COSCO Pacific Limited

中遠太平洋有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

2015 INTERIM RESULTS ANNOUNCEMENT

RESULTS HIGHLIGHTS

- The Group's revenue dropped by 8.6% to US$402,428,000 (corresponding period of 2014: US$440,158,000).

- Revenue from the terminals business dropped by 5.0% to US$245,054,000 (corresponding period of 2014: US$258,082,000). Performance of Piraeus Container Terminal S.A. ("Piraeus Terminal") was stable, with revenue in Euro rising by 4.7%. However, as the Euro depreciated against the US dollar, revenue in US dollar dropped by 14.3% to US$78,393,000 (corresponding period of 2014: US$91,459,000).

- Revenues from container leasing, management and sale businesses dropped by 13.3% to US$159,661,000 (corresponding period of 2014: US$184,107,000). Due to a significant decrease of 68.8% in the number of disposed returned containers and lower resale prices as compared with the corresponding period of last year, revenue from disposal of returned containers sharply declined. In addition, revenue from container leasing business decreased as a result of constant pressure on the lease rates amidst the sluggish container leasing market.

- The Group's gross profit dropped by 6.2% to US$157,581,000 (corresponding period of 2014: US$167,970,000).

- As revenue from the terminals business dropped by 5.0%, gross profit from the terminals business decreased by 1.6%.

- Gross profit from the container leasing, management and sale businesses dropped by 11.3%. The fleet size of the Group's owned and sale-and-leaseback containers increased by 3.3%, and the overall average utilisation rate rose by 0.7 percentage points to 95.5% (corresponding period of 2014: 94.8%). However, the market's lease rates fell as fierce competition in the container leasing market, resulting in a lower gross profit from container leasing. In addition, gross profit from disposal of returned containers declined with revenue.

- Profit attributable to equity holders of the Company rose by 12.0% to US$164,432,000 (corresponding period of 2014: US$146,786,000).

- Profit from the terminals business rose by 11.1% to US$121,228,000 (corresponding period of 2014: US$109,085,000). Equity throughput rose by 1.9% to 9,462,720 TEU (corresponding period of 2014: 9,285,396 TEU). Total throughput rose by 4.2% to 33,831,834 TEU (corresponding period of 2014: 32,481,568 TEU).

- Profit from the container leasing, management and sale businesses dropped by 6.8% to US$49,667,000 (corresponding period of 2014: US$53,289,000). The container fleet size expanded 1.7% to 1,969,196 TEU (30 June 2014: 1,936,263 TEU).

- An interim dividend of HK17.3 cents per share (corresponding period of 2014: HK15.6 cents) has been declared. The dividend will be payable in cash and with a scrip dividend alternative, representing a payout ratio of 40.0% (corresponding period of 2014: 40.0%).

RESULTS

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 30 June 2015.

The following financial information, including comparative figures, has been prepared in accordance with Hong Kong Financial Reporting Standards. The Group's unaudited condensed consolidated balance sheet, unaudited condensed consolidated income statement, unaudited condensed consolidated statement of comprehensive income and explanatory notes 1 to 11 as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 (the "Unaudited Condensed Consolidated Interim Financial Information") which has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2015

	Note	**As at 30 June 2015** ***US$'000***	As at 31 December 2014 *US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**4,152,563**	4,068,893
Investment properties		**29,208**	29,194
Land use rights		**235,322**	237,840
Intangible assets		**7,006**	7,361
Joint ventures		**822,617**	840,891
Loans to joint ventures		**73,232**	73,503
Associates		**852,760**	826,197
Loan to an associate		**28,080**	30,472
Available-for-sale financial asset		**32,000**	35,000
Finance lease receivables		**22,830**	25,324
Deferred income tax assets		**2,463**	2,470
Other non-current assets	3	**76,692**	109,752
		6,334,773	6,286,897
Current assets			
Inventories		**18,500**	23,683
Trade and other receivables	4	**294,646**	189,594
Current income tax recoverable		**-**	57
Restricted bank deposits		**234**	172
Cash and cash equivalents		**1,052,852**	1,116,307
		1,366,232	1,329,813
Total assets		**7,701,005**	7,616,710

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (Continued)
AS AT 30 JUNE 2015

	Note	**As at 30 June 2015** *US$'000*	As at 31 December 2014 *US$'000*
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**37,753**	37,753
Reserves		**4,728,239**	4,646,238
Proposed final dividend		-	58,456
Interim dividend declared		**65,748**	-
		4,831,740	4,742,447
Non-controlling interests		**327,714**	316,215
Total equity		**5,159,454**	5,058,662
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**47,299**	44,285
Long term borrowings		**1,455,002**	1,430,431
Loans from non-controlling shareholders of subsidiaries		**148,142**	148,055
Other long term liabilities		**32,403**	31,897
		1,682,846	1,654,668
Current liabilities			
Trade and other payables	5	**455,307**	385,297
Current income tax liabilities		**94,682**	88,321
Current portion of long term borrowings		**264,552**	419,956
Short term bank loans		**44,164**	9,806
		858,705	903,380
Total liabilities		**2,541,551**	2,558,048
Total equity and liabilities		**7,701,005**	7,616,710
Net current assets		**507,527**	426,433
Total assets less current liabilities		**6,842,300**	6,713,330

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	**Six months ended 30 June**	
		2015	2014
		US$'000	*US$'000*
Revenues		**402,428**	440,158
Cost of sales		**(244,847)**	(272,188)
Gross profit		**157,581**	167,970
Administrative expenses		**(40,024)**	(43,246)
Other operating income		**13,006**	8,928
Other operating expenses		**(4,754)**	(13,931)
Operating profit	6	**125,809**	119,721
Finance income	7	**13,915**	12,736
Finance costs	7	**(32,716)**	(35,996)
Operating profit after finance income and costs		**107,008**	96,461
Share of profits of			
- joint ventures		**57,539**	50,932
- associates		**34,153**	30,810
Profit before income tax		**198,700**	178,203
Income tax expenses	8	**(22,155)**	(20,127)
Profit for the period		**176,545**	158,076
Profit attributable to:			
Equity holders of the Company		**164,432**	146,786
Non-controlling interests		**12,113**	11,290
		176,545	158,076
Earnings per share for profit attributable to equity holders of the Company			
- Basic	9	**US5.59 cents**	US5.04 cents
- Diluted	9	**US5.59 cents**	US5.04 cents
Interim dividend	10	**65,748**	58,712

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
Profit for the period	**176,545**	158,076
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Fair value adjustment upon transfer from property, plant and equipment to investment properties	**-**	7,208
Items that may be reclassified to profit or loss		
Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates	**(13,867)**	(16,833)
Fair value loss on an available-for-sale financial asset	**(3,000)**	(2,000)
Share of reserves of joint ventures and associates	**755**	(2,260)
Other comprehensive loss for the period, net of tax	**(16,112)**	(13,885)
Total comprehensive income for the period	**160,433**	144,191
Total comprehensive income attributable to:		
Equity holders of the Company	**147,749**	136,397
Non-controlling interests	**12,684**	7,794
	160,433	144,191

NOTES

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA.

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2014 (the "2014 Annual Financial Statements"), which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

Adoption of new HKFRSs

The accounting policies and methods of computation used in the preparation of the Unaudited Condensed Consolidated Interim Financial Information are consistent with those used in the 2014 Annual Financial Statements, except that the Group has adopted the following amendments and improvements to existing standards (collectively the "new HKFRSs") issued by the HKICPA which are mandatory for the financial year beginning 1 January 2015:

Amendments and improvements	
HKAS 19 (2011) Amendment	Employee Benefits
Annual Improvements 2010-2012 Cycle	
HKAS 16 Amendment	Property, Plant and Equipment
HKAS 24 Amendment	Related Party Disclosures
HKAS 38 Amendment	Intangible Assets
HKFRS 2 Amendment	Share-based Payment
HKFRS 3 Amendment	Business Combinations
HKFRS 8 Amendment	Operating Segments
HKFRS 13 Amendment	Fair Value Measurement
Annual Improvements 2011-2013 Cycle	
HKAS 40 Amendment	Investment Property
HKFRS 1 Amendment	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 3 Amendment	Business Combinations
HKFRS 13 Amendment	Fair Value Measurement

The adoption of the above new HKFRSs in the current period did not have any significant effect on the Unaudited Condensed Consolidated Interim Financial Information or result in any substantial changes in the Group's significant accounting policies.

The HKICPA has issued certain new standards, amendments and improvements to existing standards which are not yet effective for the year ending 31 December 2015 and have not been early adopted by the Group. The Group will apply these new standards, amendments and improvements to existing standards as and when they become effective. The Group has already commenced an assessment of the related impact to the Group and it is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

2. SEGMENT INFORMATION

(a) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management. The following operating segments were identified in accordance with the Group's operations:

(i) terminals and related businesses including terminal operations, container handling, transportation and storage; and
(ii) container leasing, management, sale and related businesses.

