China Shipping Container Lines Company Limited

中海集裝箱運輸股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code : 2866

PURSUING SUSTAINABLE OPPORTUNITIES

INTERIM REPORT 2012

Contents

CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Li Shaode *(Chairman)*
Mr. Xu Lirong *(Vice Chairman)*
Mr. Huang Xiaowen *(Vice Chairman)*
Mr. Zhang Guofa
Mr. Zhao Hongzhou

NON-EXECUTIVE DIRECTORS

Mr. Zhang Jianhua
Mr. Wang Daxiong
Mr. Xu Hui
Mr. Zhang Rongbiao

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shen Kangchen
Mr. Jim Poon (also known as Pan Zhanyuan)
Mr. Shen Zhongying
Mr. Wu Daqi
Ms. Zhang Nan

SUPERVISORS

Mr. Chen Decheng *(Chairman)*
Mr. Kou Laiqi
Mr. Tu Shiming
Mr. Wang Xiuping
Mr. Hua Min
Ms. Pan Yingli

REMUNERATION COMMITTEE

Mr. Shen Kangchen *(Chairman)*
Mr. Zhang Jianhua
Mr. Wu Daqi

SHARE APPRECIATION RIGHTS COMMITTEE

Mr. Zhang Jianhua *(Chairman)*

NOMINATION COMMITTEE

Mr. Shen Zhongying *(Chairman)*
Ms. Zhang Nan
Mr. Jim Poon (also known as Pan Zhanyuan)
Mr. Zhang Guofa
Mr. Wang Daxiong

INVESTMENT STRATEGY COMMITTEE

Mr. Li Shaode *(Chairman)*
Mr. Xu Lirong
Mr. Huang Xiaowen
Mr. Zhang Guofa
Mr. Wang Daxiong
Ms. Zhang Nan
Mr. Jim Poon (also known as Pan Zhanyuan)
Mr. Shen Zhongying

COMPANY SECRETARY

Mr. Ye Yumang

AUDIT COMMITTEE

Mr. Wu Daqi *(Chairman)*
Mr. Shen Kangchen
Mr. Wang Daxiong

CHIEF ACCOUNTANT

Mr. Liu Chong

AUTHORISED REPRESENTATIVES

Mr. Li Shaode
Mr. Huang Xiaowen

LEGAL ADDRESS IN THE PRC

Room A-538, Yangshan International Trade Center
No. 188 Ye Sheng Road
Yangshan Free Trade Port Area
Shanghai
The PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

27th Floor
450 Fu Shan Road
Pudong New District
Shanghai
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

59/F, One Island East
18 Westlands Road
Island East
Hong Kong

INTERNATIONAL AUDITOR

Ernst & Young

DOMESTIC AUDITOR

Baker Tilly China

LEGAL ADVISERS TO THE COMPANY

King & Wood Mallesons

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of China
Industrial and Commerce Bank of China
Citibank
China Merchants Bank
Shanghai Pudong Development Bank
Bank of Communications
Bank of Shanghai

TELEPHONE NUMBER

86 (21) 6596 6105

FAX NUMBER

86 (21) 6596 6813

COMPANY WEBSITE

www.cscl.com.cn

H SHARE LISTING PLACE

Main Board of The Stock Exchange of Hong Kong Limited

LISTING DATE

16 June 2004

NUMBER OF H SHARES IN ISSUE

3,751,000,000 H Shares

BOARD LOT

1,000 shares

THE STOCK EXCHANGE OF HONG KONG LIMITED ("STOCK EXCHANGE") STOCK CODE

02866

A SHARE LISTING PLACE

Shanghai Stock Exchange

LISTING DATE

12 December 2007

NUMBER OF A SHARES IN ISSUE

7,932,125,000 A Shares

BOARD LOT

100 shares

SHANGHAI STOCK EXCHANGE STOCK CODE

601866

* The Company is registered as a non-Hong Kong company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name "China Shipping Container Lines Company Limited".

RESULTS AND BUSINESS HIGHLIGHTS UNDER HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

Unaudited Interim Results For The Six Months ended 30 June 2012

	1H 2012	1H 2011	**Change**
	RMB	*RMB*	
	(Unaudited)	(Unaudited)	
Revenue	**15,309,835,000**	13,966,904,000	9.6%
Operating loss	**(1,029,892,000)**	(528,543,000)	94.9%
Loss attributable to owners of the parent	**(1,280,985,000)**	(630,340,000)	103.2%
Basic loss per share	**(0.11)**	(0.05)	120.0%
Gross profit margin	**(5.8%)**	(2.3%)	152.2%
Gearing ratio	**56.5%**	22.1%	155.8%

BUSINESS HIGHLIGHTS

- Shipping volume of the Group reached 3,959,327TEU in the first half of 2012, representing an increase of 15.2% over that of the same period of 2011.
- Revenue of the Group amounted to RMB15,309,835,000 in the first half of 2012, representing an increase of RMB1,342,931,000 or 9.6% as compared with the same period last year.
- Shipping capacity of the Group reached 616,318TEU as at 30 June 2012, representing a net increase of 12,862TEU compared with that as at the end of 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "Board") of directors (the "Directors") of China Shipping Container Lines Company Limited ("CSCL" or the "Company") hereby announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 (the "Period") prepared under Hong Kong Accounting Standard 34, "Interim Financial Reporting", which has been reviewed by the audit committee of the Company. Our auditor, Ernst & Young, Certified Public Accountants, Hong Kong, has reviewed the unaudited condensed consolidated interim financial information for the Period 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 ("HKICPA").

During the Period, the Group recorded a revenue of RMB15,309,835,000, representing an increase of RMB1,342,931,000 or 9.6% as compared with the same period of 2011. Net loss attributable to owners of the parent for the Period amounted to RMB1,280,985,000, representing an increase of RMB650,645,000 compared with a net loss for the same period of 2011. Basic loss per share was RMB0.11.

OPERATING ENVIRONMENT

At the beginning of 2012, the shipping market extended the sluggish trend of 2011. Demand from the European and U.S. economies remained weak, while the container transportation capacity expanded continuously. Fuel prices also remained persistently high, creating immense pressure on shipping companies. Market trends then showed signs of improvement, demand in container transportation increased and freight rates recovered gradually. The Group was able to grasp the opportunities in these volatile markets and correctly predict market trends, thus implementing effective measures to maximize efficiency of trade lanes. As a result, operation performance achieved vast improvement in the second quarter.

PERFORMANCE ANALYSIS

During the Period, the Group's loaded container volume was 3,959,327TEU, up by 15.2% as compared with the same period of 2011, and revenue was RMB15,309,835,000, representing an increase of RMB1,342,931,000 or 9.6% as compared with that of the same period of 2011.

