中 海 集 裝 箱 運 輸 股 份 有 限 公 司

China Shipping Container Lines Company Limited*

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

(Stock code: 02866)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS (UNDER HKFRS)

- Revenue amounted to RMB36,077,425,000
- Profit attributable to owners of parent of the Company amounted to RMB1,044,036,000
- Basic earnings per share amounted to RMB0.089
- Loaded container volume amounted to 8,093,428TEU in the year 2014

The board of directors (the "**Board**") of China Shipping Container Lines Company Limited (the "**Company**" or "**CSCL**") is pleased to present the audited consolidated results prepared under Hong Kong Financial Reporting Standards ("**HKFRS**") of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2014 (the "**Period**"), together with the audited comparative figures for the year ended 31 December 2013.

CHAIRMAN'S STATEMENT

In 2014, the global container transportation market fluctuated drastically. On one hand, it was due to the delivery of new vessels which intensified the imbalance between supply and demand. On the other hand, port strike at U.S. West Coast, global oil price slump and the recurrence of industry mergers and acquisitions had brought various uncertainties to the market. In general, the shipping industry saw initial dip before going up, a fragile peak season and slowing growth in emerging markets.

The year 2014 marked an important year for CSCL in implementing transformation and reform. With new organization structure set up, new trade lanes network established and the subsequent delivery and operation of 19,100TEU container vessels, the largest and most advanced container vessel in the world, CSCL has entered a new phase of its development. Under the leadership of the Board, the Company was endeavor to excel and innovate and made all reasonable efforts to "ensure safety, lower cost, enhance efficiency and promote reform". The Company had ensured orderly implementation of various initiatives and realized its stated objectives, as a result, the Company achieved significant improvement in its operating results as compared with the same period of last year.

The Company is pleased to announce that, for the year 2014, the Company's revenue was approximately RMB36.08 billion, representing an increase of 6.4% as compared with 2013. The Company's loaded container volume was approximately 8.093 million TEU, representing a decrease of 1.2% as compared with 2013. Profit attributable to owners of parent of the Company was approximately RMB1.04 billion and basic earnings per share was RMB0.089.

REVIEW OF OPERATIONS

In 2014, in face of the new normal stage of economic development and continuous stagnant market condition, everyone in the Company had worked dedicatedly towards a common goal and a clear corporate development strategy was formulated. The Company proactively implemented every operating measure, enhanced corporate competitiveness and profitability and improved our operation and service standards.

The Company had positively responded to the development trend for large-scale container vessels in the shipping market, adhered to low-carbon environmental protection initiatives and continued to adjust and optimize the structure of its fleet. In 2014, the Company took in eight new vessels (each with a capacity of 10,000TEU) and two new vessels (each with a capacity of 19,100TEU, the largest and most advanced model in the world), and continued to step up its processing efforts in surrendering and abandoning old vessels with high fuel consumption and require higher maintenance cost as well as small vessels. The Company took further steps towards the development of large-scale, modernized and low-carbon fleet and overall competitiveness of fleet was further enhanced. As at 31 December 2014, CSCL had a fleet of 158 vessels with a total operating capacity of 726,613TEU, representing an increase of 19% as compared with the same period of last year. Average capacity of fleet was 4,599TEU per vessel, representing an increase of 473TEU as compared with the same period of 2013.

In 2014, the Company implemented differentiated operation based on the characteristics of different trade lanes with an aim to increase trade lane efficiency and achieved remarkable results. For international trade lanes, it controlled contracts entered into at low price and the proportion of high-cost inland cargo contracts while increasing the number of contracts with small and medium value customers so as to secure stable source of cargoes. For domestic trade lanes, the Company stepped up marketing efforts toward quality customers and reasonably allocated shipping capacity in accordance with market needs in order to increase trade lanes efficiency. In addition to the marketing of trade lanes, the Company also launched new marketing initiatives, strengthened high value added cargoes canvassing, coordinated and arranged the allocation of reefer containers and special containers to guarantee demand on containers.

