



## COSCO Pacific Limited

*(Incorporated in Bermuda with limited liability)*

(Stock Code : 1199)

### FINANCIAL AND OPERATIONAL HIGHLIGHTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2007

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

The financial data for the nine months ended 30th September 2007 is based on the internal records and management accounts of the Group and are unaudited. Accordingly, figures contained in this announcement should in no way be regarded as any assurance on the financial results of the Group for the nine months ended 30th September 2007.

The Company's shareholders and potential investors are urged to exercise caution in 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.

The board of directors of COSCO Pacific Limited (the "Company") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the nine months ended 30th September 2007.

#### Unaudited Condensed Consolidated Income Statement

|  | Three months ended |               | Nine months ended |                |
|--|--------------------|---------------|-------------------|----------------|
|  | 30th September     |               | 30th September    |                |
|  | 2007               | 2006          | 2007              | 2006           |
|  | US\$'000           | US\$'000      | US\$'000          | US\$'000       |
| Revenue                                | 75,996             | 62,884        | 223,327           | 232,071        |
| Cost of sales                          | (35,844)           | (31,643)      | (116,100)         | (106,984)      |
| <b>Gross profit</b>                    | <b>40,152</b>      | <b>31,241</b> | <b>107,227</b>    | <b>125,087</b> |
| Other operating income/(expenses), net | 2,579              | (472)         | 24,994            | 31,538         |
| Profit on disposal of containers       | -                  | -             | 6,034             | 84,454         |
| Administrative expenses                | (9,692)            | (10,410)      | (40,406)          | (26,430)       |

|  |                     |                     |                      |                     |
|--|---------------------|---------------------|----------------------|---------------------|
| Initial recognition of put options granted in connection with share reform of an associate | -                   | -                   | -                    | (140,064)           |
| Fair value gain on put options granted   | 27,612              | 14,415              | 38,241               | 90,192              |
|  | <u>27,612</u>       | <u>14,415</u>       | <u>38,241</u>        | <u>(49,872)</u>     |
| <b>Operating profit</b>  | 60,651              | 34,774              | 136,090              | 164,777             |
| Finance income   | 2,423               | 5,680               | 6,924                | 8,996               |
| Finance costs  | (13,286)            | (8,995)             | (32,262)             | (35,237)            |
|  | <u>49,788</u>       | <u>31,459</u>       | <u>110,752</u>       | <u>138,536</u>      |
| Operating profit after finance income and costs  | 49,788              | 31,459              | 110,752              | 138,536             |
| Share of profits less losses of  |                     |                     |                      |                     |
| - jointly controlled entities  | 25,873              | 24,330              | 70,208               | 65,228              |
| - associates   | 20,871              | 26,126              | 69,330               | 66,627              |
|  | <u>96,532</u>       | <u>81,915</u>       | <u>250,290</u>       | <u>270,391</u>      |
| <b>Profit before income tax</b>  | 96,532              | 81,915              | 250,290              | 270,391             |
| Income tax (expenses)/credit   | (1,063)             | 1,570               | (3,473)              | (48,883)            |
|  | <u>95,469</u>       | <u>83,485</u>       | <u>246,817</u>       | <u>221,508</u>      |
| <b>Profit for the period</b>   | <u>95,469</u>       | <u>83,485</u>       | <u>246,817</u>       | <u>221,508</u>      |
| Profit attributable to:  |                     |                     |                      |                     |
| Equity holders of the Company  | 93,995              | 82,631              | 242,512              | 219,035             |
| Minority interests   | 1,474               | 854                 | 4,305                | 2,473               |
|  | <u>95,469</u>       | <u>83,485</u>       | <u>246,817</u>       | <u>221,508</u>      |
| Earnings per share for profit attributable to the equity holders of the Company            |                     |                     |                      |                     |
| - basic  | US4.19 cents        | US3.72 cents        | US10.83 cents        | US9.90 cents        |
| - diluted  | US4.17 cents        | US3.70 cents        | US10.77 cents        | US9.85 cents        |
|  | <u>US4.19 cents</u> | <u>US3.72 cents</u> | <u>US10.83 cents</u> | <u>US9.90 cents</u> |
|  | <u>US4.17 cents</u> | <u>US3.70 cents</u> | <u>US10.77 cents</u> | <u>US9.85 cents</u> |

\* Basic earnings per share are calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue during the three months ended 30th September 2007 of 2,241,560,341 (Three months ended 30th September 2006: 2,219,484,189) and the nine months ended 30th September 2007 of 2,238,848,459 (Nine months ended 30th September 2006: 2,211,921,609).

Diluted earnings per share are calculated based on the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the three months ended 30th September 2007 of 2,254,007,942 (Three months ended 30th September 2006: 2,231,756,045) and the nine months ended 30th September 2007 of 2,250,784,479 (Nine months ended 30th September 2006: 2,224,103,923), after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no consideration as if all outstanding share options granted by the Company had been exercised.