The performance of the operating segments was assessed based on their segment profit/loss attributable to equity holders of the Company and segment assets, which is measured in a manner consistent with that in the Unaudited Condensed Consolidated Interim Financial Information.

Corporate assets comprise property, plant and equipment, investment properties, intangible assets, inter-segment loans, other receivables and prepayments and cash and cash equivalents.

Additions to non-current assets comprise additions to property, plant and equipment, land use rights and intangible assets.

Segment assets

	Terminals and related businesses *US$'000*	**Container leasing, management, sale and related businesses** *US$'000*	**Segment total** *US$'000*	**Corporate** *US$'000*	**Inter-segment elimination** *US$'000*	**Total** *US$'000*
At 30 June 2015						
Segment assets	**4,644,118**	**2,199,702**	**6,843,820**	**1,897,883**	**(1,040,698)**	**7,701,005**
Segment assets include:						
Joint ventures	**822,617**	**-**	**822,617**	**-**	**-**	**822,617**
Associates	**852,760**	**-**	**852,760**	**-**	**-**	**852,760**
Available-for-sale financial asset	**32,000**	**-**	**32,000**	**-**	**-**	**32,000**
At 31 December 2014						
Segment assets	4,649,728	2,204,278	6,854,006	1,807,860	(1,045,156)	7,616,710
Segment assets include:						
Joint ventures	840,891	-	840,891	-	-	840,891
Associates	826,197	-	826,197	-	-	826,197
Available-for-sale financial asset	35,000	-	35,000	-	-	35,000

2. SEGMENT INFORMATION (Continued)

(a) Operating segments (Continued)

Segment revenues, results and other information

	Terminals and related businesses *US$'000*	Container leasing, management, sale and related businesses *US$'000*	Segment total *US$'000*	Corporate *US$'000*	Elimination of inter-segment (revenues) and finance (income)/costs *US$'000*	Total *US$'000*
Six months ended 30 June 2015						
Revenues - total sales	**245,054**	**159,661**	**404,715**	**-**	**(2,287)**	**402,428**
Segment profit/(loss) attributable to equity holders of the Company	**121,228**	**49,667**	**170,895**	**(6,463)**	**-**	**164,432**
Segment profit/(loss) attributable to equity holders of the Company includes:						
Finance income	**559**	**535**	**1,094**	**27,491**	**(14,670)**	**13,915**
Finance costs	**(30,093)**	**(10,418)**	**(40,511)**	**(9,289)**	**17,084**	**(32,716)**
Share of profits of						
- joint ventures	**57,539**	**-**	**57,539**	**-**	**-**	**57,539**
- associates	**34,153**	**-**	**34,153**	**-**	**-**	**34,153**
Income tax expenses	**(9,445)**	**(1,461)**	**(10,906)**	**(11,249)**	**-**	**(22,155)**
Depreciation and amortisation	**(42,265)**	**(62,418)**	**(104,683)**	**(814)**	**-**	**(105,497)**
Other non-cash expenses	**(57)**	**(443)**	**(500)**	**-**	**-**	**(500)**
Additions to non-current assets	**(35,732)**	**(175,650)**	**(211,382)**	**(14)**	**-**	**(211,396)**

2. SEGMENT INFORMATION (Continued)

(a) Operating segments (Continued)

Segment revenues, results and other information (Continued)

	Terminals and related businesses *US$'000*	Container leasing, management, sale and related businesses *US$'000*	Segment total *US$'000*	Corporate *US$'000*	Elimination of inter-segment (revenues) and finance (income)/costs *US$'000*	Total *US$'000*
Six months ended 30 June 2014						
Revenues - total sales	258,082	184,107	442,189	-	(2,031)	440,158
Segment profit/(loss) attributable to equity holders of the Company	109,085	53,289	162,374	(15,588)	-	146,786
Segment profit/(loss) attributable to equity holders of the Company includes:						
Finance income	410	330	740	25,363	(13,367)	12,736
Finance costs	(30,970)	(10,618)	(41,588)	(9,782)	15,374	(35,996)
Share of profits of						
- joint ventures	50,932	-	50,932	-	-	50,932
- associates	30,810	-	30,810	-	-	30,810
Income tax expenses	(8,628)	(1,409)	(10,037)	(10,090)	-	(20,127)
Depreciation and amortisation	(41,188)	(64,146)	(105,334)	(844)	-	(106,178)
Other non-cash expenses	(6)	(234)	(240)	(1)	-	(241)
Additions to non-current assets	(44,149)	(215,854)	(260,003)	(140)	-	(260,143)

2. SEGMENT INFORMATION (Continued)

(b) Geographical information

(i) Revenues

In respect of terminals and related businesses, revenues are based on the geographical areas in which the business operations are located.

In respect of container leasing, management, sale and related businesses, the movements of containers and generator sets of the Group are known through report from the lessees but the Group is not able to control the movements of containers and generator sets except to the degree that the movements are restricted by the terms of the leases or where safety of the containers and generator sets is concerned. It is therefore impracticable to present financial information by geographical areas and thus the revenues of which are presented as unallocated revenues.

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
Terminals and related businesses		
- Mainland China (excluding Hong Kong)	**165,100**	165,410
- Europe	**78,393**	91,459
- Others	**1,547**	1,186
Unallocated	**157,388**	182,103
	402,428	440,158

2. SEGMENT INFORMATION (Continued)

(b) Geographical information (Continued)

(ii) Non-current assets

The Group's non-current assets, other than financial instruments and deferred income tax assets ("Geographical Non-Current Assets"), consist of property, plant and equipment, investment properties, land use rights, intangible assets, joint ventures, associates and other non-current assets.

The containers and generator sets (included in property, plant and equipment) are primarily utilised across geographical markets for shipment of cargoes throughout the world. Accordingly, it is impractical to present the locations of the containers and generator sets by geographical areas and thus the containers and generator sets are presented as unallocated non-current assets.

In respect of the terminals' non-current assets and the remaining Geographical Non-Current Assets, they are presented based on the geographical areas in which the business operations/assets are located.

Other than container leasing, management, sale and related businesses, the activities of terminals and related businesses of the Group, its joint ventures and associates are predominantly carried out in Hong Kong, Mainland China, Singapore, Belgium, Egypt, Greece and Taiwan.

	As at 30 June 2015 ***US$'000***	As at 31 December 2014 *US$'000*
Mainland China (excluding Hong Kong)	**3,621,073**	3,623,862
Europe	**355,183**	366,132
Others	**382,359**	424,023
Unallocated	**1,817,553**	1,706,111
	6,176,168	6,120,128

3. OTHER NON-CURRENT ASSETS

Other non-current assets of the Group mainly represent prepaid operating lease payments, which include the unamortised upfront concession fee incurred in respect of the concession agreement with Piraeus Port Authority S.A. for the concession of Piers 2 and 3 of the Piraeus Port in Greece for a term of 35 years (the "Concession"). The Concession commenced on 1 October 2009.

4. TRADE AND OTHER RECEIVABLES

	As at 30 June 2015 *US$'000*	As at 31 December 2014 *US$'000*
Trade receivables		
- third parties	**76,574**	56,016
- fellow subsidiaries	**36,480**	36,251
- joint ventures	**187**	-
- non-controlling shareholders of subsidiaries	**4,539**	4,997
- related companies	**752**	1,046
	118,532	98,310
Bills receivable	**3,636**	3,450
	122,168	101,760
Less: provision for impairment	**(3,814)**	(4,240)
	118,354	97,520
Other receivables, deposits and prepayments	**97,362**	41,475
Rent receivable collected on behalf of owners of managed containers	**17,726**	20,248
Current portion of finance lease receivables	**5,569**	5,471
Loans to joint ventures	**20,230**	20,599
Amounts due from		
- fellow subsidiaries	**275**	163
- joint ventures	**27,814**	285
- associates	**4,247**	1,537
- non-controlling shareholders of subsidiaries	**2,997**	2,296
- a related company	**72**	-
	294,646	189,594

The Group grants credit periods of 30 to 90 days to its customers. The ageing analysis of the trade receivables and bills receivable (net of provision) based on invoice date and issuance date respectively is as follows:

	As at 30 June 2015 *US$'000*	As at 31 December 2014 *US$'000*
Within 30 days	**56,737**	54,081
31 - 60 days	**37,092**	33,802
61 - 90 days	**14,495**	4,947
Over 90 days	**10,030**	4,690
	118,354	97,520

5. TRADE AND OTHER PAYABLES

	As at 30 June 2015	As at 31 December 2014
	US$'000	*US$'000*
Trade payables		
- third parties	**35,452**	40,650
- fellow subsidiaries	**56**	58
- non-controlling shareholders of subsidiaries	**9,267**	7,835
- related companies	**62,536**	52,720
	107,311	101,263
Other payables and accruals	**161,447**	153,795
Payable to owners of managed containers	**22,871**	23,570
Current portion of other long term liabilities	**235**	903
Dividend payable	**58,462**	7
Loan from a joint venture	**31,896**	31,868
Loans from non-controlling shareholders of subsidiaries	**57,973**	57,973
Amounts due to		
- fellow subsidiaries	**66**	39
- non-controlling shareholders of subsidiaries	**14,715**	15,516
- joint ventures	**317**	351
- related companies	**14**	12
	455,307	385,297

The ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2015	As at 31 December 2014
	US$'000	*US$'000*
Within 30 days	**73,269**	61,085
31 - 60 days	**12,202**	4,180
61 - 90 days	**948**	18,429
Over 90 days	**20,892**	17,569
	107,311	101,263

6. OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
Crediting		
Dividend income from an unlisted investment	**2,214**	2,034
Rental income from investment properties	**525**	695
Write back of provision for impairment of trade receivables, net	**34**	349
Gain on disposal of property, plant and equipment	**592**	619
Charging		
Depreciation and amortisation	**105,497**	106,178
Loss on disposal of property, plant and equipment	**12**	1
Rental expenses under operating leases of		
- buildings leased from a fellow subsidiary	**869**	781
- buildings leased from a joint venture	**16**	16
- land use rights leased from non-controlling shareholders of subsidiaries	**758**	553
- Concession (Note 3)	**20,313**	23,943

7. FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
Finance income		
Interest income on		
- bank balances and deposits	**11,034**	10,090
- deposits with COSCO Finance Co., Ltd. ("COSCO Finance")	**197**	-
- loans to joint ventures and an associate	**2,684**	2,646
	13,915	12,736
Finance costs		
Interest expenses on		
- bank loans	**(22,615)**	(26,375)
- notes not wholly repayable within five years	**(6,564)**	(6,564)
- loans from COSCO Finance	**(228)**	-
- loans from non-controlling shareholders of subsidiaries	**(3,005)**	(3,108)
- loan from a joint venture	**(560)**	(473)
Amortised amount of		
- discount on issue of notes	**(127)**	(139)
- transaction costs on bank loans and notes	**(1,393)**	(1,501)
	(34,492)	(38,160)
Less: amount capitalised in construction in progress	**2,830**	3,372
	(31,662)	(34,788)
Other incidental borrowing costs and charges	**(1,054)**	(1,208)
	(32,716)	(35,996)
Net finance costs	**(18,801)**	(23,260)

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
Current income tax		
- Hong Kong profits tax	**41**	-
- Mainland China taxation	**13,258**	7,538
- Overseas taxation	**6,020**	6,678
- (Over)/under provision in prior years	**(37)**	5
	19,282	14,221
Deferred income tax charge	**2,873**	5,906
	22,155	20,127

The Group's shares of income tax expenses of joint ventures and associates of US$16,126,000 (corresponding period of 2014: US$14,640,000) and US$7,950,000 (corresponding period of 2014: US$6,615,000) are included in the Group's shares of profits of joint ventures and associates respectively.

Hong Kong profits tax was provided at a rate of 16.5% on the estimated assessable profit for the period. In corresponding period of 2014, no Hong Kong profits tax had been provided as the Group did not have estimated assessable profit.

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Deferred income tax is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

As at 30 June 2015, deferred income tax liabilities of US$8,963,000 (31 December 2014: US$8,295,000) have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries in certain tax jurisdictions totaling US$56,023,000 (31 December 2014: US$50,374,000) as the directors considered that the timing of the reversal of the related temporary differences can be controlled and accordingly, the temporary difference will not be reversed in the foreseeable future.

9. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
Profit attributable to equity holders of the Company	**US$164,432,000**	US$146,786,000
Weighted average number of ordinary shares in issue	**2,940,437,862**	2,912,325,528
Basic earnings per share	**US5.59 cents**	US5.04 cents

(b) Diluted

The outstanding share options granted by the Company did not have any dilutive effect on the earnings per share for the six months ended 30 June 2015 and 2014, and the diluted earnings per share is equal to the basic earnings per share for the six months ended 30 June 2015 and 2014 respectively.

10. INTERIM DIVIDEND

	Six months ended 30 June	
	2015	2014
	US$'000	*US$'000*
Interim dividend, declared of US2.236 cents (corresponding period of 2014: US2.016 cents) per ordinary share	**65,748**	58,712

Notes:

(a) At a meeting held on 24 March 2015, the directors recommended the payment of a final dividend of HK15.4 cents (equivalent to US1.988 cents) per ordinary share with a scrip dividend alternative for the year ended 31 December 2014. The final dividend, which was approved at the annual general meeting of the Company held on 14 May 2015, was paid on 15 July 2015.

(b) At a meeting held on 25 August 2015, the directors declared an interim dividend of HK17.3 cents (equivalent to US2.236 cents) per ordinary share. The dividend will be payable in cash and with a scrip dividend alternative. The interim dividend declared is not reflected as dividend payable in the Unaudited Condensed Consolidated Interim Financial Information, but will be reflected as an appropriation of retained profits for the year ending 31 December 2015.

11. CONTINGENT LIABILITIES

A statement of claim was issued on 19 October 2009 by Aronis-Drettas-Karlaftis Consultant Engineers S.A. ("ADK") against the Company and Piraeus Terminal, a wholly owned subsidiary of the Company, in a civil claim at the Court of First Instance of Athens in Greece alleging non-payment of fees for design services and project management services. The plaintiff has claimed approximately Euro 5,800,000 (equivalent to approximately US$6,500,000) in total. The Company and Piraeus Terminal defended all material claims at the trial hearing held on 30 November 2010.

11. CONTINGENT LIABILITIES (Continued)

The Court of First Instance of Athens has issued and pronounced judgment on the case and has dismissed the aforementioned statement of claim in its entirety both as regards the Company and as regards Piraeus Terminal, and has awarded to the Company and Piraeus Terminal part of the legal expenses in the amount of Euro 30,000 (equivalent to approximately US$33,000) against the plaintiff (ADK). The plaintiff has filed an appeal against the judgment of the Court of First Instance of Athens according to Greek procedural law.

In May 2015, the Athens Court of Appeals has issued and pronounced judgment on ADK's appeal and has dismissed the aforementioned appeal in its entirety and has upheld fully the judgment of the Court of First Instance. In addition, the Court of Appeals has awarded to the Company and Piraeus Terminal part of the legal expenses with respect to the appellate proceedings in the amount of Euro 600 (equivalent to approximately US$700) against the appellant (ADK). The aforesaid Court of Appeal's judgment is final and is subject only to an appeal before the Supreme Court, which has to be exclusively based on legal grounds. The time limit for the filing of such an appeal before the Supreme Court by the losing parties is 30 days from the date that an official copy of the aforesaid decision, legalised by the Court itself, is served on the ADK by bailiff of the Court. As at the date of this announcement, such copy has not been issued. The Company's legal advisors consider that the legal arguments motivating the Court of Appeals' judgment are well founded on Greek law and therefore consider it unlikely that ADK will file any appeal before the Supreme Court. No provision has been made for the claims.

INTERIM DIVIDEND

The directors have declared an interim dividend of HK17.3 cents (corresponding period of 2014: HK15.6 cents) per share for the six months ended 30 June 2015, with an option to receive new fully paid shares in lieu of cash ("Scrip Dividend Scheme").

The interim dividend will be payable to shareholders whose names appear on the register of members of the Company on Monday, 14 September 2015. The Scrip Dividend Scheme is conditional upon the granting of the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme by the Listing Committee of The Stock Exchange of Hong Kong Limited. Dividend warrants and share certificates for new shares to be issued under the Scrip Dividend Scheme will be despatched by ordinary mail on or about Monday, 26 October 2015.

Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about Wednesday, 30 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 September 2015 to Monday, 14 September 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Registrar and Transfer Office, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9 September 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

COSCO Pacific made solid progress in the development of its terminals business during the first half of 2015, reporting a satisfactory increase in its profit. However, due to the unfavourable market conditions in the period, the container leasing, management and sale businesses saw a decrease in lease rates and the selling price for old containers disposed of, which in turn weighed down its profitability. Profit attributable to equity holders of COSCO Pacific for the first half of 2015 was US$164,432,000 (corresponding period of 2014: US$146,786,000), a 12.0% increase compared with the corresponding period of last year. Of this, profit from the terminals business was US$121,228,000 (corresponding period of 2014: US$109,085,000), an 11.1% increase compared with the corresponding period of last year; and profit from the container leasing, management and sale businesses was US$49,667,000 (corresponding period of 2014: US$53,289,000), a 6.8% decrease compared with the corresponding period of last year. Taken as a whole, profit of COSCO Pacific's core business for the first half of 2015 saw a 5.2% increase compared with the corresponding period of last year.