The Company remained vigilant on cost control and has set up a cost control team to fully implement various cost control measures so as to achieve cost competitiveness. In 2014, fuel charges, stevedore charges, feeder charges and container management costs were kept within budget. Operating costs for the year was RMB34.84 billion, representing a decrease of 3.2% as compared with 2013, of which fuel cost decreased RMB2 billion or 22.7% as compared with 2013 and fuel consumption decreased 15.8% as compared with the same period of last year.

The Company fully implemented the broad partnership strategy. In 2014, CSCL entered into agreements with various parties for future trade lanes cooperation, which include cooperation on major Europe and U.S. trade lanes and related local trade lanes in terms of large-scale space swap and joint bidding of vessels. Through extensive external cooperation, the Company can further improve its trade lane network, increase direct shipping space, increase service coverage, enhance service capability and lower operating risks. The Company will continue to explore collaboration with other container liners based on the principles of "equality, openness and mutual benefit" to improve trade lane distribution, promote fleet structure adjustment and provide more convenient and better services to customers.

Meanwhile, in order to mitigate volatilities in the liner shipping market and lower operating risks associated with our main business, the Company had strived to enhance innovation and actively explored effective ways to accelerate transformation and development. On one hand, the Company continued to step up effort in building upstream and downstream extended services, strived to break through the bottleneck of upstream and downstream industrial chain, in particular it had achieved further breakthrough in sea-rail transport and trailer business and gained new market share and new business growth. On the other hand, the Company actively explored business innovation and promoted the setting up of e-commerce platform. In 2014, the Company and China Shipping Network Technology Co., Ltd. jointly set up "eshippinggateway", a global supply chain management company, to actively explore new business model that combines traditional marine logistic and e-commerce.

CSCL, being the world's leading global carrier, has always adhered to the "large customer and broad partnership" strategy and the philosophy of "trustworthy services all over the world". The Company strived to achieve win-win with its customers and become the best carrier of its customers through quality services, high professional and technical standards and strong responsibility. The Company practises corporate social responsibility. As a global partner and the only designated logistic services provider of the China Corporate United Pavilion in Expo 2015 Milano, the Company is fully responsible for the sea transportation of building materials, decoration and equipment for China Corporate United Pavilion. The Company had continued to reinforce the building of environment management system, actively promoted the practice of green development among all staff and promoted continued improvement in environment management mechanism, thus ensuring that the Company's environmental protection requirements are carried out in the daily operation of vessels and that the Company has become a genuine green shipping enterprise.

FUTURE PROSPECT

In 2015, on the macro front, the steady development of China's economy as well as continued recovery of the U.S. economy has added momentum to the world's economic recovery. However, prices of bulk cargoes in particular fuel and coal showed a downside trend, which in turn may lead to global deflation and thus affect spending and trade. Meanwhile, the slow recovery of European economy and depreciation of a number of currencies have cast more uncertainties on global economy and trade. For the liner industry alone, the market is still fragile, new shipping capacity of approximately 1,750,000TEU will be delivered in 2015, which will further widen the imbalance of supply and demand. Competition among trade lanes is increasingly fierce while the number of operators in each navigating area has gradually consolidated, thus giving less obstacle to the cooperation between liners.

For CSCL, the competitive edges as a result of the delivery of large vessels and refinement of trade lane network will lower operating risks to a certain extent. However, due to increasing supply-demand imbalance and homogenization of services and products, the Company will continue to face tremendous operating pressure. How to gain market share and achieve trade lane efficiency, how to strike a balance between loading rate and freight rate, and how to coordinate objectives and operational measures are issues remained to be considered and resolved. We need to stay alert to the complexity and severity of economic and market trend, maintain a sense of crisis and sense of risk, while also seeing the fundamentals given by positive world economic recovery and China's economic development, as well as a slowdown in shipping capacity growth. We should proceed with confidence by taking economic efficiency as the core and excellent operation as the standard to enhance operation and service capability.