LOADED CONTAINER VOLUME BY TRADE LANES

Principal Markets	**1H 2012 *(TEU)***	1H 2011 *(TEU)*	Change *(%)*
Pacific trade lanes	**637,226**	597,393	6.7%
Europe/Mediterranean trade lanes	**678,979**	533,089	27.4%
Asia Pacific trade lanes	**766,754**	623,180	23.0%
China domestic trade lanes	**1,841,693**	1,639,545	12.3%
Others	**34,675**	43,016	(19.4%)
Total	**3,959,327**	3,436,223	15.2%

REVENUE FROM OPERATIONS BY TRADE LANES

Principal Markets	1H 2012 (RMB'000)	1H 2011 (RMB'000)	Change (%)
Pacific trade lanes	**4,719,399**	4,299,315	9.8%
Europe/Mediterranean trade lanes	**4,045,087**	3,469,337	16.6%
Asia Pacific trade lanes	**2,755,314**	2,295,926	20.0%
China domestic trade lanes	**2,891,669**	2,864,534	0.9%
Others	**898,366**	1,037,792	(13.4%)
Total	**15,309,835**	13,966,904	9.6%

During the Period, the Group seized the opportunity to increase the shipping capacity for international trade lanes while consolidating its market share for domestic trade lanes. The loaded container volume of the Group was 3,959,327TEU, up by 15.2% compared with the same period of last year.

International freight rate started to rise in the second quarter following a dip, an opposite trend as compared with the same period of last year. However the Group's average freight rate per TEU for international trade lanes was RMB5,585, still representing a 3.0% decrease compared with the same period of last year. The revenue per TEU for domestic trade lanes amounted to RMB1,570, down by 10.1% compared with the same period of last year.

COST ANALYSIS

During the Period, the Group's operation costs totaled to RMB16,191,352,000, representing an increase of RMB1,906,362,000 or 13.3% as compared with the same period of 2011.

The increase in total operation costs was due to the following factors:

- During the Period, container and cargo costs amounted to RMB5,372,831,000, representing an increase of 13.8% as compared with the same period of last year, which was mainly due to a significant increase in loaded cargo volume. Port charges amounted to RMB934,423,000, remained flat as compared with the same period of last year. The Group's stevedore charges for loaded and empty containers amounted to RMB3,323,604,000 during the Period, representing an increase of 26.3% as compared with the same period of last year.

- Vessel and voyage costs for the Period amounted to RMB7,798,307,000, representing an increase of 16.7% as compared with the same period of 2011, mainly due to the increase in fuel costs. During the Period, fuel costs amounted to RMB5,296,115,000, representing an increase of 25.2% as compared with the same period last year. The increase in fuel costs was a direct result of the continual increase in international crude oil price during the first quarter of 2012. Meanwhile, the increase in shipping volume and loaded cargo volume also led to the increase in fuel consumption.

- During the Period, sub-route and other costs amounted to RMB3,020,214,000, representing an increase of 4.7% as compared with the same period of 2011. The increase was mainly a result of the effective arrangements of extended services.

OPERATION REVIEW

In the first half of 2012, in face of a complex operating environment and volatile shipping markets, the Group adopted a flexible and active business strategy with an emphasis on efficiency. The pressure from slow markets was converted into motivation for refined management, costs and expenses were strictly controlled while strong and comprehensive strategies were implemented on all aspects of production and operations.

1. The Group closely followed market changes and adjusted capacity accordingly, thus maximizing trade lanes efficiency. The Group also correctly predicted market trends and reallocated resources effectively in a volatile market, enabling it to plan capacity, grasp opportunities and enhance efficiency.

2. Practical measures were taken to reinforce cost control and to maintain a competitive advantage in the market.

   Fuel costs have always been the focal point of the Company's cost control. The Group took advantage of savings in technology, management and operations to promote extra slow steaming. The Group was also able to take advantage of volatile international fuel markets and enter into timely deals to lock in the prices of oil, thus effectively lowering fuel costs.

   For container management, the Group took advantage of the slow-moving container management market and rented containers at low cost, which guaranteed that the Company's container demands were met and also saved container rental costs.

   In addition, the Group took advantage of large vessels, upgraded trade lanes and more containers to increase bargaining power, conduct more thorough research and better control port charges.

3. More resources were put into marketing which targeted big clients. Marketing was conducted under the principles of thoughtfulness, intelligence, innovation, service and value in order to meet customer demands and build a stable, long-lasting, win-win relationship.

4. The Group strived to optimize its trade lanes through increased collaboration with external parties. Through external cooperative strategies such as joint bidding of vessels, swapping and buying of shipping space, the Group was able to lower costs, expand lane coverage and optimize lane distribution.

5. The Group also actively expanded extended services to optimize the logistics supply chain. This was done by actively developing the container business in the Yangtze River region, strengthening sea-rail joint transportation, developing logistics distribution and appropriation services to provide differentiated services and one-stop services for its customers.

6. The information systems network was reinforced, enhancing operational capability. Information construction was fully implemented while information systems was optimized, which upgraded management capabilities.

FUTURE PROSPECT

In the second half of 2012, the European economy is expected to be affected by the ongoing debt crisis while the prospect for recovery remains unclear. The U.S. economy on the other hand shows initial signs of recovery which is likely to stimulate trading demand. In Asia, the trend for steady growth will continue. With the continued increase in capacity, the supply of transportation capacity will remain greater than demand for an extended period. The container shipping market will have to endure factors such as volatile oil prices and competition as challenges and opportunities coexist.

Operating in such a complex and ever-changing market, CSCL shall endure these challenges by establishing clear corporate development strategies and cope with the ever-changing and developing shipping market through innovative business methods, management policies and thinking. The Company will continue to adhere to the principles of "cautious, flexible, controlled and exploration" for business development, to further implement refined management, enhance comprehensive competitiveness, take full advantage of its strength and explore new opportunities. In the second half of 2012, the following procedures will be firmly implemented:

1. The Group will consistently improve its service standards, starting from the details to provide customers with convenient and outstanding service. Customer needs will be addressed. The Group will also strive for excellence and provide value-added services for customers, enhancing market clustering through solid and excellent service.

2. The Group will continue to put more resources in marketing and increase the shipping volume of backhaul cargo. The Group will actively look for opportunities and develop markets, promoting innovation in the system, mechanism and method of marketing. Also, more effort will be put in establishing an overseas sales team to enhance the shipping volume of backhaul cargo.

3. The Group will thoroughly implement refined management and strictly control cost expenses. Through refining cost control, the Group will enhance analysis of global fossil fuel price trends and foreign exchange volatility. Refined management will be implemented in all aspects of production and operations, effectively controlling cost expenses.

4. The Group will swiftly adjust shipping capacity, actively increase freight rates and focus on the efficiency of trade lanes. Through keen observation of market changes and active exploration of market, the Group will make efforts to recover freight rates and strive to maximize the efficiency of trade lanes.

5. The Group will increase collaboration with other trade lanes to enhance service capability. The Group will continue promoting the "Large Cooperation" strategy to expand external cooperation, upgrade trade lanes, continuously improve trade lane coverage and enhance service capability.