### Unaudited Condensed Consolidated Balance Sheet As at 30th September 2007

|                                     | As at<br>30th September<br>2007<br>US\$'000 | As at<br>31st December<br>2006<br>US\$'000 |
|-------------------------------------|---|--|
| <b>Non-current assets</b>           |   |  |
| Property, plant & equipment         | 1,516,959                                   | 1,108,852                                  |
| Investment properties               | 1,540                                       | 1,540                                      |
| Leasehold land and land use rights  | 37,364                                      | 34,401                                     |
| Intangible assets                   | 3,511                                       | 3,839                                      |
| Jointly controlled entities         | 566,238                                     | 476,764                                    |
| Associates                          | 497,209                                     | 619,590                                    |
| Available-for-sale financial assets | 501,000                                     | 376,589                                    |
| Financial lease receivables         | 2,093                                       | 2,989                                      |
| Deferred income tax assets          | 609   | 162  |
| Restricted bank deposits            | 151   | 158  |
|                                     | <u>3,126,674</u>                            | <u>2,624,884</u>                           |
| <b>Current assets</b>               |   |  |
| Inventories                         | 2,528                                       | 3,553                                      |
| Trade and other receivables         | 205,246                                     | 133,629                                    |
| Asset held for sale                 | 178,948                                     | -  |
| Available-for-sale financial assets | 17,973                                      | -  |
| Derivative financial assets         | 22  | 579  |
| Bank balances and cash              | 305,007                                     | 224,510                                    |
|                                     | <u>709,724</u>                              | <u>362,271</u>                             |

|   |                  |                  |
|---|------------------|------------------|
| <b>Current liabilities</b>  |                  |                  |
| Trade and other payables  | 243,938          | 172,728          |
| Derivative financial liabilities  | 16,940           | 55,181           |
| Current income tax liabilities  | 9,032            | 7,676            |
| Current portion of long term borrowings                                       | 177,426          | 2,421            |
| Short term bank loans   | 10,028           | 10,245           |
|   | <u>457,364</u>   | <u>248,251</u>   |
| <b>Net current assets</b>   | <u>252,360</u>   | <u>114,020</u>   |
| <b>Total assets less current liabilities</b>                                  | <u>3,379,034</u> | <u>2,738,904</u> |
| <b>Non-current liabilities</b>  |                  |                  |
| Derivative financial liabilities  | 2,217            | 4,362            |
| Deferred income tax liabilities   | 1,077            | 2,202            |
| Long term borrowings  | 842,923          | 518,932          |
| Other long term liability   | 4,091            | 5,207            |
|   | <u>850,308</u>   | <u>530,703</u>   |
| <b>Net assets</b>   | <u>2,528,726</u> | <u>2,208,201</u> |
| <b>Capital and reserves attributable to the equity holders of the Company</b> |                  |                  |
| Share capital   | 28,770           | 28,583           |
| Reserves  | 2,461,789        | 2,051,627        |
| Proposed final dividend   | -                | 92,424           |
|   | <u>2,490,559</u> | <u>2,172,634</u> |
| <b>Minority interests</b>   | <u>38,167</u>    | <u>35,567</u>    |
| <b>Total equity</b>   | <u>2,528,726</u> | <u>2,208,201</u> |

\* The accounting policies adopted in preparing the financial data for the nine months ended 30th September 2007 are consistent with those used in the 2006 annual consolidated financial statements of the Group for the year ended 31st December 2006.

The financial data for the nine months ended 30th September 2007 is based on the internal records and management accounts of the Group and are unaudited.

## **Operational highlights**

In the three months ended 30th September 2007, total container throughput handled by the Group's container terminal companies achieved 10,405,463 TEUs, an increase of 17.1% when compared with the corresponding period last year. For the nine months ended 30th September 2007, total container throughput amounted to 28,822,893 TEUs, an increase of 20.7% when compared with the corresponding period last year.

In the three months ended 30th September 2007, throughput of the container terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and the southeast coastal region, and overseas were 4,364,791 TEUs, 2,187,063 TEUs, 3,427,591 TEUs and 426,018 TEUs respectively, representing an increase of 19.5%, 10.0%, 17.7% and 28.9% respectively over the corresponding period last year. For the nine months ended 30th September 2007, throughput of container terminals in Bohai Rim, Yangtze River Delta, Pearl River Delta and southeast coastal region, and overseas were 12,545,816 TEUs, 6,068,624 TEUs, 9,015,845 TEUs and 1,192,608 TEUs respectively, representing an increase of 28.2%, 5.0%, 20.9% and 39.1% respectively over the corresponding period last year.