In 2015, the Company will continue to develop around "new vessels, new trade lanes, new network", increase income and control costs through various measures and focus on the implementation of the followings: refine trade lane operation, improve network construction and increase trade lane profitability; actively and steadily press forward fleet structure adjustment, step-up effort on technology reform and adhere to the development trend for "low-carbon and environmental friendly" large-scale vessels; strengthen cost control and whole process tracking of cargo transportation costs to achieve cost advantage; vigorously explore cargo source, strengthen third region and local cargo canvassing, optimize cargo source structure; adhere to "large customer and broad partnership" strategy, address customer needs, realize win-win cooperation; further improve regional sub-route network, actively explore upstream and downstream "chained" services, promote development of shipping e-commerce; constantly enhance management, focus on building standardized, systemic and scientific management, pursue integration of internal control and daily business monitoring, constantly improve corporate risk warning and monitoring effort.

Going forward, the container transportation market will continue to move forward in the midst of volatilities. We should recognize new changes and new development trends in the world economy and the shipping market, and fully integrate with the national strategy of "one belt one road", in particular the building of "the 21st Century Maritime Silk Road". We should actively adapt to the new normal stage of economic development, refine management, pursue innovation and strive for sustainable development of the Company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

		As at 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**36,369,808**	32,290,294
Investment properties		**2,093**	2,148
Leasehold land and land use rights		**–**	75,991
Intangible assets		**18,916**	20,406
Investments in associates		**3,754,380**	297,303
Investments in joint ventures		**52,402**	51,067
Derivative financial instruments		**4,026**	–
Deferred tax assets		**10,479**	496,534
		40,212,104	33,233,743
Current assets			
Inventories		**1,185,498**	1,545,370
Trade and notes receivables	*4*	**2,384,511**	2,476,402
Prepayments and other receivables		**401,953**	375,245
Derivative financial instruments		**697**	–
Restricted cash		**500**	2,100
Cash and cash equivalents		**9,355,888**	9,014,462
		13,329,047	13,413,579
Assets of a disposal group classified as held for sale		**–**	4,169,566
Total current assets		**13,329,047**	17,583,145
Total assets		**53,541,151**	50,816,888
EQUITY			
Equity attributable to owners of the parent			
Share capital		**11,683,125**	11,683,125
Special reserves		**20,150**	38,278
Other reserves		**16,873,604**	16,895,316
Accumulated losses		**(3,784,442)**	(4,845,260)
		24,792,437	23,771,459
Non-controlling interests		**85,046**	446,595
Total equity		**24,877,483**	24,218,054

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
LIABILITIES			
Non-current liabilities			
Interest-bearing bank and other borrowings		**13,463,254**	10,917,131
Domestic corporate bonds		**1,793,981**	1,791,530
Finance lease obligations		**150,281**	186,597
Deferred tax liabilities		**75**	27
Total non-current liabilities		**15,407,591**	12,895,285
Current liabilities			
Trade payables	*5*	**3,825,897**	3,890,379
Other payables and accruals		**658,358**	757,256
Interest-bearing bank and other borrowings		**8,690,651**	8,020,195
Finance lease obligations – current portion		**36,978**	34,773
Tax payable		**19,193**	14,060
Provisions		**25,000**	25,000
		13,256,077	12,741,663
Liabilities directly associated with the assets classified as held for sale		**–**	961,886
Total current liabilities		**13,256,077**	13,703,549
Total liabilities		**28,663,668**	26,598,834
Total equity and liabilities		**53,541,151**	50,816,888
Net current assets		**72,970**	3,879,596
Total assets less current liabilities		**40,285,074**	37,113,339