6. The Group will expedite overseas network construction, refine the global service network and actively explore extended services. Greater effort will be made to open up overseas market, set up overseas network points and improve the global service network. Meanwhile, the Group will also actively explore the integrated logistics business to provide one-stop tailor made logistics solution for its customers.

7. The Group will continue to enhance team execution, caring for staff and carry out corporate social responsibility. The Group will promote innovations in management and provide sound development platform for its staff. The Group will also implement a low carbon environment protection policy to fulfill its social responsibility.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's principal sources of working capital are the operating cash inflow and short-term bank borrowings. Cash is mainly used in operation cost expenses, repayment of loans, construction of new vessels and the purchase of containers. During the Period, the Group's net operating cash outflow was RMB1,452,091,000. As at 30 June 2012, the Group's cash balance in banks was RMB13,705,204,000.

As at 30 June 2012, the Group's total bank borrowings were RMB25,984,984,000. The maturity profile is spread over a period between 2012 and 2021 with RMB9,830,102,000 repayable within one year, RMB1,526,188,000 repayable within the second year, RMB11,873,344,000 repayable within the third to the fifth year, and RMB2,755,350,000 repayable after the fifth year. The Group's long-term bank borrowings are mainly used to finance the construction of vessels and ports.

As at 30 June 2012, the Group's long-term bank borrowings were secured by mortgages over certain containers, container vessels, and vessels under construction with a book value of RMB6,170,648,000 (as at 31 December 2011: RMB4,930,645,000).

As at 30 June 2012, the Group's bonds payable in ten-year period amounted to RMB1,787,853,000, all proceeds from the bonds were used in the construction of vessels. The issue of bonds is guaranteed by the Bank of China, Shanghai branch.

As at 30 June 2012, the Group's obligations under finance leases amounted to RMB457,743,000, with the maturity profile ranging from 2012 to 2019. The amount repayable within one year is RMB191,885,000; the amount repayable within the second year is RMB54,540,000; the amount repayable within the third to the fifth year is RMB117,819,000 and the amount repayable after the fifth year is RMB93,499,000. The Group's obligations under the finance leases are substantially used in the lease of new containers, while the remaining small portion is used in the construction of ports and depot infrastructure.

As at 30 June 2012, the Group's RMB borrowings at fixed interest rates amounted to RMB4,083,840,000, with annual interest rate at 5.02%-6.56%. USD borrowings at fixed interest rates amounted to USD628,307,000 (equivalent to RMB3,973,977,000) and USD borrowings at floating interest rates amounted to USD2,834,380,000 (equivalent to RMB17,927,167,000), with annual interest rates ranging between London Interbank Offered Rate plus 0.4% to 2.5%. The Group's borrowings are settled in RMB or USD while its cash and cash equivalents are also primarily denominated in RMB and US dollars.

It is expected that capital needs for regular cash flow and capital expenditure can be funded by the internal cash flow of the Group or external financing. The directors of the Company will review the operating cash flow of the Group from time to time. It is the intention of the Group to maintain an appropriate composition of equity and debt to constantly achieve an effective capital structure.

GEARING RATIO

As at 30 June 2012, the gearing ratio of the Group (i.e. the ratio of net interest-bearing financial liabilities less cash and cash equivalents over total equity) was 56.5%, which is higher than that of 40.5% as at 31 December 2011. The increase on one hand was due to the increase in borrowings for the finance of vessel construction and operation needs, and on the other hand, reduction in equity as a result of the loss for the Period.

FOREIGN EXCHANGE RISK AND HEDGING

Most of the Group's revenues and operating expenses are settled or denominated in US dollars. As a result, the impact on the net operating revenue due to RMB exchange rate fluctuation can be offset by each other to a certain extent. During the Period, the Group devoted much effort to improve the currency structure of assets in order to control the exchange loss for the Period. The Group recorded an exchange loss of approximately RMB12,960,000 which was recorded in the income statement, and the exchange difference which directly charged to equity amounted to approximately RMB28,043,000 during the Period. The Group continues to monitor the RMB exchange rate fluctuation, and convert net cash inflow from operating activities into RMB in a timely manner so as to minimise the losses brought by foreign exchange fluctuations. The Group will continue to implement the policy of timely conversion of foreign monetary assets, reduce the monetary net assets denominated in foreign currency, and consider appropriate measures, including hedging instruments (e.g. forward exchange contracts) when necessary and appropriate, based on the Group's operating needs to minimise its currency exposure.

CAPITAL COMMITMENT

As at 30 June 2012, the Group's capital commitments which had been contracted but not provided for or authorised but not contracted for, in relation to vessels under construction amounted to RMB4,828,430,000 and in relation to investments was RMB387,000,000. Furthermore, the operating lease commitments of the Group relating to land and buildings, and vessels and containers, are RMB122,374,000 and RMB9,263,268,000, respectively.

CONTINGENT LIABILITY

As at 30 June 2012, the Group had a provision of RMB25,000,000 for legal claims. The provision is related to legal claim brought against the Company by customers of the Company. In the opinion of the Company's directors after taking into account of the legal advice, the outcome of this legal claim will not give rise to any significant loss beyond the amounts provided as at 30 June 2012.

SHARE CAPITAL

As at 30 June 2012, the share capital of the Company was as follows:

Types of shares	**Number of shares in issue**	**Percentage** *(%)*
A Shares	7,932,125,000	67.89
H Shares	3,751,000,000	32.11
Total	11,683,125,000	100.00

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2012, the interests or short positions of the Directors, Supervisors or chief executive(s) of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, Supervisors or chief executive(s) is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Name	Number of underlying H shares interested in[1]	Capacity in which underlying H shares were held	Percentage in issued H share capital
Directors			
Li Shaode	3,382,100	Beneficial owner	0.090% (Long position)
Huang Xiaowen	3,334,050	Beneficial owner	0.089% (Long position)
Zhang Guofa	2,218,050	Beneficial owner	0.059% (Long position)
Zhao Hongzhou	2,604,000	Beneficial owner	0.069% (Long position)
Zhang Jianhua	1,240,000	Beneficial owner	0.033% (Long position)
Lin Jianqing[2]	525,450	Beneficial owner	0.014% (Long position)
Wang Daxiong	1,240,000	Beneficial owner	0.033% (Long position)
Xu Hui	1,085,000	Beneficial owner	0.029% (Long position)
Supervisors			
Chen Decheng	948,600	Beneficial owner	0.025% (Long position)
Tu Shiming	246,450	Beneficial owner	0.007% (Long position)
Kou Laiqi	156,550	Beneficial owner	0.004% (Long position)
Wang Xiuping	1,395,000	Beneficial owner	0.037% (Long position)

Note:

1. In accordance with the "Resolution Regarding Adoption and Approval of the H Share Share Appreciation Rights Scheme and Implementation Methods" passed at the Company's second Special General Meeting in year 2005 held on 12 October 2005, the Company implemented a H share share appreciation rights scheme as appropriate incentive policy. Details of the original Scheme were set out in the Company's circular to shareholders dated 26 August, 2005 and each amended Scheme was produced to the annual general meetings of the Company held on 20 June 2006, 26 June 2007 and 26 June 2008. The above disclosed represents the interests in H Shares of the Company held by the Directors and Supervisors of the Company under the Share Appreciation Rights Scheme.