Profit from the terminals business for the first half of 2015 increased by 11.1% compared with the corresponding period of last year, the throughput of container terminal reached 33,831,834 TEU (corresponding period of 2014: 32,481,568 TEU), a 4.2% increase compared with the corresponding period of last year. On the other hand, equity throughput rose to 9,462,720 TEU (corresponding period of 2014: 9,285,396 TEU), a 1.9% increase compared with the corresponding period of last year. During the period, Xiamen Ocean Gate Container Terminal Co., Ltd. ("Xiamen Ocean Gate Terminal") recorded some improvements in its operation. Benefiting from the opening of new shipping routes, the throughput of containers recorded an increase of 14.6%. Profit of Xiamen Ocean Gate Terminal for the first half of 2015 was US$9,000 (corresponding period of 2014: loss of US$2,868,000). Piraeus Terminal in Greece delivered steady results, recording a 0.8% increase in its throughput compared with the corresponding period of last year, and a profit of US$15,129,000 (corresponding period of 2014: US$15,073,000), representing a 0.4% increase compared with the corresponding period of last year.

For terminals in which the Group has no controlling stake, driven by the increased throughput, there was an observable growth in COSCO Pacific's share of profit from Yantian International Container Terminals Co., Ltd. ("Yantian Terminal"), Qingdao Qianwan Container Terminal Co., Ltd. ("Qingdao Qianwan Terminal"), Antwerp Gateway NV ("Antwerp Terminal"), Tianjin Port Euroasia International Container Terminal Co., Ltd. ("Tianjin Euroasia Terminal") and COSCO-PSA Terminal Private Limited ("COSCO-PSA Terminal") for the first half of 2015. During the first half of 2015, the throughput of Yantian Terminal increased by 6.8% compared with the corresponding period of last year, the Group's share of profit of Yantian Terminal increased to US$23,027,000 (corresponding period of 2014: US$20,718,000), an 11.1% increase compared with the corresponding period of last year; the throughput of Qingdao Qianwan Terminal increased by 3.5% compared with the corresponding period of last year, the Group's share of profit of Qingdao Qianwan Terminal was US$24,363,000 (corresponding period of 2014: US$21,616,000), a 12.7% increase compared with the corresponding period of last year; the throughput of Antwerp Terminal increased by 27.4% compared with the corresponding period of last year, the Group's share of profit of Antwerp Terminal was US$2,698,000 (corresponding period of 2014: US$1,191,000), a 126.5% increase compared with the corresponding period of last year; the throughput of Tianjin Euroasia Terminal increased by 8.7% compared with the corresponding period of last year, the Group's share of profit of Tianjin Euroasia Terminal was US$1,685,000 (corresponding period of 2014: US$490,000); the throughput of COSCO-PSA Terminal increased by 20.4% compared with the corresponding period of last year, the Group's share of profit of COSCO-PSA Terminal increased to US$1,995,000 (corresponding period of 2014: US$1,017,000), a 96.2% increase compared with the corresponding period of last year.

For the container leasing, management and sale businesses, profit for the first half of 2015 was US$49,667,000 (corresponding period of 2014: US$53,289,000), a 6.8% decrease compared with the corresponding period of last year. As at 30 June 2015, the Group's fleet capacity expanded to 1,969,196 TEU (30 June 2014: 1,936,263 TEU), a 1.7% increase compared with the corresponding period of last year.

Financial Analysis

Revenues

Revenues of the Group for the first half of 2015 amounted to US$402,428,000 (corresponding period of 2014: US$440,158,000), an 8.6% decrease compared with the corresponding period of last year. The revenues was primarily derived from the terminals business of US$245,054,000 (corresponding period of 2014: US$258,082,000) and the container leasing, management and sale businesses of US$159,661,000 (corresponding period of 2014: US$184,107,000).

The total revenues from terminals business for the first half of 2015 decreased by 5.0% compared with the corresponding period of last year. The decrease was mainly attributable to Piraeus Terminal in Greece. In the first half of 2015, the throughput of Piraeus Terminal in Greece was 1,481,718 TEU (corresponding period of 2014: 1,470,563 TEU), generating a revenue of Euro 69,809,000 (corresponding period of 2014: Euro 66,707,000), a 4.7% increase compared with the corresponding period of last year. However, under the influence of a depreciating Euro, the revenue of Piraeus Terminal for the first half of 2015 was equivalent to US$78,393,000 (corresponding period of 2014: US$91,459,000), a 14.3% decrease compared with the corresponding period of last year. During the period, Xiamen Ocean Gate Terminal made an upward adjustment in its tariffs and increased its shipping routes, generating a revenue of US$24,196,000 for the first half of 2015 (corresponding period of 2014: US$15,936,000), a 51.8% increase compared with the corresponding period of last year.

For the container leasing, management and sale businesses, revenues for the first half of 2015, which primarily included container leasing income and revenue from the disposal of returned containers, was US$159,661,000 (corresponding period of 2014: US$184,107,000), representing a 13.3% decrease compared with the corresponding period of last year. As at 30 June 2015, the fleet capacity of owned containers and sale-and-leaseback containers reached 1,179,233 TEU and 286,568 TEU respectively

(30 June 2014: 1,168,265 TEU and 250,290 TEU respectively). As a result of decreased lease rates, revenue from container leasing for the first half of 2015 was US$144,593,000 (corresponding period of 2014: US$147,639,000), representing a 2.1% decrease compared with the corresponding period of last year. For the container sale business, the selling price of returned containers disposed of during the period fell by 8.6% compared with the corresponding period of last year, and the number of returned containers disposed of decreased by 68.8% to 10,108 TEU (corresponding period of 2014: 32,418 TEU) over the corresponding period of last year, resulting in a decrease in the revenue from the disposal of returned containers to US$8,554,000 (corresponding period of 2014: US$30,022,000), a 71.5% decrease compared with the corresponding period of last year.

Cost of sales

Cost of sales mainly comprised operating expenses of the terminal companies in which the Group has controlling stakes, depreciation charges on owned containers, net carrying amount of returned containers disposed of and rental expenses of sale-and-leaseback containers. Cost of sales for the first half of 2015 was US$244,847,000 (corresponding period of 2014: US$272,188,000), a 10.0% decrease compared with the corresponding period of last year. Of this, cost of sales of terminals business was US$153,104,000 (corresponding period of 2014: US$164,676,000), a 7.0% decrease compared with the corresponding period of last year. The decrease was mainly attributable to Piraeus Terminal. For the first half of 2015, cost of sales of Piraeus Terminal was US$52,816,000 (corresponding period of 2014: US$64,578,000), an 18.2% decrease compared with the corresponding period of last year. Cost of sales of container leasing, management and sale businesses was US$91,756,000 (corresponding period of 2014: US$107,541,000), a 14.7% decrease compared with the corresponding period of last year. The net carrying amount of returned containers disposed of decreased to US$6,885,000 (corresponding period of 2014: US$23,974,000) as a result of a 68.8% decrease in the number of returned containers disposed of, a 71.3% decrease compared with the corresponding period of last year. Depreciation charges on containers for the first half of 2015 were US$61,354,000 (corresponding period of 2014: US$63,027,000), a 2.7% decrease compared with the corresponding period of last year.

Administrative expenses

Administrative expenses in the first half of 2015 were US$40,024,000 (corresponding period of 2014: US$43,246,000), a 7.5% decrease compared with the corresponding period of last year. The decrease in administrative expenses compared with the corresponding period of last year was mainly attributable to the stringent cost-control measures taken by the Group during the period.

Other operating income/(expenses), net

Net other operating income during the period was US$8,252,000 (corresponding period of 2014: net other operating expenses of US$5,003,000), which included a net exchange loss of US$1,092,000 recorded in the first half of 2015 (corresponding period of 2014: US$9,470,000).

Finance costs

The Group's finance costs in the first half of 2015 were US$32,716,000 (corresponding period of 2014: US$35,996,000), a 9.1% decrease compared with the corresponding period of last year. The decrease in finance costs was primarily due to the decrease of the average balance of bank loans during the period to US$1,786,003,000 (corresponding period of 2014: US$2,019,608,000), a 11.6% decrease compared with the corresponding period of last year. Taking into account capitalised interest, the average cost of bank borrowings in the first half of 2015, including the amortisation of transaction costs over bank loans and notes, was 3.58% (corresponding period of 2014: 3.54%).

Share of profits of joint ventures and associates

The profit contribution from joint ventures and associates for the first half of 2015 amounted to US$91,692,000 (corresponding period of 2014: US$81,742,000), representing a 12.2% increase compared with the corresponding period of last year. Driven by increased throughput, there was an observable growth in COSCO Pacific's share of profit from Yantian Terminal, Qingdao Qianwan Terminal, Antwerp Terminal, Tianjin Euroasia Terminal and COSCO-PSA Terminal during the period. For the first half of 2015, the throughput of Yantian Terminal increased by 6.8% compared with the corresponding period of last year, the Group's share of profit of Yantian Terminal increased to US$23,027,000 (corresponding period of 2014: US$20,718,000), an 11.1% increase compared with the corresponding period of last year; the throughput of Qingdao Qianwan Terminal increased by 3.5% compared with the corresponding period of last year, the Group's share of profit of Qingdao Qianwan Terminal was US$24,363,000 (corresponding period of 2014: US$21,616,000), a 12.7% increase compared with the corresponding period of last year; the throughput of Antwerp Terminal increased by 27.4% compared with the corresponding period of last year, the Group's share of profit of Antwerp Terminal was US$2,698,000 (corresponding period of 2014: US$1,191,000), a 126.5% increase compared with the corresponding period of last year; the throughput of Tianjin Euroasia Terminal increased by 8.7% compared with the corresponding period of last year, the Group's share of profit of Tianjin Euroasia Terminal was US$1,685,000 (corresponding period of 2014: US$490,000); the throughput of COSCO-PSA Terminal increased by 20.4% compared with the corresponding period of last year, the Group's share of profit of COSCO-PSA Terminal increased to US$1,995,000 (corresponding period of 2014: US$1,017,000), representing a 96.2% increase compared with the corresponding period of last year.