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014

		Year ended 31 December	
		2014	2013
	Notes	***RMB'000***	*RMB'000*
CONTINUING OPERATIONS			
Revenue	*3*	**36,077,425**	33,917,357
Costs of services	*7*	**(34,839,333)**	(36,004,215)
Gross profit/(loss)		**1,238,092**	(2,086,858)
Selling, administrative and general expenses	*7*	**(963,275)**	(916,383)
Other income	*8*	**788,350**	451,194
Other gains, net	*9*	**898,527**	133,977
Operating profit/(loss)		**1,961,694**	(2,418,070)
Finance costs	*10*	**(468,294)**	(457,618)
Share of profits and losses of:			
Associates		**77,915**	41,760
Joint ventures		**6,209**	5,541
Profit/(Loss) before income tax from continuing operations		**1,577,524**	(2,828,387)
Income tax expense	*11*	**(547,530)**	(36,290)
Profit/(Loss) for the year from continuing operations		**1,029,994**	(2,864,677)
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation		**38,756**	280,632
PROFIT/(LOSS) FOR THE YEAR		**1,068,750**	(2,584,045)
Attributable to:			
Owners of parent		**1,044,036**	(2,610,098)
Non-controlling interests		**24,714**	26,053
		1,068,750	(2,584,045)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
(Expressed in RMB per share)			
– Basic and diluted			
For profit/(loss) for the year	*12*	**RMB0.089**	(RMB0.223)
For profit/(loss) from continuing operations		**RMB0.086**	(RMB0.245)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit/(Loss) for the year	**1,068,750**	(2,584,045)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	**4,715**	–
Share of other comprehensive loss of associates	**(32,334)**	–
Exchange differences on translation of foreign operations	**10,724**	(147,475)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(16,895)**	(147,475)
Total comprehensive income/(loss) for the year	**1,051,855**	(2,731,520)
Attributable to:		
Owners of parent	**1,027,451**	(2,757,302)
Non-controlling interests	**24,404**	25,782
	1,051,855	(2,731,520)

NOTES:

1. GENERAL INFORMATION

China Shipping Container Lines Company Limited (the "Company") was established 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 Shares"), 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 Shares"), which were listed on the Shanghai Stock Exchange on 12 December 2007.

The address of the Company's registered office is Room A-538, International Trade Center, China (Shanghai) Pilot Free Trade Zone, Shanghai, the PRC.

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

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the "Board") on 26 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for cash-settled share-based compensation plan and derivative financial instruments which have been measured at fair value as explained in the accounting policies set out below. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and Amended Standards Adopted by the Group

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

1 Effective from 1 July 2014

The adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

New and Revised HKFRSs and New Disclosure Requirements under the Hong Kong Companies Ordinance not yet Adopted

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS9	*Financial Instruments*[4]
Amendments to HKFRS10 HKAS28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS11	*Accounting for Acquisitions of Interests in Joint Operation*[2]
Amendments to HKFRS10, HKFRS12 and HKAS28 (2011)	*Investment Entities: Applying the Consolidation Exception*[2]
HKFRS14	*Regulatory Deferral Accounts*[5]
HKFRS15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS1	*Disclosure Initiative*[2]
Amendments to HKAS16 and HKAS38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS16 and HKAS41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

3. 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 assesses the performance of the operating segments based on a measure of operating profit/(loss), which is reconciled to profit/(loss) before income tax.

The container terminal and related business was classified as held for sale and its carrying amount will be recovered principally through a sale transaction approved by the Board rather than through continuing operation. For the years ended 31 December 2014 and 2013, all the losses/profits from continuing operations are generated through container shipping and related business.

Revenue from the major trade districts and shipping lanes is set out below:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Pacific	**9,366,710**	9,847,162
Europe/Mediterranean	**8,921,941**	7,836,977
Asia Pacific	**6,777,882**	5,846,905
China Domestic	**5,772,195**	6,213,860
Other Lanes	**1,064,590**	727,804
Logistic Services and Others	**4,174,107**	3,444,649
Turnover	**36,077,425**	33,917,357

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.

No revenue derived from a single customer or a group of customers under common control amounted to 10% or more of the Group's revenue for the years ended 31 December 2014 and 2013.

4. TRADE AND NOTES RECEIVABLES

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables		
– Subsidiaries	**–**	–
– Fellow subsidiaries	**333,418**	338,914
– Third parties	**1,858,108**	1,850,220
	2,191,526	2,189,134
Notes receivable	**192,985**	287,268
	2,384,511	2,476,402

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

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Within 3 months	**2,344,821**	2,064,190
4 to 6 months	**56,954**	333,358
7 to 9 months	**49,410**	74,461
10 to 12 months	**222**	70,223
Over 1 year	**952**	2,525
	2,452,359	2,544,757
Less: Provision for impairment of receivables	**(67,848)**	(68,355)
	2,384,511	2,476,402

The carrying amounts of trade and notes receivables approximated their fair values as at the end of reporting periods.