2. Lin Jianqing has resigned from the post of Director of the Company since 26 June 2012.

Save as disclosed above, as at 30 June 2012, none of the Directors, Supervisors or chief executive(s) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors, Supervisors or chief executive(s) is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company.

INTERESTS OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OR OTHER PERSONS IN THE SHARES OR UNDERLYING SHARES

As at 30 June 2012, so far as was known to the Directors, Supervisors or chief executive(s) of the Company, the interests or short positions of the shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director, Supervisor or chief executive(s) of the Company) in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or the interests or short positions which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or the interests or short positions which have been notified to the Company and The Stock Exchange were as follows:

Name of shareholder	Class of shares	Number of shares/ underlying shares held	Capacity	Percentage in the relevant class of share capital	Percentage in the total share capital
China Shipping(Group) Company	A shares	5,361,837,500(L)	Beneficial owner	67.60%	45.89%
UBS AG *(note(a))*	H shares	210,094,224(L) 188,890,363(S)	Beneficial owner, persons having a security interest in shares and interest in a controlled corporation	5.60%(L) 5.04%(S)	1.80%(L) 1.62%(S)
Deutsche Bank Aktiengesellschaft *(note(b))*	H shares	238,976,710(L) 169,615,903(S) 3,570,000(P)	Beneficial owner, investment manager, persons having a security interest in shares and custodian	6.37%(L) 4.52%(S) 0.09%(P)	2.05%(L) 1.45%(S) 0.03%(P)
The Northern Trust Company (ALA)	H shares	249,945,900(P)	Approved lending agent	6.66%	2.14%

(L) – Long position, (S) – Short position, (P) – Lending pool

Notes:

(a) According to the form of disclosure of interests submitted by UBS AG on 14 June 2012 (the date of the relevant event being 12 June 2012), these shares were held through certain subsidiaries of UBS AG. The 210,094,224 H shares (long position) were held as to 99,347,967 H shares in the capacity of beneficial owner; 314,000 H shares in the capacity of persons having a security interest in shares, and 110,432,257 H shares were held in the capacity of having interest in a controlled corporation. The 188,890,363 H shares (short position) were held as to 79,778,706 H shares in the capacity of beneficial owner, 109,111,657 H shares in the capacity of having interest in a controlled corporation.

(b) According to the form of disclosure of interests submitted by Deutsche Bank Aktiengesellschaft on 13 June 2012 (the date of the relevant event being 6 June 2012), these shares were held through certain subsidiaries of Deutsche Bank Aktiengesellschaft. The 238,976,710 H shares (long position) were held as to 90,480,662 H shares in the capacity of beneficial owner; 49,169,000 H shares in the capacity of investment manager, 95,757,048 H shares were held in the capacity of persons having a security interest in shares and 3,570,000 H shares were held in the capacity of a custodian. The 169,615,903 H shares (short position) were held as to 75,853,620 H shares in the capacity of beneficial owner, 93,762,283 H shares in the capacity of persons having a security interest in shares.

Save as disclosed above, as at 30 June 2012, no other person (other than Directors, Supervisors or chief executive(s) of the Company) had any interest or short position in any shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any interest or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interest or short positions which have been notified to the Company and the Stock Exchange.

CHANGES IN INFORMATION OF DIRECTORS OR SUPERVISORS

Pursuant to the Rule 13.51(B) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), changes in the information of Directors or Supervisors of the Company subsequent to the date of its 2011 Annual Report were as follows:

Name of Director or Supervisor	Details of changes
Director	
Lin Jianqing	Resigned from the post of non-executive director of the Company on 18 June 2012, with effect from 26 June 2012.

H SHARE SHARE APPRECIATION RIGHTS SCHEME

The Group has adopted a compensation scheme on 12 October 2005 and amended the same on 20 June 2006, 26 June 2007 and 20 June 2008, which is to be satisfied by cash payments and is share based, known as the "H Share Share Appreciation Rights Scheme". The fair value change of the rights is recognised as an expense or income of the Group. The Directors (other than independent non-executive Directors), the supervisors of the Company (other than independent Supervisors), the senior management of the Company, the head person in charge of department of each of the operational and management departments of the Company and the general managers and deputy general managers of the Company's subsidiaries might in the future be entitled to the compensation in the form of cash payment, which is calculated based on the appreciation in the price of the Group's H share from the date of grant to the date of exercising the rights.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2011: nil).

EMPLOYEES, TRAINING AND BENEFITS

As at 30 June 2012, the Group had 4,596 employees. Total staff expenses during the Period were approximately RMB908,774,000. In addition, the Group had entered into contracts with a number of subsidiaries of China Shipping (Group) Company, pursuant to which these subsidiaries provided the Group with approximately 2,635 crew members in total who mainly work on the Group's self-owned or bareboat chartered vessels.

Remuneration of the Group's employees includes basic salaries, other allowances and performance-based bonuses. The Group has also adopted a performance discretionary incentive scheme for its staff. The scheme links the staff's financial benefits directly with certain business performance indicators. Such indicators may include, but not limited to, the profit target of the Group.

Details of such performance discretionary incentive scheme vary among the employees of the Group. The Group sets out certain performance indicators for each of its subsidiaries to achieve. Each subsidiary has the discretion to formulate in detail its own performance-based remuneration policies according to its own circumstances.

The Group has put in place various training for its staff, including Safety Management Systems (SMS) training for the crewing department as well as management training for mid-to-high level management staff.

AUDIT COMMITTEE

The audit committee of the Board consists of two independent non-executive Directors, namely Mr. Wu Daqi and Mr. Shen Kangchen, and one non-executive Director, namely Mr. Wang Daxiong. The audit committee of the Company has reviewed the Company's interim results for the Period and agreed with the accounting treatment adopted by the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company was in compliance with all code provisions of the "Code on Corporate Governance Practices" set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Stock Exchange") (the "Listing Rules") during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' and supervisors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry made with all Directors and supervisors, the Company has confirmed that each of them has complied with the required standard set out in the Model Code regarding directors' and supervisors' securities transactions.

INFORMATION DISCLOSURE

This report will be dispatched by the Company to its shareholders and published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.cscl.com.cn. The interim report contains all the information as required by Disclosure of Financial Information as set out in Appendix 16 to the Listing Rules.