Income tax expenses

During the period, income tax expenses amounted to US$22,155,000 (corresponding period of 2014: US$20,127,000), a 10.1% increase compared with the corresponding period of last year. This included a provision of approximately US$8,155,000 (corresponding period of 2014: US$7,908,000) for withholding income tax in respect of the profit distribution by certain investments of the Group in China.

Financial Position

Cash flow

Cash inflow of the Group remained steady in the first half of 2015. During the period, net cash generated from operating activities amounted to US$183,725,000 (corresponding period of 2014: US$212,423,000). The Group borrowed bank loans of US$132,180,000 (corresponding period of 2014: US$154,661,000) in the first half of 2015, and repaid loans of US$211,023,000 (corresponding period of 2014: US$216,198,000) during the period.

During the period, an amount of US$200,523,000 (corresponding period of 2014: US$195,421,000) was paid in cash by the Group for the expansion of berths and purchase of property, plant and equipment, of which US$160,357,000 (corresponding period of 2014: US$161,409,000) was for the purchase of new containers. In addition, no additional equity investment was made by COSCO Pacific during the first half of 2015. The total cash outflow for capital investment by the Group amounted to US$279,919,000 in the first half of 2014, comprising US$212,335,000 for the investment in Asia Container Terminals Limited ("Asia Container Terminal"), net equity investment of US$57,330,000 in Qingdao Port Dongjiakou Ore Terminal Co., Ltd. ("Dongjiakou Ore Terminal") and US$10,254,000 used for capital injection in Ningbo Yuan Dong Terminals Limited ("Ningbo Yuan Dong Terminal").

Financing and credit facilities

As at 30 June 2015, the Group's total outstanding borrowings and cash balance amounted to US$1,763,718,000 (31 December 2014: US$1,860,193,000) and US$1,053,086,000 (31 December 2014: US$1,116,479,000) respectively. Banking facilities available but unused amounted to US$553,514,000 (31 December 2014: US$475,694,000).

Assets and liabilities

As at 30 June 2015, the Group's total assets and total liabilities increased to US$7,701,005,000 (31 December 2014: US$7,616,710,000) and US$2,541,551,000 (31 December 2014: US$2,558,048,000) respectively. Net assets were US$5,159,454,000, representing an increase of 2.0% as compared with that of US$5,058,662,000 as at 31 December 2014. Net current assets as at 30 June 2015 amounted to US$507,527,000 (31 December 2014: US$426,433,000). As at 30 June 2015, net asset value per share of the Company was US$1.75 (31 December 2014: US$1.72).

As at 30 June 2015, net debt-to-total equity ratio was 13.8% (31 December 2014: 14.7%), and the interest coverage was 7.1 times (corresponding period of 2014: 6.0 times). As at 30 June 2015, certain other property, plant and equipment of the Group with an aggregate net book value of US$49,672,000 (31 December 2014: US$55,119,000) and the Company's interest in the subsidiary were pledged as securities against bank borrowings of US$222,973,000 (31 December 2014: US$241,967,000).

Debt analysis

	As at 30 June 2015		As at 31 December 2014	
By repayment term	**US$**	**(%)**	US$	(%)
Within the first year	**308,716,000**	**17.5**	429,762,000	23.1
Within the second year	**233,488,000**	**13.2**	142,804,000	7.7
Within the third year	**450,519,000**	**25.5**	371,953,000	20.0
Within the fourth year	**179,082,000**	**10.2**	159,648,000	8.6
Within the fifth year and after	**591,913,000**	**33.6**	756,026,000	40.6
	1,763,718,000 *	**100.0**	1,860,193,000 *	100.0
By category				
Secured borrowings	**222,973,000**	**12.6**	241,967,000	13.0
Unsecured borrowings	**1,540,745,000**	**87.4**	1,618,226,000	87.0
	1,763,718,000 *	**100.0**	1,860,193,000 *	100.0
By denominated currency				
US dollar borrowings	**1,193,634,000**	**67.7**	1,266,764,000	68.1
RMB borrowings	**347,111,000**	**19.7**	351,462,000	18.9
Euro borrowings	**222,973,000**	**12.6**	241,967,000	13.0
	1,763,718,000 *	**100.0**	1,860,193,000 *	100.0

* Net of unamortised discount on notes and transaction costs on borrowings and notes.

Financial guarantee contracts

As at 30 June 2015, the Group provided guarantees on a loan facility granted to an associate of US$9,295,000 (31 December 2014: US$13,613,000).

Contingent liabilities

A statement of claim was issued on 19 October 2009 by ADK against the Company and Piraeus Terminal, a wholly owned subsidiary of the Company, in a civil claim at the Court of First Instance of Athens in Greece alleging non-payment of fees for design services and project management services. The plaintiff has claimed approximately Euro 5,800,000 (equivalent to approximately US$6,500,000) in total. The Company and Piraeus Terminal defended all material claims at the trial hearing held on 30 November 2010.

The Court of First Instance of Athens has issued and pronounced judgment on the case and has dismissed the aforementioned statement of claim in its entirety both as regards the Company and as regards Piraeus Terminal, and has awarded to the Company and Piraeus Terminal part of the legal expenses in the amount of Euro 30,000 (equivalent to approximately US$33,000) against the plaintiff (ADK). The plaintiff has filed an appeal against the judgment of the Court of First Instance of Athens according to Greek procedural law.

In May 2015, the Athens Court of Appeals has issued and pronounced judgment on ADK's appeal and has dismissed the aforementioned appeal in its entirety and has upheld fully the judgment of the Court of First Instance. In addition, the Court of Appeals has awarded to the Company and Piraeus Terminal part of the legal expenses with respect to the appellate proceedings in the amount of Euro 600 (equivalent to approximately US$700) against the appellant (ADK). The aforesaid Court of Appeal's judgment is final and is subject only to an appeal before the Supreme Court, which has to be exclusively based on legal grounds. The time limit for the filing of such an appeal before the Supreme Court by the losing parties is 30 days from the date that an official copy of the aforesaid decision, legalised by the Court itself, is served on the ADK by bailiff of the Court. As at the date of this announcement, such copy has not been issued. The Company's legal advisors consider that the legal arguments motivating the Court of Appeals' judgment are well founded on Greek law and therefore consider it unlikely that ADK will file any appeal before the Supreme Court. No provision has been made for the claims.

Treasury policy

The Group manages its foreign exchange risk by matching the currencies of its loans with the Group's functional currency of major cash receipts and underlying assets as far as possible. Borrowings for container leasing business are mainly denominated in US dollar, which is the same currency as the majority of its revenue and expenses so as to minimise potential foreign exchange exposure.

The financing activities of joint ventures and associates were denominated in their respective functional currencies so as to minimise foreign exchange exposure in investments.

As at 30 June 2015, 17.0% (31 December 2014: 16.1%) of the Group's total borrowings were in fixed rate. The Group continues to monitor and regulate its fixed and floating rate debt portfolio from time to time in light of the market conditions, with a view to minimising its potential interest rate exposure.

Operational Review

Global growth was on a trend of gradual deceleration during the first half of the year. According to the July 2015 report from International Monetary Fund (IMF), global economy was estimated to grow 3.3% in 2015, 0.2 percentage points lower than previously estimated, of which, China is estimated to grow at a 6.8% rate in 2015, 0.6 percentage points lower than the 7.4% growth in 2014. Against the backdrop of decelerating economy, the total value of China's foreign trade in the first half saw a 6.9% decrease as compared with the corresponding period of last year, posing challenges to the sector's operating environment.

In the face of these factors, the Group continued to enhance the brand value of COSCO Pacific by adhering to its proven operational strategies, focusing on optimising management efficiency, proactively enhancing service quality and establishing long-term strategic partnerships with clients. Meanwhile, the Group implemented effective cost control measures. During the period, the Group's container throughput grew steadily, that drove higher profit from terminals business. On the other hand, amidst fierce competition in the container leasing industry, the container lease rates and the resale prices of used containers remained at low levels, resulting weak performance in the Group's container leasing business.

Terminals

During the first half of 2015, even faced with volatile global economy, the Group's terminals business still reported an overall profit of US$121,228,000 (corresponding period of 2014: US$109,085,000), representing an 11.1% increase. Its equity throughput increased by 1.9% to 9,462,720 TEU (corresponding period of 2014: 9,285,396 TEU). Thanks to the optimisation of overall terminal operations, the terminals business saw profit growth greater than that of the equity throughput.

