BUSINESS OVERVIEW

Revenue

The Group's revenue rose by 34.2% to US$599,159,000 (2010: US$446,492,000). The revenue derived from the terminal business and from the container leasing, management and sale businesses, which respectively recorded increases of 65.3% and 10.2% to US$323,339,000 (2010: US$195,594,000) and US$276,547,000 (2010: US$250,898,000).

Profitability

Gross profit rose by 55.4% to US$259,018,000 (2010: US$166,724,000). This increase was due in part to Guangzhou South China Oceangate Terminal being reclassified from a jointly controlled entity to subsidiary from 1st January 2011. Also, Piraeus Terminal, the Group's wholly owned subsidiary, returned to profitability from September 2010.

Excluding non-recurring items[1], profit attributable to equity holders of the Company increased by 35.2% to US$364,373,000 (2010: US$269,577,000). Including non-recurring items, profit attributable to equity holders rose by 7.6% to US$388,771,000 (2010: US$361,307,000).

Dividends

The proposed final dividend is HK17.4 cents per share (2010: HK19.3 cents). The dividend will be payable in cash and with a scrip dividend alternative. Full-year dividend was HK44.6 cents (2010: HK44.1 cents) with payout ratio of 40.0% (2010: 40.0%).

Divisional Performance

Profit from the terminal business grew by 54.2% to US$184,890,000 (2010: US$119,882,000). The rise was mainly due to equity throughput having increased 21.9% to 13,744,329 TEUs (2010: 11,274,744 TEUs[2]), an approximately 10% additional stake in Yantian Terminal, and profit turnaround at Piraeus Terminal and Guangzhou South China Oceangate Terminal. Total throughput increased 15.1% to 50,695,897 TEUs (2010: 44,041,723 TEUs[2]).

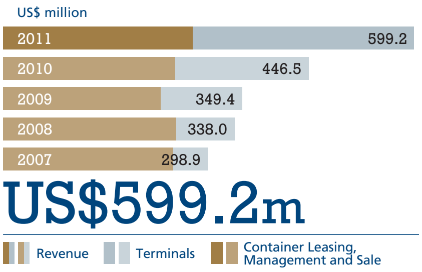
Profit from the container leasing, management and sale businesses increased by 20.9% to US$116,508,000 (2010: US$96,366,000). The increase was mainly due to the container fleet size having increased by 8.9% to 1,777,792 TEUs (2010: 1,631,783 TEUs) with an overall average utilisation rate of 96.1% (2010: 97.3%).

Profit from the container manufacturing business increased 30.4% to US$119,799,000 (2010: US$91,871,000).

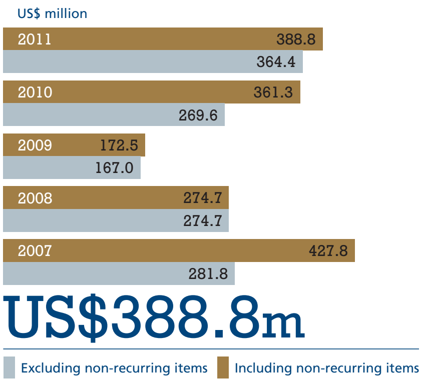
Note

1. Non-recurring items in 2011 include gain on release of exchange reserve of US$11,841,000 upon reclassification of COSCO Ports (Nansha) Limited and its subsidiary, Guangzhou South China Oceangate Terminal, from jointly controlled entities to subsidiaries from 1st January 2011, and profit on disposal of Qingdao Cosport Terminal of US$12,557,000 (2010: profit on disposal of COSCO Logistics Co., Ltd ("COSCO Logistics") of US$84,710,000 and profit on disposal of Dalian Port Container Co., Ltd. of US$7,020,000).
2. Total throughput and equity throughput in 2010 excluded throughput of Qingdao Cosport Terminal and Shanghai Terminal. The Group sold its 50% equity interest in Qingdao Cosport Terminal on 28th April 2011, and Shanghai Terminal made a strategic change in business model and ceased handling containers in January 2011.