By order of the Board
China Shipping Container Lines Company Limited
Li Shaode
Chairman

Shanghai, the PRC
29 August 2012

ERNST & YOUNG
安 永

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE SHAREHOLDERS OF CHINA SHIPPING CONTAINER LINES COMPANY LIMITED
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial information set out on pages 16 to 44, which comprises the condensed consolidated interim statement of financial position of China Shipping Container Lines Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2012, and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

Ernst & Young
Certified Public Accountants

Hong Kong
29 August 2012

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	7	**38,349,149**	37,049,240
Leasehold land and land use rights	7	**94,186**	95,388
Intangible assets	7	**30,292**	22,991
Deferred income tax assets		**12,610**	12,593
Available-for-sale financial assets		**362,140**	362,140
Investments in associated companies		**274,468**	257,309
Investments in jointly-controlled entities		**1,311,468**	1,294,881
Total non-current assets		**40,434,313**	39,094,542
CURRENT ASSETS			
Inventories		**1,368,554**	1,206,379
Trade and notes receivables	8	**2,348,829**	1,801,106
Prepayments and other receivables		**427,546**	237,190
Cash and cash equivalents		**13,705,204**	7,073,273
Total current assets		**17,850,133**	10,317,948
Total assets		**58,284,446**	49,412,490
EQUITY			
Equity attributable to owners of the parent			
Share capital	9	**11,683,125**	11,683,125
Other reserves		**17,089,188**	17,061,062
Accumulated losses		**(4,002,315)**	(2,720,854)
		24,769,998	26,023,333
Non-controlling interests		**921,713**	877,356
Total equity		**25,691,711**	26,900,689

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION *(Continued)*

AS AT 30 JUNE 2012

	Notes	**30 June 2012 *RMB'000* (Unaudited)**	31 December 2011 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Long-term borrowings	*10*	**16,154,882**	10,808,547
Domestic corporate bonds	*11*	**1,787,853**	1,786,627
Finance lease obligations	*12*	**265,858**	124,648
Deferred income tax liabilities		**31**	31
Total non-current liabilities		**18,208,624**	12,719,853
CURRENT LIABILITIES			
Trade payables	*14*	**3,595,665**	3,820,428
Accruals and other payables		**712,833**	663,417
Short-term bank borrowings	*10*	**3,763,316**	819,117
Long-term bank borrowings – current portion	*10*	**6,066,786**	4,230,182
Finance lease obligations – current portion	*12*	**191,885**	194,729
Current income tax liabilities		**28,626**	39,075
Provisions	*13*	**25,000**	25,000
Total current liabilities		**14,384,111**	9,791,948
Total liabilities		**32,592,735**	22,511,801
Total equity and liabilities		**58,284,446**	49,412,490
Net current assets		**3,466,022**	526,000
Total assets less current liabilities		**43,900,335**	39,620,542

The notes on pages 22 to 44 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Notes	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Revenue	6	**15,309,835**	13,966,904
Cost of services		**(16,191,352)**	(14,284,990)
Gross loss		**(881,517)**	(318,086)
Other gains, net	16	**42,475**	92,088
Other income	17	**256,101**	93,792
Selling, administrative and general expenses		**(446,951)**	(396,337)
Operating loss	15	**(1,029,892)**	(528,543)
Finance costs	18	**(226,985)**	(86,538)
Share of results of associated companies		**19,779**	11,627
Share of results of jointly controlled entities		**23,054**	18,731
Loss before income tax		**(1,214,044)**	(584,723)
Income tax expense	19	**(38,795)**	(25,951)
Loss for the period		**(1,252,839)**	(610,674)
Attributable to:			
Owners of the parent		**(1,280,985)**	(630,340)
Non-controlling interests		**28,146**	19,666
		(1,252,839)	(610,674)
Loss per share for loss attributable to equity holders of the parent			
(Expressed in RMB per share)			
– Basic and diluted	21	**RMB(0.11)**	RMB(0.05)
Dividends	20	**–**	–

The notes on pages 22 to 44 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(1,252,839)**	(610,674)
Other comprehensive income/(loss)		
Share of other comprehensive income of jointly-controlled entities	**–**	471
Currency translation differences	**28,043**	(209,592)
Total comprehensive loss for the period	**(1,224,796)**	(819,795)
Attributable to:		
Owners of the parent	**(1,252,942)**	(839,461)
Non-controlling interests	**28,146**	19,666
	(1,224,796)	(819,795)

The notes on pages 22 to 44 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Owners of the parent					
	Share capital *RMB'000*	**Other reserves** *RMB'000*	**Retained earnings/ (accumulated losses)** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total** *RMB'000*
At 1 January 2011	11,683,125	17,478,560	23,254	29,184,939	777,304	29,962,243
Profit/(loss) for the period	–	–	(630,340)	(630,340)	19,666	(610,674)
Share of other comprehensive income of jointly controlled entities	–	471	–	471	–	471
Currency translation differences	–	(209,592)	–	(209,592)	–	(209,592)
Total comprehensive loss for the period ended 30 June 2011	–	(209,121)	(630,340)	(839,461)	19,666	(819,795)
Transactions with owners in their capacity as owners						
Capital injection	–	–	–	–	24,300	24,300
Dividends to non-controlling interests	–	–	–	–	(6,159)	(6,159)
Others	–	–	(639)	(639)	(208)	(847)
Balance at 30 June 2011 (unaudited)	11,683,125	17,269,439	(607,725)	28,344,839	814,903	29,159,742
At 1 January 2012	**11,683,125**	**17,061,062**	**(2,720,854)**	**26,023,333**	**877,356**	**26,900,689**
Profit/(loss) for the period	**–**	**–**	**(1,280,985)**	**(1,280,985)**	**28,146**	**(1,252,839)**
Currency translation differences	**–**	**28,043**	**–**	**28,043**	**–**	**28,043**
Total comprehensive loss for the period ended 30 June 2012	**–**	**28,043**	**(1,280,985)**	**(1,252,942)**	**28,146**	**(1,224,796)**
Transactions with owners in their capacity as owners						
Capital injection	**–**	**–**	**–**	**–**	**45,000**	**45,000**
Dividends to non-controlling interests	**–**	**–**	**–**	**–**	**(28,635)**	**(28,635)**
Others	**–**	**83**	**(476)**	**(393)**	**(154)**	**(547)**
Balance at 30 June 2012 (unaudited)	**11,683,125**	**17,089,188**	**(4,002,315)**	**24,769,998**	**921,713**	**25,691,711**

The notes on pages 22 to 44 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows used in operating activities – net	**(1,452,091)**	(411,032)
Cash flows used in investing activities – net	**(1,607,484)**	(2,807,391)
Cash flows generated from/(used in) financing activities – net	**9,679,160**	(264,656)
Net increase/(decrease) in cash and cash equivalents	**6,619,585**	(3,483,079)
Cash and cash equivalents at beginning of the period	**7,073,273**	10,648,396
Exchange gains/(losses) on cash and cash equivalents	**12,346**	(40,561)
Cash and cash equivalents at end of the period	**13,705,204**	7,124,756

The notes on pages 22 to 44 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2012

1. GENERAL INFORMATION

China Shipping Container Lines Company Limited (the "Company") was incorporated in the People's Republic of China (the "PRC") on 28 August 1997 as a company with limited liability under the Company Law of the PRC. On 3 March 2004, the Company was transformed into a joint stock limited company under the Company Law of the PRC. In 2004, the Company issued overseas public shares ("H Share"), which were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") on 16 June 2004. In 2007, the Company issued PRC domestic public shares ("A Share"), which were listed on the Shanghai Stock Exchange on 12 December 2007.

