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COSCO Pacific Limited
中遠太平洋有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1199)

FINANCIAL AND OPERATIONAL HIGHLIGHTS
FOR THE THREE MONTHS ENDED 31 MARCH 2015

This announcement is made by the Company on a voluntary basis to enhance the practice of good corporate governance and further promote the transparency and accountability of the Company. The Company currently intends to continue to publish quarterly financial and operational highlights in the future.

The board of directors of COSCO Pacific Limited (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2015.

Results Highlights

For the three months ended 31 March 2015, profit attributable to equity holders of the Company increased by 19.7% year-on-year to US\$76,994,000 (corresponding period of 2014: US\$64,346,000).

- The Group’s total throughput of terminals business achieved steady growth, with a year-on-year increase of 6.6% to 16,471,467 TEU (corresponding period of 2014: 15,448,002 TEU). Equity throughput rose 4.9% to 4,580,381 TEU (corresponding period of 2014: 4,366,938 TEU). The Group’s terminals business performed satisfactorily, specifically, Xiamen Ocean Gate Container Terminal Co., Ltd. achieved a turnaround profit, being one of the key drivers of the segment’s sustained profit growth.
- With regard to container leasing, management and sale businesses, the market average lease rates declined as a result of intense competition which constrained the Group’s revenues from container leasing business. Moreover, revenues from disposal of returned containers declined due to decreased number of disposed old containers and lower resale prices. During the period, profit from the container leasing, management and sale businesses declined from the corresponding period of 2014. At 31 March 2015, the Group’s container fleet had reached 1,930,218 TEU, representing an increase of 0.5% when compared with 1,920,329 TEU at 31 March 2014. The overall average utilisation rate improved modestly to 95.4% (corresponding period of 2014: 94.6%).

Unaudited Condensed Consolidated Balance Sheet
As at 31 March 2015

	As at 31 March 2015 US\$'000	As at 31 December 2014 US\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,065,664	4,068,893
Investment properties	29,134	29,194
Land use rights	235,580	237,840
Intangible assets	6,747	7,361
Joint ventures	857,207	840,891
Loans to joint ventures	73,091	73,503
Associates	842,514	826,197
Loan to an associate	27,071	30,472
Available-for-sale financial asset	35,000	35,000
Finance lease receivables	24,171	25,324
Deferred income tax assets	2,259	2,470
Other non-current assets	111,077	109,752
	<u>6,309,515</u>	<u>6,286,897</u>
Current assets		
Inventories	20,342	23,683
Trade and other receivables	199,657	189,594
Current income tax recoverable	2	57
Restricted bank deposits	233	172
Cash and cash equivalents	1,014,625	1,116,307
	<u>1,234,859</u>	<u>1,329,813</u>
Total assets	<u>7,544,374</u>	<u>7,616,710</u>
EQUITY		
Capital and reserves attributable to the equity holders of the Company		
Share capital	37,753	37,753
Reserves	4,695,515	4,646,238
Proposed final dividend	58,456	58,456
	<u>4,791,724</u>	<u>4,742,447</u>
Non-controlling interests	<u>316,125</u>	<u>316,215</u>
Total equity	<u>5,107,849</u>	<u>5,058,662</u>

LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	47,070	44,285
Long term borrowings	1,464,606	1,430,431
Loans from non-controlling shareholders of subsidiaries	147,685	148,055
Other long term liabilities	32,049	31,897
	<u>1,691,410</u>	<u>1,654,668</u>
Current liabilities		
Trade and other payables	380,019	385,297
Current income tax liabilities	90,317	88,321
Current portion of long term borrowings	255,242	419,956
Short term bank loans	19,537	9,806
	<u>745,115</u>	<u>903,380</u>
Total liabilities	<u>2,436,525</u>	<u>2,558,048</u>
Total equity and liabilities	<u>7,544,374</u>	<u>7,616,710</u>
Net current assets	<u>489,744</u>	<u>426,433</u>
Total assets less current liabilities	<u>6,799,259</u>	<u>6,713,330</u>

Unaudited Condensed Consolidated Income Statement
For the three months ended 31 March 2015

	Note	Three months ended	
		2015	2014
		US\$'000	US\$'000
Revenues		194,835	212,477
Cost of sales		<u>(118,713)</u>	<u>(135,018)</u>
Gross profit		76,122	77,459
Administrative expenses		(19,017)	(19,184)
Other operating income/(expenses), net		<u>1,413</u>	<u>(5,330)</u>
Operating profit		58,518	52,945