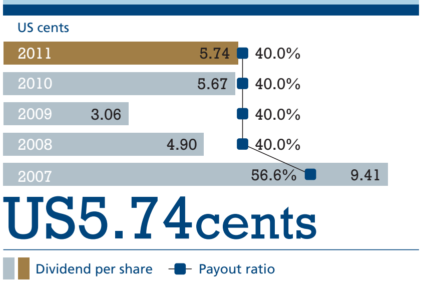
Revenue



Profit attributable to equity holders of the Company



Dividend per share and payout ratio



Note: The financial effect of the put options of CIMC was excluded in the calculation of dividend payout ratio for 2007.

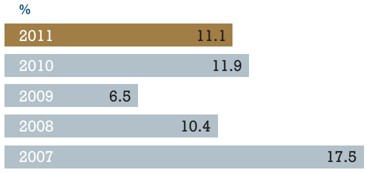
Results highlights

	2011	2010	Year-on-year change
	US$	US$	%
Revenue[1]	**599,159,000**	446,492,000	+34.2
Operating profit before finance income and finance costs	**179,400,000**	113,267,000	+58.4
Share of profits less losses of jointly controlled entities and associates	**275,928,000**	206,774,000	+33.4
Profit attributable to equity holders of the Company (excluding non-recurring items[2])	**364,373,000**	269,577,000	+35.2
Profit attributable to equity holders of the Company	**388,771,000**	361,307,000	+7.6
	US cents	US cents	%
Basic earnings per share (excluding non-recurring items[2])	**13.44**	10.57	+27.2
Basic earnings per share	**14.34**	14.17	+1.2
Dividend per share	**5.736**	5.668	+1.2
Interim dividend	**3.496**	1.759	+98.7
Special interim dividend[3]	**–**	1.426	n.a.
Final dividend	**2.240**	2.483	-9.8
Payout ratio	**40.0%**	40.0%	–
	US$	US$	%
Consolidated total assets	**6,472,184,000**	5,251,917,000	+23.2
Consolidated total liabilities	**2,592,025,000**	1,758,055,000	+47.4
Consolidated net assets	**3,880,159,000**	3,493,862,000	+11.1
Capital and reserves attributable to the equity holders of the Company	**3,627,312,000**	3,348,121,000	+8.3
Consolidated net debts	**1,586,925,000**	1,034,481,000	+53.4
	%	%	pp
Return on equity holders of the Company	**11.1**	11.9	-0.8
Return on total assets	**6.6**	7.3	-0.7
Net debt-to-total equity ratio	**40.9**	29.6	+11.3
Interest coverage[4]	**8.3x**	11.1x	-2.8x

Note

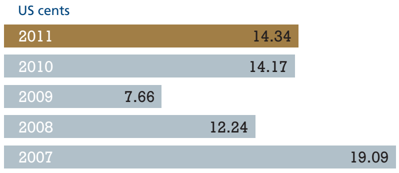
1. The Group's revenue was generated from Florens, Zhangjiagang Terminal, Quan Zhou Pacific Terminal, Yangzhou Yuanyang Terminal, Jinjiang Pacific Terminal, Piraeus Terminal, Guangzhou South China Oceangate Terminal, Plangreat and its subsidiaries and COSCO Ports Services (Guangzhou) Limited.
2. Non-recurring items in 2011 include gain on release of exchange reserve of US$11,841,000 upon reclassification of COSCO Ports (Nansha) Limited and its subsidiary, Guangzhou South China Oceangate Terminal, from jointly controlled entities to subsidiaries from 1st January 2011, and profit on disposal of Qingdao Cosport Terminal of US$12,557,000 (2010: profit on disposal of COSCO Logistiscs of US$84,710,000 and profit on disposal of Dalian Port Container Co., Ltd. of US$7,020,000).
3. A special interim cash dividend was declared as a result of the disposal of the 49% equity interest in COSCO Logistiscs in 2010.
4. Interest coverage in 2010 excluded profit from the discontinued logistics operation.

Return on equity



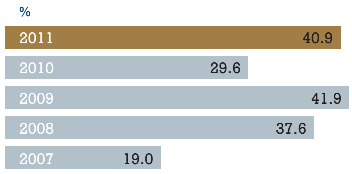
11.1%

Basic earnings per share



US14.34cents

Net debt-to-total equity ratio



40.9%