The address of the Company's registered office is Room A-538, Yangshan International Trade Center, No.188 Ye Sheng Road, Yangshan Free Trade Port Area, Shanghai, the PRC.

The Company and its subsidiaries (together, the "Group") are principally engaged in owning, chartering and operating container vessels for the provision of international and domestic container marine transportation services, and the operation of container terminals.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the board of directors of the Company on 29 August 2012.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2012 has been prepared in accordance with Hong Kong Standards on Accounting 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2011, which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the significant accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new standard and amendment to standards are mandatory for the first time for the financial year beginning 1 January 2012.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

The adoption of these new and revised HKFRSs had no significant financial effect on these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on or after 1 January 2012 and have not been early adopted:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time adoption of International Financial Reporting Standards*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 Amendments	Amendments to HKFRS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[3]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]
Improvements to HKFRSs 2009-2011 Cycle	Amendments to a number of HKFRSs issued in May 2012[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011, with the exception of changes in estimates of the useful life of containers which was changed from 8-10 years to 12 years effective from 1 April 2012 based on the actual use of the assets.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk, and bunker price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2011.

There have been no changes in the risk management department since the year end or in any risk management policies.

5.2 Liquidity risk

Compared to the year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

As at 30 June 2012 and 31 December 2011, the Group did not have any financial asset or liability that was measured at fair value.

In 2012, there were no significant changes in the business or economic circumstances that significantly affect the fair values of the Group's financial assets and financial liabilities recognised at amortised cost, and there were no reclassifications of financial assets.

6. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The chief operating decision-maker considers the business from industry segment prospective and assesses the performance of container shipping and related business and container terminal and related business.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of operating loss, which is reconciled to loss before tax. This measurement is consistent with that in the annual financial statements.

Segment assets are those operating assets that are employed by a segment in its operating activities. They exclude investments in associates not related to the segment and deferred income tax assets. Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include deferred income tax liabilities and current income tax liabilities.

Unallocated assets mainly represent investments in associated companies not related to the segment and deferred income tax assets. Unallocated liabilities mainly represent deferred income tax liabilities and current income tax liabilities.

As at 30 June 2012, the investments in associated companies in the unallocated assets represent the investment in a finance company and a company engaged in providing motor transportation services.

Revenue from the major shipping lanes and other businesses is set out below:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Pacific	**4,719,399**	4,299,315
Europe/Mediterranean	**4,045,087**	3,469,337
Asia Pacific	**2,755,314**	2,295,926
China Domestic	**2,891,669**	2,864,534
Others	**898,366**	1,037,792
Turnover	**15,309,835**	13,966,904

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment results for the six months ended 30 June 2012 (Unaudited)				
Total segment revenue	15,112,706	282,705	(85,576)	15,309,835
Less: inter-segment revenue	–	(85,576)	85,576	–
Revenue of the Group, from external customers	15,112,706	197,129	–	15,309,835
Segment operating (loss)/profit	(1,130,591)	100,699	–	(1,029,892)
Finance costs	(205,291)	(21,694)	–	(226,985)
Share of results of associated companies	–	212	–	212
Share of results of jointly controlled entities	1,891	21,163	–	23,054
Segment (loss)/profit before income tax	(1,333,991)	100,380	–	(1,233,611)
Share of results of associated companies				19,567
Loss before income tax				(1,214,044)
Income tax expense				(38,795)
Loss for the period				(1,252,839)
Other items				
Depreciation and amortisation	717,732	40,535	–	758,267
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,968,989	56,364	–	2,025,353

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment assets and liabilities as at 30 June 2012 (Unaudited)				
Other segment assets	**52,382,176**	**4,212,584**	**(271,000)**	**56,323,760**
Jointly controlled entities	**47,395**	**1,264,073**	**–**	**1,311,468**
Associated companies	**65,471**	**20,412**	**–**	**85,883**
Available-for-sale financial assets	**–**	**362,140**	**–**	**362,140**
Total segment assets	**52,495,042**	**5,859,209**	**(271,000)**	**58,083,251**
Unallocated assets				
– Associated companies				**188,585**
– Deferred income tax assets				**12,610**
Total assets				**58,284,446**
Segment liabilities	**30,362,414**	**2,472,664**	**(271,000)**	**32,564,078**
Unallocated liabilities				
– Deferred income tax liabilities				**31**
– Current income tax liabilities				**28,626**
Total liabilities				**32,592,735**

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment results for the six months ended 30 June 2011 (Unaudited)				
Total segment revenue	13,797,049	254,251	(84,396)	13,966,904
Less: inter-segment revenue	–	(84,396)	84,396	–
Revenue of the Group, from external customers	13,797,049	169,855	–	13,966,904
Segment operating profit/(loss)	(611,233)	82,690	–	(528,543)
Finance costs	(64,404)	(22,134)	–	(86,538)
Share of results of associated companies	–	26	–	26
Share of results of jointly controlled entities	466	18,265	–	18,731
Segment profit/(loss) before income tax	(675,171)	78,847	–	(596,324)
Share of results of associated companies				11,601
Loss before income tax				(584,723)
Income tax expense				(25,951)
Loss for the period				(610,674)
Other items				
Depreciation and amortisation	630,653	42,186	–	672,839
Additions to non-current assets (other than financial instruments and deferred income tax assets)	2,724,104	58,882	–	2,782,986

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment assets and liabilities as at 31 December 2011 (Audited)				
Other segment assets	43,613,488	4,115,331	(243,252)	47,485,567
Jointly controlled entities	41,000	1,253,881	–	1,294,881
Associated companies	66,433	10,200	–	76,633
Available-for-sale financial assets	–	362,140	–	362,140
Total segment assets	43,720,921	5,741,552	(243,252)	49,219,221
Unallocated assets				
– Associated companies				180,676
– Deferred income tax assets				12,593
Total assets				49,412,490
Segment liabilities	20,261,181	2,454,766	(243,252)	22,472,695
Unallocated liabilities				
– Deferred income tax liabilities				31
– Current income tax liabilities				39,075
Total liabilities				22,511,801

The directors of the Company consider that the nature of the Group's business precludes a meaningful allocation of the Group's non-current assets of container shipping business to specific geographical segments as they mainly include container vessels and containers which are utilised across geographical markets for shipment of cargoes throughout the world. All of the Group's container terminals are located in the PRC.

No revenue from a single customer or a group of customers under common control derived 10% or more of the Group's revenue for the six months ended 30 June 2012 and 2011.