Credit policy

Credit terms in a range within three months are granted to those customers with a good payment history. There is no concentration of credit risk with respect to trade receivables, as the Group and the Company have a large number of customers, internationally dispersed.

5. TRADE PAYABLES

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Trade payables		
– Subsidiaries	**–**	–
– Fellow subsidiaries	**873,069**	795,372
– Third parties	**2,952,828**	3,095,007
	3,825,897	3,890,379

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

	The Group	
	2014	2013
	RMB'000	*RMB'000*
Within 3 months	**3,782,579**	3,642,819
4 to 6 months	**8,961**	121,760
7 to 9 months	**11,196**	89,017
10 to 12 months	**14,847**	15,353
1 to 2 years	**8,314**	21,430
	3,825,897	3,890,379

The carrying amounts of the trade payables approximated their fair values as at the end of reporting periods.

6. DISPOSAL OF SUBSIDIARIES

	2014	2013
	RMB'000	*RMB'000*
Net assets disposed of:		
Property, plant and equipment	**1,689,362**	2,321,996
Leasehold land and land use rights	**90,306**	–
Intangible assets	**3,431**	–
Available-for-sale financial assets	**1,145,642**	–
Investments in associates	**44,151**	–
Investments in joint ventures	**1,238,676**	–
Inventories	**10,867**	–
Trade and notes receivables	**117,756**	–
Prepayments and other receivables	**78,741**	–
Cash and bank balances	**492,648**	59,708
Interest-bearing bank and other borrowings – non-current	**(372,000)**	–
Trade payables	**(29,436)**	(32,573)
Other payables and accruals	**(220,066)**	(7,520)
Interest-bearing bank and other borrowings – current	**(707,000)**	(1,403,340)
Tax payable	**208**	–
Non-controlling interests	**(422,270)**	(422,222)
	3,161,016	516,049
Special reserves	**(883)**	–
Other reserves	**(6,395)**	–
Gain on disposal of subsidiaries	**947,456**	240,001
	4,101,194	756,050
Satisfied by:		
Cash	**678,134**	756,050
Interests in associates	**3,423,060**	–
	4,101,194	756,050

On 22 November 2013, the Company listed 100% equity interest in its subsidiary, Shanghai China Shipping Yangshan International Container Storage and Transportation Co., Ltd. ("CS Yangshan") on the Shanghai United Assets and Equity Exchange ("SUAEE") for open bidding by public bidders in compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC. On 3 January 2014, China Shipping Logistics Co., Ltd. bid the equity interest at a consideration of RMB305,411,000 and entered into the equity transfer agreement with the Company. The equity transaction certificate by SUAEE with respect to the disposal has been issued and the agreement has become effective on 6 January 2014.

On 22 November 2013, the Company listed 100% equity interest in its subsidiary, Shanghai Zhengjin Industrials Co., Ltd. ("Zhengjin") on SUAEE for open bidding by public bidders in compliance with the relevant laws and regulations on transfer of state-owned equity interests in the PRC. On 3 January 2014, China Shipping Investment Co., Ltd. bid the equity interest at a consideration of RMB372,723,000 and entered into the equity transfer agreement with the Company. The equity transaction certificate by SUAEE with respect to the disposal has been issued and the agreement has become effective on 6 January 2014.

On 20 June 2014, the Company disposed of 100% equity interest in its subsidiary, China Shipping Terminal Development Co., Ltd. ("CSTD") to China Shipping Terminal Development (H.K.) Co., Ltd. ("CSTD HK") after approval by State-owned Assets Supervision and Administration Commission of the State Council of the PRC which was settled through the issuance of 2,782,975,935 new shares which is equal to 49% equity interest in CSTD HK to the Company. The consideration of the subscription which equals to the valuation result was RMB3,423,060,000. The net assets attributable to the Group disposed amounted to RMB2,770,845,000. The Group had a gain on disposal of RMB652,215,000.