For the nine months ended 30th September 2007, throughput of the Group's container terminals were set out below :-

|  | Three months ended<br>30th September |                  |               | Nine months ended<br>30th September |                   |               |
|--|--------------------------------------|------------------|---------------|-------------------------------------|-------------------|---------------|
|  | 2007                                 | 2006             | Changes       | 2007                                | 2006              | Changes       |
|  | (TEUs)                               | (TEUs)           |               | (TEUs)                              | (TEUs)            |               |
| <b>Bohai Rim</b>   | <b>4,364,791</b>                     | <b>3,652,674</b> | <b>+19.5%</b> | <b>12,545,816</b>                   | <b>9,788,657</b>  | <b>+28.2%</b> |
| Qingdao Qianwan Container Terminal Co., Ltd.                       | 2,077,061                            | 1,792,000        | +15.9%        | 6,103,738                           | 4,947,907         | +23.4%        |
| Qingdao Cosport International Container Terminals Co., Ltd.        | 259,172                              | 199,137          | +30.1%        | 751,754                             | 599,519           | +25.4%        |
| Dalian Port Container Co., Ltd.                                    | 981,718                              | 828,207          | +18.5%        | 2,731,085                           | 2,147,893         | +27.2%        |
| Dalian Port Container Terminal Co., Ltd.                           | 222,812                              | 104,915          | +112.4%       | 637,022                             | 239,759           | +165.7%       |
| Tianjin Five Continents International Container Terminal Co., Ltd. | 533,652                              | 511,329          | +4.4%         | 1,486,325                           | 1,248,700         | +19.0%        |
| Yingkou Container Terminals Company Limited                        | 290,376                              | 217,086          | +33.8%        | 835,892                             | 604,879           | +38.2%        |
| <b>Yangtze River Delta</b>   | <b>2,187,063</b>                     | <b>1,987,409</b> | <b>+10.0%</b> | <b>6,068,624</b>                    | <b>5,777,434</b>  | <b>+5.0%</b>  |
| Shanghai Container Terminals Limited                               | 878,439                              | 933,116          | -5.9%         | 2,496,776                           | 2,874,833         | -13.2%        |
| Shanghai Pudong International Container Terminals Limited          | 697,694                              | 698,398          | -0.1%         | 2,054,867                           | 1,940,912         | +5.9%         |
| Ningbo Yuan Dong Terminals Limited                                 | 143,450                              | -                | N/A           | 183,346                             | -                 | N/A           |
| Zhangjiagang Win Hanverky Container Terminal Co., Ltd.             | 145,155                              | 117,547          | +23.5%        | 445,544                             | 335,390           | +32.8%        |
| Yangzhou Yuanyang International Ports Co., Ltd.                    | 64,158                               | 65,596           | -2.2%         | 203,029                             | 173,158           | +17.3%        |
| Nanjing Port Longtan Container Co., Ltd.                           | 258,167                              | 172,752          | +49.4%        | 685,062                             | 453,141           | +51.2%        |
| <b>Pearl River Delta and southeast coastal region</b>              | <b>3,427,591</b>                     | <b>2,911,792</b> | <b>+17.7%</b> | <b>9,015,845</b>                    | <b>7,458,927</b>  | <b>+20.9%</b> |
| COSCO-HIT Terminals (Hong Kong) Limited                            | 484,717                              | 431,559          | +12.3%        | 1,391,306                           | 1,255,052         | +10.9%        |
| Yantian International Container Terminals Ltd. (Phases I, II, III) | 2,545,883                            | 2,418,875        | +5.3%         | 6,710,819                           | 6,142,517         | +9.3%         |
| Guangzhou South China Oceangate Container Terminal Company Limited | 151,196                              | -                | N/A           | 282,874                             | -                 | N/A           |
| Quanzhou Pacific Container Terminal Co., Ltd.                      | 245,795                              | 61,358           | +300.6%       | 630,846                             | 61,358            | +928.1%       |
| <b>Overseas</b>  | <b>426,018</b>                       | <b>330,619</b>   | <b>+28.9%</b> | <b>1,192,608</b>                    | <b>857,351</b>    | <b>+39.1%</b> |
| COSCO-PSA Terminal Private Limited                                 | 215,470                              | 157,069          | +37.2%        | 615,587                             | 441,819           | +39.3%        |
| Antwerp Gateway NV   | 210,548                              | 173,550          | +21.3%        | 577,021                             | 415,532           | +38.9%        |
| <b>Total throughput</b>  | <b>10,405,463</b>                    | <b>8,882,494</b> | <b>+17.1%</b> | <b>28,822,893</b>                   | <b>23,882,369</b> | <b>+20.7%</b> |
| <b>Total throughput of terminals in Mainland China</b>             | <b>9,494,728</b>                     | <b>8,120,316</b> | <b>+16.9%</b> | <b>26,238,979</b>                   | <b>21,769,966</b> | <b>+20.5%</b> |

Remarks: Ningbo Yuan Dong Terminals Limited and Guangzhou South China Oceangate Container Terminal Company Limited commenced operation in March 2007 respectively.