control operating costs, maintain a close focus on risk management and take precautionary measures as necessary in order to ensure the sustainable development of its businesses.

+++++

2012 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.hk). For further inquiry, please contact:

Mr. CHEN Bin
General Manager
Investor Relations Department
Tel: 2809-8130
Fax: 2907-6088
Email: chenbin@coscopac.com.hk

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