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2014	2013
	RMB'000	*RMB'000*
Cash consideration	**678,134**	756,050
Cash and bank balances disposed of	**(447,083)**	(59,708)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**231,051**	696,342

7. COSTS AND EXPENSES BY NATURE

Costs of services, and selling, administrative and general expenses of continuing operations are analysed as follows:

	2014	2013
	RMB'000	*RMB'000*
Costs of services		
Container repositioning and management	**10,473,533**	9,997,141
Bunkers consumed	**6,850,509**	8,862,109
Bunkers sold	**2,465,184**	1,351,247
Operating lease rentals	**2,958,644**	3,366,099
Port charges	**2,024,404**	1,970,053
Depreciation	**1,531,369**	1,431,610
Employee benefit expenses	**1,289,719**	1,302,847
Sub-route costs and others	**7,245,971**	7,723,109
	34,839,333	36,004,215
Selling, administrative and general expenses		
Employee benefit expenses	**554,912**	513,829
Rental expenses	**95,325**	48,326
Telecommunication and utilities expenses	**67,008**	68,920
Depreciation	**25,217**	26,728
Repair and maintenance expenses	**5,925**	3,091
Auditors' remuneration	**12,750**	13,800
Amortisation	**6,194**	8,497
(Reversal)/Provision for impairment of trade receivables	**(210)**	4,725
Office expenses and others	**196,154**	228,467
	963,275	916,383
	35,802,608	36,920,598

8. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Interest income	**199,594**	130,557
Government grant related to income	**279,784**	135,756
Refund of value-added tax ("VAT") *(Note a)*	**295,002**	170,787
Information technology services fees	**13,970**	14,094
	788,350	451,194

Notes:

(a) Starting from 1 January 2012, the Company, Shanghai Puhai Shipping Lines Co., Ltd. and Yangshan International Container Storage & Transportation Co., Ltd., subsidiaries of the Group, are entitled to a refund of VAT, in accordance with "Circular of the Ministry of Finance and the State Administration of Taxation on Tax Policies in the Nationwide Pilot Collection of Value Added Tax in Lieu of Business Tax in the Transportation Industry and Certain Modern Services Industries" ("the Circular").

9. OTHER GAINS, NET

	2014	2013
	RMB'000	*RMB'000*
Losses on disposal of items of property, plant and equipment	**(18,399)**	(19,846)
Gains on disposal of subsidiaries *(Note 6)*	**947,456**	–
Compensation	**–**	5,241
Net foreign exchange (losses)/gains	**(30,530)**	29,778
Gains on physical inventory count *(Note a)*	**–**	118,804
	898,527	133,977

Notes:

(a) During the year ended 31 December 2013, the Company identified an inventory count surplus of the spare parts during the physical inventory count and the surplus of RMB118,804,000 was recognised in other gains, net.

10. FINANCE COST

	2014 *RMB'000*	2013 *RMB'000*
Interest expenses:		
– Borrowings and domestic corporate bonds	**499,845**	502,527
– Finance lease obligations	**12,230**	15,956
Total interest expenses	**512,075**	518,483
Less: Amount capitalised in vessels under construction	**(43,781)**	(60,865)
	468,294	457,618

The capitalisation rate applied to funds borrowed and bonds issued generally and utilised for the vessels under construction was 2.19% (2013: 3.56%) per annum for the year ended 31 December 2014.

11. INCOME TAX EXPENSE

	2014 *RMB'000*	2013 *RMB'000*
Current income tax		
– PRC corporate income tax *(Note (a))*	**57,205**	35,562
– Hong Kong profits tax *(Note (b))*	**1,597**	387
– Others	**2,625**	–
Deferred income tax *(Note (c))*	**486,103**	341
	547,530	36,290

Notes:

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

According to the Corporate Income Tax Law of the People's Republic of China, which was effective from 1 January 2008, the CIT rate applicable of the Company and its subsidiaries incorporated in PRC was 25% for the year ended 31 December 2014 and 2013.

Pursuant to relevant CIT regulations, the dividends received by the Company from its overseas subsidiaries are subject to CIT at a rate of 25%.