During the period, with a robust growth in throughput and increased tariff, Xiamen Ocean Gate Terminal achieved a turnaround. Together with Xiamen Haitou Tongda Terminal Co., Ltd. ("Xiamen Tongda Terminal") which was acquired in March 2013, the terminal reported a profit of US$9,000 (corresponding period of 2014: a loss of US$2,868,000). The Group's share of profit from Yantian Terminal rose by 11.1% to US$23,027,000 (corresponding period of 2014: US$20,718,000). Qingdao Qianwan Terminal saw an increase in its average revenue per TEU and throughput, which drove the profit contribution to rise by 12.7% to US$24,363,000 (corresponding period of 2014: US$21,616,000). Continuing to benefit from a strong growth in throughput, profit contribution from Antwerp Terminal rose by 126.5% to US$2,698,000 (corresponding period of 2014: US$1,191,000). Profit contribution from Tianjin Euroasia Terminal rose by 243.9% to US$1,685,000 (corresponding period of 2014: US$490,000), which was mainly attributable to a steady growth in throughput and a higher ratio of foreign trade cargoes, which generated greater profits. While Piraeus Terminal's profit in Euro rose by 22.6% from the optimisation of its terminal operations, its profit contribution in US dollar reported a 0.4% increase to US$15,129,000 (corresponding period of 2014: US$15,073,000), resulting from the depreciation of Euro against US dollar compared with the corresponding period of last year.

On 13 March 2014, the Group acquired on 40% effective equity interest in Asia Container Terminal, whose profit and throughput have been included into the Group's accounts since 14 March 2014. The acquired company contributed a profit of US$990,000 (corresponding period of 2014: US$554,000) to the Group and repaid interest for the Group's shareholder's loan amounting to US$1,808,000 (corresponding period of 2014: US$1,083,000) during the period. On the other hand, profit contributed by COSCO-HIT Terminals (Hong Kong) Limited ("COSCO-HIT Terminal") rose by 3.3% to US$9,060,000 (corresponding period of 2014: US$8,769,000).

During the period, revenue from the terminals business dropped by 5.0% to US$245,054,000 (corresponding period of 2014: US$258,082,000). Piraeus Terminal delivered stable operational performance, with its revenue in Euro rising by 4.7%. However, affected by the depreciation of Euro against the US dollar compared with the corresponding period of last year, its revenue in US dollar dropped by 14.3% to US$78,393,000 (corresponding period of 2014: US$91,459,000). The business volume of Xiamen Ocean Gate Terminal saw a continued increase. Combined with the revenue from Xiamen Tongda Terminal, the terminal reported a revenue of US$24,196,000 (corresponding period of 2014: US$15,936,000), representing a 51.8% increase. Guangzhou South China Oceangate Container Terminal Company Limited ("Guangzhou South China Oceangate Terminal") recorded revenue of US$71,923,000 (corresponding period of 2014: US$71,843,000).

Total container throughput of COSCO Pacific continued to grow during the first half of 2015, rising by 4.2% to 33,831,834 TEU (corresponding period of 2014: 32,481,568 TEU). The terminal companies in mainland China handled a total of 26,878,476 TEU (corresponding period of 2014: 26,046,245 TEU), representing a 3.2% rise. Equity throughput of the Group rose by 1.9% to 9,462,720 TEU (corresponding period of 2014: 9,285,396 TEU). In comparison with the corresponding period of 2014, total container throughput growth in all regions decelerated, but tends to stabilise.

During the period, the Bohai Rim region reported a total throughput of 12,760,512 TEU (corresponding period of 2014: 12,546,426 TEU), up 1.7% and accounting for 37.7% of the Group's total container throughput. Container volume in Qingdao Qianwan Terminal grew steadily, throughput growth achieved 3.5% to 8,369,569 TEU (corresponding period of 2014: 8,089,696 TEU). Benefiting from its increased foreign trade cargoes, the container throughput at Tianjin Euroasia Terminal grew by 8.7% to 1,074,458 TEU (corresponding period of 2014: 988,417 TEU). Due to the adjustments of shipping routes, the throughput of Yingkou Container Terminals Company Limited shrank by 19.6% to 748,066 TEU (corresponding period of 2014: 930,076 TEU).

The Yangtze River Delta region reported a total throughput of 5,193,524 TEU (corresponding period of 2014: 4,931,807 TEU), up 5.3% and accounting for 15.3% of the Group's total container throughput. The throughput of Shanghai Pudong International Container Terminals Limited and Ningbo Yuan Dong Terminal rose by 4.1% to 1,226,218 TEU (corresponding period of 2014: 1,178,394 TEU) and 19.8% to 1,878,009 TEU (corresponding period of 2014: 1,568,009 TEU) respectively, which was mainly attributable to additional shipping routes. As a result of reduction of certain domestic shipping routes, the throughput of Taicang International Container Terminal Co., Ltd. decreased by 16.6% to 244,333 TEU (corresponding period of 2014: 293,075 TEU). The throughput of Zhangjiagang Win Hanverky Container Terminal Co., Ltd. dropped by 27.4% to 337,268 TEU (corresponding period of 2014: 464,587 TEU), which was mainly due to a decrease in the volume of transhipment and foreign trade import cargoes.

The container throughput along the Southeastern Coast and others region totalled 1,956,226 TEU (corresponding period of 2014: 1,809,505 TEU), up 8.1% and accounting for 5.8% of the Group's total container throughput. Xiamen Ocean Gate Terminal actively promoted its service level during the period. Coupling with increased investment in marketing campaigns targeting customers and the optimisation of a number of service routes, the terminal reported a container throughput of 466,368 TEU (corresponding period of 2014: 406,867 TEU), representing an increase of 14.6%.

The Pearl River Delta region reported a total throughput of 9,132,295 TEU (corresponding period of 2014: 8,622,636 TEU), up 5.9% and accounting for 27.0% of the Group's total container throughput. The container throughput of Yantian Terminal climbed by 6.8% to 5,529,239 TEU (corresponding period of 2014: 5,175,306 TEU), which was largely driven by growth in US cargoes, transshipment cargoes and empty containers. Facing carriers' service redeployment, the container throughput of COSCO-HIT Terminal was down 5.6% to 814,667 TEU (corresponding period of 2014: 863,417 TEU). Starting from 14 March 2014, the throughput and the profit of Asia Container Terminal were included into the Group's accounts, and a throughput of 600,227 TEU was recorded during the period (corresponding period of 2014: 388,337 TEU). The container throughput of Guangzhou South China Oceangate Terminal was down 0.3% to 2,188,162 TEU (corresponding period of 2014: 2,195,576 TEU).

Overseas terminals reported a total throughput of 4,789,277 TEU (corresponding period of 2014: 4,571,194 TEU), up 4.8% and accounting for 14.2% of the Group's total container throughput. While the Far East-Mediterranean shipping market remained weak during the period, Piraeus Terminal managed to increase its throughput by 0.8% to 1,481,718 TEU (corresponding period of 2014: 1,470,563 TEU) by enhancing services for its network of transshipment ports in the Mediterranean and introducing a number of new shipping routes. Based in Belgium, Antwerp Terminal continued to deliver consistent services, thereby attracting greater support from its clients in the terminals business. As a result of optimised operations for a number of shipping routes, its container throughput rose by 27.4% to 1,009,620 TEU (corresponding period of 2014: 792,492 TEU). The throughput of COSCO-PSA Terminal Private Limited rose by 20.4% to 725,476 TEU (corresponding period of 2014: 602,398 TEU), which was largely driven by terminals optimising the provision of services and clients establishing new shipping routes.

As of 30 June 2015, the Group was operating 108 container terminals berths (corresponding period of 2014: 106), with a total annual handling capacity of 65,750,000 TEU (corresponding period of 2014: 64,350,000 TEU); and was operating 13 bulk cargo berths (corresponding period of 2014: 13) with a total annual handling capacity of 46,050,000 tons (corresponding period of 2014: 46,050,000 tons).