Finance income		6,711	5,514
Finance costs		(16,532)	(17,729)
Operating profit (after finance income and costs)		48,697	40,730
Share of profits less losses of			
- joint ventures		25,645	22,593
- associates		16,353	13,022
Profit before income tax		90,695	76,345
Income tax expenses		(9,443)	(8,641)
Profit for the period		81,252	67,704
Profit attributable to:			
Equity holders of the Company		76,994	64,346
Non-controlling interests		4,258	3,358
		81,252	67,704
Earnings per share for profit attributable to the equity holders of the Company			
- basic	1	US2.62 cents	US2.21 cents
- diluted	1	US2.62 cents	US2.21 cents

Notes:

1. Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the three months ended 31 March 2015 of 2,940,437,862 (corresponding period of 2014: 2,912,325,528).

For the three months ended 31 March 2015 and for the three months ended 31 March 2014, as the Company's outstanding share options did not have a dilutive effect on the earnings per share, the diluted earnings per share is equal to the basic earnings per share.

2. The accounting policies adopted in preparing the financial information for the three months ended 31 March 2015 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2014.

The financial information for the three months ended 31 March 2015 is based on the internal records and financial data of the Group and are unaudited.

Operational Highlights

Terminals

For the three months ended 31 March 2015, total throughput of the Group's terminals business steadily rose 6.6% year-on-year to 16,471,467 TEU (corresponding period of 2014: 15,448,002 TEU). Specifically, throughput of overseas terminals presented strong growth of 9.9% to 2,394,738 TEU (corresponding period in 2014: 2,179,708 TEU).

The Group's terminal companies in mainland China, Hong Kong and Taiwan handled a total of 14,076,729 TEU (corresponding period of 2014: 13,268,294 TEU), up 6.1%. Of which, the Group's terminal companies in mainland China alone handled a total of 13,004,374 TEU (corresponding period of 2014: 12,524,907 TEU), up 3.8%.

The Group's equity throughput increased by 4.9% to 4,580,381 TEU (corresponding period of 2014: 4,366,938 TEU).

For the three months ended 31 March 2015, throughput of the Group's operating terminals was set out below:

Terminal Companies	Three months ended 31 March		Change (%)
	2015 (TEU)	2014 (TEU)	
Bohai Rim	6,168,133	6,103,066	+1.1
Qingdao Qianwan Container Terminal Co., Ltd. ^{Note 1}	4,118,068	4,045,288	+1.8
Tianjin Five Continents International Container Terminal Co., Ltd.	603,923	573,611	+5.3
Tianjin Port Euroasia International Container Terminal Co., Ltd.	504,921	444,097	+13.7
Dalian Port Container Terminal Co., Ltd.	580,183	554,034	+4.7
Yingkou Container Terminals Company Limited	361,038	486,036	-25.7
Yangtze River Delta	2,499,650	2,399,991	+4.2
Shanghai Pudong International Container Terminals Limited	598,361	551,435	+8.5
Ningbo Yuan Dong Terminals Limited	926,975	766,469	+20.9
Zhangjiagang Win Hanverky Container Terminal Co., Ltd.	160,386	281,285	-43.0
Yangzhou Yuanyang International Ports Co., Ltd.	113,471	103,161	+10.0
Taicang International Container Terminal Co., Ltd.	92,179	121,634	-24.2
Nanjing Port Longtan Container Co., Ltd.	608,278	576,007	+5.6
Southeast Coast and others	951,350	809,457	+17.5
Quan Zhou Pacific Container Terminal Co., Ltd.	246,026	238,553	+3.1
Jinjiang Pacific Ports Development Co., Ltd.	83,057	115,681	-28.2
Xiamen Ocean Gate Container Terminal Co., Ltd.	227,380	177,178	+28.3
Kao Ming Container Terminal Corp.	394,887	278,045	+42.0
Pearl River Delta	4,457,596	3,955,780	+12.7
Yantian International Container Terminals Co., Ltd.	2,703,616	2,456,890	+10.0
COSCO-HIT Terminals (Hong Kong) Limited	374,794	410,024	-8.6
Asia Container Terminals Limited ^{Note 2}	302,674	55,318	+447.2
Guangzhou South China Oceangate Container Terminal Company Limited	1,076,512	1,033,548	+4.2
Overseas	2,394,738	2,179,708	+9.9
Piraeus Container Terminal S.A.	736,382	685,098	+7.5
Suez Canal Container Terminal S.A.E.	806,659	843,814	-4.4
COSCO-PSA Terminal Private Limited	331,532	274,902	+20.6
Antwerp Gateway NV	520,165	375,894	+38.4
Total	16,471,467	15,448,002	+6.6