7. PROPERTY, PLANT AND EQUIPMENT, LEASEHOLD LAND AND LAND USE RIGHTS AND INTANGIBLE ASSETS

	Property, plant and equipment	Leasehold land and land use rights	Intangible assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2012 (Unaudited)				
Opening net book amount as at 1 January 2012	**37,049,240**	**95,388**	**22,991**	**37,167,619**
Additions	**2,012,796**	**–**	**12,557**	**2,025,353**
Disposals	**(19,754)**	**–**	**–**	**(19,754)**
Depreciation and amortisation *(Note 15)*	**(751,781)**	**(1,202)**	**(5,284)**	**(758,267)**
Exchange difference	**58,648**	**–**	**28**	**58,676**
Closing net book amount as at 30 June 2012	**38,349,149**	**94,186**	**30,292**	**38,473,627**
Year ended 31 December 2011 (Audited)				
Opening net book amount as at 1 January 2011	33,704,542	97,795	26,416	33,828,753
Additions	5,510,916	–	923	5,511,839
Disposals	(27,258)	–	–	(27,258)
Depreciation and amortisation	(1,451,395)	(2,407)	(4,348)	(1,458,150)
Exchange difference	(687,565)	–	–	(687,565)
Closing net book amount as at 31 December 2011	37,049,240	95,388	22,991	37,167,619

As at 30 June 2012, the net book value of container vessels, containers and port and depot infrastructure of the Group pledged as securities for the bank borrowings amounted to approximately RMB6,170,648,000 (31 December 2011: 4,930,645,000) (Note 10).

8. TRADE AND NOTES RECEIVABLES

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables		
– Related parties *(Note 23(b))*	**305,426**	172,495
– Third parties	**1,750,348**	1,285,898
	2,055,774	1,458,393
Notes receivable	**293,055**	342,713
	2,348,829	1,801,106

The aging analysis of the trade and notes receivables based on the invoice dates is as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**2,028,596**	1,509,191
4 to 6 months	**248,759**	123,301
7 to 9 months	**30,448**	74,682
10 to 12 months	**74,628**	101,864
Over one year	**40,241**	41,036
	2,422,672	1,850,074
Less: provision for impairment of receivables	**73,843**	48,968
	2,348,829	1,801,106

Generally, credit terms in the range within 3 months are granted to those customers with good payment history.

9. SHARE CAPITAL

	Number of shares *(thousand)*	A Share of RMB1 each *RMB'000*	H Share of RMB1 each *RMB'000*	Total *RMB'000*
At 1 January 2011 till 30 June 2012	11,683,125	7,932,125	3,751,000	11,683,125

As at 30 June 2012, all issued shares are registered, fully paid and divided into 11,683,125,000 shares (31 December 2011: 11,683,125,000 shares) of RMB1.00 each, comprising 7,932,125,000 A Share and 3,751,000,000 H Share (31 December 2011: 7,932,125,000 A Share and 3,751,000,000 H Share).

10. BORROWINGS

	30 June 2012 ***RMB'000*** **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Non-current		
Long-term bank borrowings	**14,154,882**	10,808,547
Loan from an associated company *(Note 23(b))*	**2,000,000**	–
	16,154,882	10,808,547
Current		
Short-term bank borrowings	**3,763,316**	819,117
Long-term bank borrowings		
– current portion	**6,066,786**	4,230,182
	9,830,102	5,049,299
	25,984,984	15,857,846
Representing:		
Loan from an associated company *(Note 23(b))*		
– unsecured	**2,000,000**	–
Bank borrowings		
– unsecured	**18,919,199**	11,478,694
– secured	**5,065,785**	4,379,152
	25,984,984	15,857,846

10. BORROWINGS *(Continued)*

As at 30 June 2012, there was a legal mortgage over certain container vessels, containers and port and depot infrastructure of the Group with net book value of approximately RMB6,170,648,000 (31 December 2011: 4,930,645,000) (Note 7).

An analysis of the carrying amounts of the Group's borrowings by currency is as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
RMB	**4,083,840**	2,132,840
USD	**21,901,144**	13,725,006
	25,984,984	15,857,846

The maturity periods of the borrowings are as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**9,830,102**	5,049,299
In the second year	**1,526,188**	2,938,735
In the third to fifth year	**11,873,344**	4,446,634
After the fifth year	**2,755,350**	3,423,178
	25,984,984	15,857,846

11. DOMESTIC CORPORATE BONDS

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current domestic corporate bonds	**1,787,853**	1,786,627

In June 2007, the Company issued domestic corporate bonds in the PRC with face value of RMB1,800,000,000. The bonds are for a ten-year period fully repayable by 12 June 2017, and bear interest at a fixed rate of 4.51% per annum. The bonds are guaranteed by Bank of China, Shanghai branch, and have been listed on the interbank bond market in the PRC.

12. FINANCE LEASE OBLIGATIONS

	30 June 2012			31 December 2011		
	Minimum lease payments	**Finance charges**	**Net present value of minimum lease payments**	Minimum lease payments	Finance charges	Net present value of minimum lease payments
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Audited)	(Audited)	(Audited)
Finance lease obligations						
– Within one year	**214,297**	**22,412**	**191,885**	210,449	15,720	194,729
– In the second year	**68,502**	**13,962**	**54,540**	99,878	4,371	95,507
– In the third to fifth year	**145,727**	**27,908**	**117,819**	26,535	3,422	23,113
– After the fifth year	**101,045**	**7,546**	**93,499**	6,177	149	6,028
	529,571	**71,828**	**457,743**	343,039	23,662	319,377
Less: current portion	**214,297**	**22,412**	**191,885**	210,449	15,720	194,729
	315,274	**49,416**	**265,858**	132,590	7,942	124,648

13. PROVISIONS

	Onerous contracts	**Legal claims**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Six months ended 30 June 2012 (Unaudited)			
At 1 January 2012 and 30 June 2012	**–**	**25,000**	**25,000**
Year ended 31 December 2011 (Audited)			
At 1 January 2011	6,359	25,000	31,359
Amounts utilised during the year	(6,359)	–	(6,359)
At 31 December 2011	–	25,000	25,000

The provision for legal claims of RMB25,000,000 is related to legal claims brought against the Company by customers of the Company. In the opinion of the Company's directors, after taking into account of legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 30 June 2012.