Regional breakdown of total throughput

	1H 2015 (TEU)	**y-o-y change (%)**	**Percentage of total (%)**
Bohai Rim	12,760,512	+1.7	37.7
Yangtze River Delta	5,193,524	+5.3	15.3
Southeast Coast and others	1,956,226	+8.1	5.8
Pearl River Delta	9,132,295	+5.9	27.0
Overseas	4,789,277	+4.8	14.2
Total	**33,831,834**	**+4.2**	**100.0**

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

	1H 2015 (TEU)	**y-o-y change (%)**	**Percentage of total (%)**
Bohai Rim	2,400,810	-1.8	25.4
Yangtze River Delta	1,393,754	+0.7	14.7
Southeast Coast and others	1,007,014	+1.6	10.6
Pearl River Delta	2,307,524	+5.0	24.4
Overseas	2,353,618	+3.9	24.9
Total	**9,462,720**	**+1.9**	**100.0**

Throughput of terminal companies

Terminal companies	1H 2015 (TEU)	1H 2014 (TEU)	change (%)
Bohai Rim	**12,760,512**	**12,546,426**	**+1.7**
Qingdao Qianwan Container Terminal Co., Ltd. Note 1	8,369,569	8,089,696	+3.5
Tianjin Five Continents International Container Terminal Co., Ltd.	1,308,011	1,258,450	+3.9
Tianjin Port Euroasia International Container Terminal Co., Ltd.	1,074,458	988,417	+8.7
Dalian Port Container Terminal Co., Ltd.	1,260,408	1,279,787	-1.5
Yingkou Container Terminals Company Limited	748,066	930,076	-19.6
Yangtze River Delta	**5,193,524**	**4,931,807**	**+5.3**
Shanghai Pudong International Container Terminals Limited	1,226,218	1,178,394	+4.1
Ningbo Yuan Dong Terminals Limited	1,878,009	1,568,009	+19.8
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	337,268	464,587	-27.4
Yangzhou Yuanyang International Ports Co., Ltd.	228,585	226,606	+0.9
Taicang International Container Terminal Co., Ltd.	244,333	293,075	-16.6
Nanjing Port Longtan Container Co., Ltd.	1,279,111	1,201,136	+6.5
Southeast Coast and others	**1,956,226**	**1,809,505**	**+8.1**
Quan Zhou Pacific Container Terminal Co., Ltd.	557,445	549,602	+1.4
Jinjiang Pacific Ports Development Co., Ltd.	183,226	240,661	-23.9
Xiamen Ocean Gate Container Terminal Co., Ltd.	466,368	406,867	+14.6
Kao Ming Container Terminal Corp.	749,187	612,375	+22.3
Pearl River Delta	**9,132,295**	**8,622,636**	**+5.9**
Yantian International Container Terminals Co., Ltd.	5,529,239	5,175,306	+6.8
COSCO-HIT Terminals (Hong Kong) Limited	814,667	863,417	-5.6
Asia Container Terminals Limited Note 2	600,227	388,337	+54.6
Guangzhou South China Oceangate Container Terminal Company Limited	2,188,162	2,195,576	-0.3
Overseas	**4,789,277**	**4,571,194**	**+4.8**
Piraeus Container Terminal S.A.	1,481,718	1,470,563	+0.8
Suez Canal Container Terminal S.A.E.	1,572,463	1,705,741	-7.8
COSCO-PSA Terminal Private Limited	725,476	602,398	+20.4
Antwerp Gateway NV	1,009,620	792,492	+27.4
Total	**33,831,834**	**32,481,568**	**+4.2**

Note 1: Throughput of Qingdao Qianwan Terminal included the throughput of Qingdao Qianwan United Terminal and Qingdao Qianwan United Advance Terminal and these two terminals are joint ventures of Qingdao Qianwan Terminal. The throughput of the two terminals in the first half of 2015 were 2,430,277 TEU (corresponding period of 2014: 2,224,445 TEU) and 785,026 TEU (corresponding period of 2014: 687,063 TEU), representing an increase of 9.3% and 14.3% respectively.

Note 2: The throughput of Asia Container Terminals was included since 14 March 2014.

Note 3: The total throughput of bulk cargo in the first half of 2015 was 38,614,214 tons (corresponding period of 2014: 36,432,061 tons), representing an increase of 6.0%. The bulk cargo throughput of Dongjiakou Ore Terminal was included since 1 March 2014, while its throughput during the period was 25,175,910 tons (corresponding period of 2014: 12,934,203 tons), representing an increase of 94.6%. The throughput of Dalian Automobile Terminal Co., Ltd. reached 227,136 vehicles (corresponding period of 2014: 224,968 vehicles), representing an increase of 1.0%.

Container Leasing, Management and Sale

As of 30 June 2015, the Group's container fleet size reached 1,969,196 TEU (30 June 2014: 1,936,263 TEU), representing a 1.7% increase. The average age of the container fleet was 6.8 years (corresponding period of 2014: 6.6 years).

The Group's overall average utilisation rate of containers was 95.5% (corresponding period of 2014: 94.8%), up 0.7 percentage points compared with the corresponding period of last year, which was above the industry average of approximately 94.8% (corresponding period of 2014: approximately 93.2%). Long-term leases accounted for 96.6% (corresponding period of 2014: 96.1%) of the total container leasing revenue, while revenue from master leases accounted for 3.4% (corresponding period of 2014: 3.9%).

Despite stable market demand for new containers during the first half of the year, with intense competition and a low-interest rate environment, lease rates and rental yield remained at historically low levels. In addition, as the Group saw a decline in the number of disposed returned containers during the first half of the year, the resale prices were still being pressurised. As a result, revenue from disposal of returned containers took a hit compared with the corresponding period of last year. During the period, profit from the container leasing, management and sale businesses dropped by 6.8% to US$49,667,000 (corresponding period of 2014: US$53,289,000).

The Group's container leasing, management and sale businesses generated total revenues of US$159,661,000 (corresponding period of 2014: US$184,107,000), representing a drop of 13.3% compared with the corresponding period of last year.

The revenue from container leasing dropped by 2.1% to US$144,593,000 (corresponding period of 2014: US$147,639,000), accounted for 90.6% (corresponding period of 2014: 80.2%) of the total revenues of the container leasing, management and sale businesses. Although the number of owned and sale-and-leaseback containers of the Group increased by 3.3% to 1,465,801 TEU (30 June 2014: 1,418,555 TEU), revenue from container leasing were under pressure due to a decrease in lease rates that compared with the corresponding period of last year.

During the first half of 2015, the number of disposed returned containers was 10,108 TEU (corresponding period of 2014: 32,418 TEU), down 68.8% compared with the corresponding period of last year. Added with a moderate decrease in the resale prices, revenue from disposal of returned containers dropped by 71.5% to US$8,554,000 (corresponding period of 2014: US$30,022,000), which accounted for 5.4% (corresponding period of 2014: 16.3%) of the total revenues of the container leasing, management and sale businesses.

In addition, the fleet size of managed containers down 2.8% to 503,395 TEU (30 June 2014: 517,708 TEU), as a result, the revenue from the management of containers decreased by 10.5% to US$2,630,000 (corresponding period of 2014: US$2,937,000), accounting for 1.6% (corresponding period of 2014: 1.6%) of the total revenues of the container leasing, management and sale businesses.

Fleet capacity movement

	2015 (TEU)	2014 (TEU)	change (%)
Fleet capacity as at 1 January	**1,907,778**	1,888,200	+1.0
New containers purchased	**100,614**	109,500	-8.1
Total number of returned containers disposed of and pending for disposal	**(3,623)**	(22,711)	-84.0
Managed containers (disposed of or declared lost and compensated for by customers)	**(34,059)**	(34,695)	-1.8
Others [Note]	**(1,514)**	(4,031)	-62.4
Fleet capacity as at 30 June	**1,969,196**	1,936,263	**+1.7**

Note: Others included ownership transferred to customers upon expiry of finance leases, defective containers written off, owned containers declared lost and compensated for by customers.

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

As at 30 June	**Leasing Customers**	**2015 (TEU)**	2014 (TEU)	**change (%)**
Owned containers	COSCO Container Lines Company Limited ("COSCON")	**592,260**	546,921	+8.3
Owned containers	International customers	**586,973**	621,344	-5.5
Sale-and-leaseback containers	COSCON	**286,568**	250,290	+14.5
Managed containers	International customers	**503,395**	517,708	-2.8
Total		**1,969,196**	1,936,263	**+1.7**

As at 30 June	**Leasing Customers**	**2015 % of total**	2014 % of total	**change (pp)**
Owned containers	COSCON	**30.1**	28.3	+1.8
Owned containers	International customers	**29.8**	32.1	-2.3
Sale-and-leaseback containers	COSCON	**14.5**	12.9	+1.6
Managed containers	International customers	**25.6**	26.7	-1.1
Total		**100.0**	100.0	**--**

During the period, the Group purchased 100,614 TEU (corresponding period of 2014: 109,500 TEU) of new containers. The capital expenditure on containers was US$174,919,000 (corresponding period of 2014: US$215,833,000).

As at 30 June 2015, the owned container fleet size of the Group reached 1,179,233 TEU (30 June 2014: 1,168,265 TEU), representing 59.9% (30 June 2014: 60.4%) of the total container fleet. Classified by customers, COSCON leased 878,828 TEU (30 June 2014: 797,211 TEU), accounted for 44.6% (30 June 2014: 41.2%) of the total fleet size.

CORPORATE GOVERNANCE

The Company continues to maintain high standards of corporate governance so as to promote transparency and ensure better protection of shareholders' interest as a whole. The Company has fully complied with all code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2015.

BOARD COMMITTEES

Audit Committee

The Audit Committee of the Company comprises three independent non-executive directors of the Company. The Audit Committee has reviewed, in the presence of the internal and external auditors, the Group's principal accounting policies and the unaudited condensed consolidated interim financial information for the six months ended 30 June 2015.