Note 1: Throughput of Qingdao Qianwan Container Terminal Co., Ltd. ("Qingdao Qianwan Terminal") includes the throughput of Qingdao Qianwan United Container Terminal Co., Ltd. and Qingdao Qianwan United Advance Container Terminal Co., Ltd. and these two terminals are joint ventures of Qingdao Qianwan Terminal. The throughput of the two terminals for the three months ended 31 March 2015 was 1,197,684 TEU (corresponding period of 2014: 1,110,332 TEU) and 376,226 TEU (corresponding period of 2014: 359,037 TEU) respectively, increase 7.9% and 4.8% respectively.

Note 2: Throughput of Asia Container Terminals Limited was included since 14 March 2014.

Note 3: The total throughput of bulk cargo for the three months ended 31 March 2015 was 20,910,886 tons (corresponding period of 2014: 20,659,536 tons), an increase of 1.2%. The bulk cargo throughput of Qingdao Port Dongjiakou Ore Terminal Co., Ltd. was included since 1 March 2014. The throughput of Dalian Automobile Terminal Co., Ltd. reached 109,021 vehicles (corresponding period of 2014: 102,101 vehicles), an increase of 6.8%.

Container Leasing, Management and Sale

In the first quarter of 2015, the Group's overall average utilisation rate slightly increased to 95.4% (corresponding period of 2014: 94.6%), while the revenues of long-term leases accounted for 96.5% (corresponding period of 2014: 96.2%) of the Group's total container leasing revenues.

The Group purchased 38,814 TEU (corresponding period of 2014: 62,500 TEU) of new containers in the first quarter of 2015. The number of disposed returned containers was 3,720 TEU (corresponding period of 2014: 20,201 TEU).

At 31 March 2015, the Group's container fleet had reached 1,930,218 TEU, representing an increase of 0.5% when compared with 1,920,329 TEU at 31 March 2014. Among the total fleet capacity, 58.1% (31 March 2014: 59.0%) was owned containers, 14.9% (31 March 2014: 13.0%) was sale-and-leaseback containers, and 27.0% (31 March 2014: 28.0%) was managed containers.

Breakdown of the owned, sale-and-leaseback and managed containers was as follows:

		At 31 March 2015	At 31 March 2014	Change
Owned Containers	TEU	1,121,828	1,132,373	-0.9%
	% of total	58.1	59.0	-0.9pp
COSCO Container Lines Company Limited	TEU	542,362	524,780	+3.4%
International Customers	TEU	579,466	607,593	-4.6%
	% of total	30.0	31.7	-1.7pp
Sale-and-leaseback Containers	TEU	286,568	250,290	+14.5%
	% of total	14.9	13.0	+1.9pp
Managed Containers	TEU	521,822	537,666	-2.9%
	% of total	27.0	28.0	-1.0pp
Total	TEU	1,930,218	1,920,329	+0.5%

Caution Statement

The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Investors are cautioned not to rely on the financial and operational highlights for the three months ended 31 March 2015.

The Company's shareholders and potential investors are urged to exercise caution when dealing in the shares of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

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

Hong Kong, 27 April 2015

As at the date of this announcement, the board of directors of the Company comprises Mr. WAN Min² (Chairman), Mr. QIU Jinguang¹ (Vice Chairman and Managing Director), Mr. FENG Jinhua¹, Mr. TANG Runjiang¹, Mr. FENG Bo¹, Mr. WANG Wei², Mr. WANG Haimin², Dr. WONG Tin Yau, Kelvin¹, Mr. Timothy George FRESHWATER³, Dr. FAN HSU Lai Tai, Rita³, Mr. Adrian David LI Man Kiu³, Mr. IP Sing Chi³ and Mr. FAN Ergang³.

¹ Executive Director

² Non-executive Director

³ Independent Non-executive Director