14. TRADE PAYABLES

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Trade payables		
– Related parties *(Note 23(b))*	**220,460**	1,083,587
– Third parties	**3,375,205**	2,736,841
	3,595,665	3,820,428

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Within 3 months	**3,308,984**	3,522,619
4 to 6 months	**152,075**	106,086
7 to 9 months	**98,378**	68,627
10 to 12 months	**36,206**	123,069
1 to 2 years	**22**	27
	3,595,665	3,820,428

15. OPERATING LOSS

The following items have been charged to the operating loss during the period:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of bunker consumed	**5,296,115**	4,234,620
Depreciation and amortisation *(Note 7)*	**758,267**	672,839
Operating lease rental	**1,403,223**	1,753,620
Provision for impairment of receivables	**26,775**	11,276

16. OTHER GAINS, NET

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange (losses)/gains	**(12,960)**	57,354
Compensation	**15,882**	–
Net gains on disposal of property, plant and equipment	**39,553**	34,734
	42,475	92,088

17. OTHER INCOME

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**53,048**	61,795
Government grant related to income	**192,788**	20,335
Information services income	**3,367**	960
Dividend income from available-for-sale financial assets	**6,898**	10,702
	256,101	93,792

18. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expenses		
– Borrowings and domestic corporate bonds	**322,157**	160,321
– Finance lease obligations	**16,575**	15,679
Total interest expenses	**338,732**	176,000
Less: amount capitalised in vessels under construction and construction in progress	**111,747**	89,462
	226,985	86,538

19. INCOME TAX

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC corporate income tax (b)	**38,795**	25,943
– Hong Kong profits tax (a)	**–**	–
Deferred income tax	**–**	8
Total tax charge for the year	**38,795**	25,951

Taxes on income for the interim period are accrued using the tax rate that would be applicable to the expected total annual earnings. The tax rates of the Group's companies applied during the interim period are set out below:

(a) Hong Kong profits tax

Hong Kong profits tax is provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits of the Group's companies operating in Hong Kong for the six months ended 30 June 2012.

(b) PRC corporate income tax ("CIT")

The Company is a joint stock limited company under the Company Law of the PRC and is registered in the Yangshan Free Trade Port Area, Shanghai PuDong New Area. The original CIT rate applicable to the Company was 15%. Under the new CIT Law, the CIT rate applicable to the Company will increase gradually to 25% within five years from 2008 to 2012. The applicable income tax rate of the Company for the six months ended 30 June 2012 was 25%. Under the new CIT Law, except for certain subsidiaries whose CIT rates will increase gradually to 25% within five years from 2008 to 2012, the CIT rates for the subsidiaries have been changed to 25% since 1 January 2008.

Pursuant to the relevant CIT regulations, the profits derived from the Company's overseas subsidiaries are subject to CIT when dividends are declared by these overseas subsidiaries. The Company uses an applicable tax rate according to CIT regulations to calculate the tax on the profits of the overseas subsidiaries for CIT purposes.

20. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (2011: Nil).

21. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Loss attributable to owners of the parent (RMB'000)	**(1,280,985)**	(630,340)
Weighted average number of ordinary shares in issue (thousands)	**11,683,125**	11,683,125
Basic loss per share (RMB per share)	**RMB(0.11)**	RMB(0.05)

Diluted loss per share is the same as the basic loss per share, as the Company does not have any potentially dilutive ordinary shares during the period ended 30 June 2012 (2011: Nil).

22. COMMITMENTS

(a) Capital commitments

As at 30 June 2012 and 31 December 2011, the Group had the following significant capital commitments which were not provided for in the statement of financial position:

	30 June	31 December
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
– Vessels under construction	**4,828,430**	6,334,295

22. COMMITMENTS *(Continued)*

(b) Lease commitments – the Group is the lessee

As at 30 June 2012 and 31 December 2011, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Land and buildings:		
– Within one year	**43,792**	45,226
– In the second to fifth year	**67,249**	62,071
– After the fifth year	**11,333**	4,941
	122,374	112,238
Vessels and containers under operating leases:		
– Within one year	**2,025,145**	2,239,010
– In the second to fifth year	**5,547,755**	6,268,493
– After the fifth year	**1,690,368**	3,348,241
	9,263,268	11,855,744
	9,385,642	11,967,982

(c) Future operating lease arrangements – the Group is the lessor

As at 30 June 2012 and 31 December 2011, the Group had the following future aggregate minimum lease receipts under non-cancellable operating leases where the Group is the lessor:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Vessels chartered-out under operating leases:		
– Within one year	**255,329**	278,925
– In the second to fifth year	**610,868**	651,947
– After the fifth year	**347,379**	434,017
	1,213,576	1,364,889

22. COMMITMENTS *(Continued)*

(d) Other commitments

As at 30 June 2012 and 31 December 2011, the Group had the following significant other commitments which were not provided for in the statement of financial position:

	30 June 2012 *RMB'000* **(Unaudited)**	31 December 2011 *RMB'000* (Audited)
Investments		
– Authorised, but not contracted for	**332,000**	–
– Contracted, but not provided for	**55,000**	152,000
	387,000	152,000

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group is part of a larger group of companies under China Shipping (Group) Company, a state-owned enterprise, and has extensive transactions and relationships with members of the China Shipping Group incorporated in the PRC.

In addition to the related party information shown elsewhere in this condensed consolidated interim financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the period and balances arising from related party transactions for the six months ended 30 June 2012 and 2011.

23. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(a) *Significant transactions with related parties*

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Transactions with fellow subsidiaries		
Income:		
Liner services	**111,991**	136,758
Port services	**21,699**	10,077
Information services income	**–**	960
Expenditure:		
Lease of containers	**187,299**	133,097
Lease of chassis	**17,578**	11,927
Lease of properties	**9,410**	6,796
Cargo and liner agency services	**286,279**	216,966
Container management services	**87,965**	60,602
Bareboat charter services	**–**	2,500
Ship repair services	**8,548**	22,107
Supply of fresh water, vessel fuel, lubricants, spare parts and other materials	**1,191,445**	996,687
Depot services	**8,411**	7,620
Information technology services charges	**5,032**	17,631
Provision of crew members	**12,978**	8,487
Loading and unloading services	**278,365**	220,239
Purchase of containers	**62,996**	80,863
Ground container transport costs	**3,011**	2,507
Vessel management services	**1,122**	–
Transactions with China Shipping Finance Co., Ltd. ("CS Finance", a fellow subsidiary and associated company)		
Non-current borrowings	**2,000,000**	–
Interest expense from non-current borrowings	**31,436**	–
Interest income from deposits	**20,852**	33,304

23. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Balances with fellow subsidiaries		
Trade receivables *(Note 8)*	**314,872**	178,813
Less: provisions	**9,446**	6,318
	305,426	172,495
Trade payables *(Note 14)*	**220,460**	1,083,587

The balances are unsecured and interest-free.

Balances with CS Finance		
Interest receivables	**–**	629
Deposits	**3,320,502**	1,296,360
Non-current borrowings *(Note 10)*	**(2,000,000)**	–
	1,320,502	1,296,989

23. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(c) Transactions with other state-owned enterprises

The Group had transactions with other state-owned entities including, but not limited to, the following:

- Purchases of services, bunker and spare parts, etc.
- Purchase of assets
- Bank deposits and borrowings
- Interest income and expense

These transactions were conducted in the ordinary course of business.

(d) Key management compensation

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Basic salaries and allowances	**1,750**	1,940
Pension and other welfare	**789**	886
	2,539	2,826