Remuneration Committee

The Remuneration Committee of the Company comprises five members, a majority of whom are independent non-executive directors. The Committee formulates the remuneration policy of directors and senior management of the Group, reviews their remuneration packages and makes recommendations to the Board regarding the directors' fee and annual salary of executive directors and senior management.

Nomination Committee

The Nomination Committee of the Company comprises four members, a majority of whom are independent non-executive directors. The Committee reviews the structure, size and composition of the Board and the policy regarding Board diversity, and identifies individuals suitably qualified to become Board members and make recommendations to the Board and assessing the independence of all independent non-executive directors.

Other Board Committees

In addition to the above committees, the Board has also established various committees which include the Executive Committee, the Investment and Strategic Planning Committee, the Corporate Governance Committee and the Risk Management Committee. Each committee has its defined scope of duties and terms of reference. The terms of reference of the above committees have been posted on the Company's website at www.coscopac.com.hk.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the Company's code of conduct and rules governing dealings by all directors in the securities of the Company. Having made specific enquiry of all directors of the Company, they all confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its shares during the six months ended 30 June 2015. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed shares during the six months ended 30 June 2015.

INVESTOR RELATIONS

COSCO Pacific has always regarded investor relations as an important aspect of corporate governance and has been seeking to further heighten the level 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 three investor conferences organised by investment banks and conducted 2014 final results roadshow in Hong Kong. The Company met with a total of 132 investors, analysts and media representatives through one-on-one and group meetings. The Company's management is committed to improving corporate governance performance. During the period, the Company was greatly encouraged by winning the Outstanding China Enterprise Award from Capital magazine for the fourth consecutive year.

CORPORATE SUSTAINABLE DEVELOPMENT

In March 2015, COSCO Pacific published its first Corporate Sustainability Report, with a view to enhancing the Group's information disclosure on environmental, social and corporate governance aspects and demonstrating the Group's commitment to environmental protection and social responsibility.

Environmental Protection

COSCO Pacific implements measures and policies to protect and improve the environment. While developing our business, we have kept this commitment and strive to minimise the environmental impact brought by our business operations.

The Group has supported and led its subsidiaries to actively promote technological renovation and innovation with an aim to protect the environment, achieve green and low-carbon footprint, save energy and reduce emission, and cut cost as well as enhance efficiency. As part of these initiatives, the Group has stepped up to substitute fuel-powered equipment with electricity-powered equipment, introduce LED lighting at its terminals, and launch a fully-intelligent automated container terminal project at Xiamen Ocean Gate Terminal, all of which have significantly reduced carbon emissions at the terminals. Excluding varying factors such as throughput, it is estimated that the terminals in which the Group has controlling stakes recorded an approximately 10% reduction in carbon emissions during the first half of the year. In the first half of the year, Florens Container Holdings Limited, a wholly owned subsidiary, completed its trial production of eco-friendly and lightweight containers. Being made of environmental friendly materials, eco-friendly containers can drastically reduce the emission of harmful substances. Lightweight containers are 10% lighter than the ordinary ones, contributing to a reduction in fuel consumption in the course of transportation and an expected reduction in carbon emissions by 800kg/TEU per annum.

Caring for the Community

The Group embraces its corporate citizenship by promoting trustworthiness and actively participating in charities and community services, bringing positive influence to the local communities where the Group operates its businesses in. The Group's subsidiary terminals in Greece, Xiamen and Quanzhou support the social affairs in various ways, such as caring for and helping local residents, making donations to local schools and social service agencies, so as to contribute to building harmonious and prosperous communities.

Employee-oriented Philosophy

As at 30 June 2015, COSCO Pacific had a total of 2,928 employees.

Employees are regarded as COSCO Pacific's most valuable asset and our vision is to build a team of dedicated staff that pursues excellence. The expansion of the Group's businesses has provided valuable and sustainable career development opportunities for employees. The Group arranges a wide range of training programmes to enhance management skills and professionalism of its staff. The Group also focuses on improving its incentive mechanism, optimising the staff assessment system and implementing an internal job rotation system, with the aim of strengthening talent training and helping employees to fully realise their potentials.

The Group is dedicated to providing a safe and healthy working environment for its staff. Adhering to the safety philosophy of "redlining development at the expense of human life", the Group strives to optimise its safety management system, improve equipment to ease the labour intensity of terminal workers, increase resources input to enhance safety control, and raise the awareness of occupational health and safety among its employees through various kinds of safety education and drills, in order to provide its staff with comprehensive health and safety protection. During the first half of the year, the Group invested a total of RMB2.7 million in safety management at the terminals in which the Group has controlling stakes.

As part of our commitment to foster a corporate culture that encourages harmony, mutual understanding and pursuit of excellence, the Group promotes cultural integration across regions. Though various activities aimed at facilitating better communication and understanding among employees in different positions and from different cultural backgrounds, we have enhanced the sense of belonging among our employees, which translates into a driving force for corporate sustainable development. “Piraeus Cup”, an event demonstrating the core value and five-stars practice for a term of three years, has been launched for electing and recognising outstanding teams and staff that have made remarkable contributions to the Group's production, operations and corporate culture, and guiding subsidiaries in building corporate culture and promoting the core value of the Group, which results in convergence and spread of positive energy.

Commitment to Better Sustainable Development

The essence of sustainable development lies in the appropriate incorporation of the environmental, social and administrative considerations into our overall business strategy and operations. As part of this commitment, we need to enhance our operational efficiency, brand value and reputation, as well as the trust from our shareholders, customers, clients and communities in which we operate, with a view to maintaining economical efficiency and establishing advantages for our business.

The challenge facing by enterprises is to factor in various environmental, social and administrative requirements, and to create sustainable value when enhancing their strategic business objectives. A set of practical strategies for sustainable development would allow us to fulfill our environmental, social and administrative commitments through practical operational performance.

As the establishment of practical framework for sustainable development is a persistent effort rather than a once-and-for-all action, COSCO Pacific has appointed the Business Environment Council in Hong Kong as our advisor to assist the Company in laying the cornerstone for our longer-term strategy. Our ultimate goal is to establish strategic competitive strengths on long-term basis and create value for our shareholders in the long run by way of sustainable development and disclosure of information on our environmental, social and administrative efforts.

PROSPECTS

Looking ahead to the second half of the year, in light of the volatile global economic conditions, stagnant economic recovery in the US and Europe, as well as the downward pressure on China's economic growth, fierce competition is expected to continue within the sector. Such challenging operational environment is bound to have some impact on the Group's terminals and container leasing businesses, and the growth in container throughput of the Group's terminals in 2015 may turn out to be slower than expected. Therefore, in order to maintain steady profit growth in the terminals business, the Group will continue to focus on cost control. With regard to the container leasing, management and sale businesses, rental yield for the second half of the year is estimated to remain at low level; furthermore, in view of declining resale prices, the pressure on profit margin of the disposal of used containers business is expected to endure. Despite a grim picture in the container leasing industry, the Group will continue to address market needs in a prudent manner, further enhance its managerial effectiveness and rigorously manage its operational risk, with a view to ensuring solid development of its container leasing business.

COSCO Pacific will seize business opportunities proactively through continuing to examine the market circumstances and focusing on the balance between the Group's two major business segments and achieving synergy with the Group's parent company, China Ocean Shipping (Group) Company ("COSCO"). With regards to its terminals business, COSCO Pacific will adhere to the principle of "Four Areas of Strategic Focus" that proposed last year, focus on seizing development opportunities in hub ports in line with the trend towards mega-vessels, focus on enhancing COSCO Pacific's brand value by optimising the operational model of the terminal subsidiaries, and align the direction and strategy for its terminals business with global development strategies for COSCO's fleet and its shipping route network, to proactively seize strategic opportunities from China's "One-Belt-One-Road" and "Yangtze River Delta Economic Belt" initiatives, also to access potential investments in terminal projects along the "One-Belt-One-Road", with a view to propel a global hub network.

MEMBERS OF THE BOARD

As at the date of this announcement, the Board comprises Mr. WAN Min[2] (Chairman), Mr. QIU Jinguang[1](Vice Chairman & Managing Director), Mr. FENG Jinhua[1], Mr. TANG Runjiang[1], Mr. FENG Bo[1], Mr. WANG Wei[2], Mr. WANG Haimin[2], Mr. ZHANG Wei[2], Dr. WONG Tin Yau, Kelvin[1], Dr. FAN HSU Lai Tai, Rita[3], Mr. Adrian David LI Man Kiu[3], Mr. IP Sing Chi[3], Mr. FAN Ergang[3] and Mr. LAM Yiu Kin[3](appointed on 14 August 2015).

1 Executive Director
2 Non-executive Director
3 Independent Non-executive Director

By Order of the Board
COSCO Pacific Limited
QIU Jinguang
Vice Chairman & Managing Director

Hong Kong, 25 August 2015