(b) Hong Kong profits tax

Hong Kong profits tax was provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits of the Group's companies operated in Hong Kong for the year ended 31 December 2014.

(c) Deferred income tax

As at 31 December 2014, the Group and the Company derecognised deferred income tax assets of RMB316,850,000 in respect of cumulative tax losses amounting to RMB1,267,401,000 ("The Cumulative Tax Losses").

12. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amount is calculated by dividing the profit/(loss) attributable to owners of parent by the weighted average number of ordinary shares in issue during the year.

	2014	2013
	RMB'000	*RMB'000*
Earnings		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation *(RMB'000)*		
Profit/(loss) from continuing operations	**1,007,990**	(2,871,248)
Profit from a discontinued operation	**36,046**	261,150
Shares		
Weighted average number of ordinary shares in issue *(thousands)*	**11,683,125**	11,683,125

Diluted earnings/(loss) per share amounts are the same as the basic earnings/(loss) per share, as the Company did not have any potential dilutive ordinary shares during the years ended 31 December 2014 and 2013.

13. DIVIDENDS

The directors do not recommend a dividend in respect of the year ended 31 December 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW ON OVERALL OPERATIONAL PERFORMANCE

For the year ended 31 December 2014, the Group recorded a revenue of RMB36,077,425,000, representing an increase of 6.4% as compared with 2013; profit before income tax from continuing operations was RMB1,577,524,000; profit attributable to owners of the parent amounted to RMB1,044,036,000. Loaded cargo volume for the whole year amounted to 8,093,428TEU, representing a decrease of 1.2% as compared with 2013. For the year ended 31 December 2014, the average freight rate per TEU for international trade lanes of the Group amounted to RMB5,228, representing an increase of 1.1% as compared with 2013, which was primarily due to the recovery of and increased demand in international trade lanes in 2014. However, due to demand-supply imbalance, freight rates across various trade lanes showed a mixed performance, and the overall growth in freight rates was insignificant. Average freight rate per TEU for domestic trade lanes amounted to RMB1,824, representing an increase of 3.3% as compared with the corresponding period of 2013, which was mainly due to the continued effort of CSCL on the reform and adjustment of domestic trade lanes to secure high-value contracts.

As at 31 December 2014, the total shipping capacity of the Group amounted to 726,613TEU, representing an increase of 19% as compared with 2013.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by RMB2,160,068,000, from RMB33,917,357,000 in 2013 to RMB36,077,425,000 in 2014, representing an increase of 6.4%. The increase in revenue was primarily due to a combination of influence of the following elements:

Below is an analysis of loaded container volume by trade lanes:

Main markets	**2014** **(TEU)**	2013 (TEU)	**Changes** (%)
Pacific trade lanes	**1,294,372**	1,347,236	-3.9%
Europe/Mediterranean trade lanes	**1,485,078**	1,436,438	3.4%
Asia Pacific trade lanes	**2,048,654**	1,808,098	13.3%
China domestic trade lanes	**3,164,825**	3,518,608	-10.1%
Others	**100,499**	80,824	24.3%
Total	**8,093,428**	8,191,204	-1.2%

Details of income

Main markets	**2014** **(RMB'000)**	2013 (RMB'000)	**Changes** (%)
Pacific trade lanes	**9,366,710**	9,847,162	-4.9%
Europe/Mediterranean trade lanes	**8,921,941**	7,836,977	13.8%
Asia Pacific trade lanes	**6,777,882**	5,846,905	15.9%
China domestic trade lanes	**5,772,195**	6,213,860	-7.1%
Others	**1,064,590**	727,804	46.3%
Total	**31,903,318**	30,472,708	4.7%

Decrease in volume of loaded cargoes

The volume of loaded cargo in 2014 amounted to 8,093,428TEU, representing a decrease of 1.2% as compared with 2013. Among which, cargo volume of international trade lanes grew by 5.5% as compared with the corresponding period of last year, primarily due to the Company inputting more resources in international trade lane capacity and increasing loading rate in 2014. Cargo volume of domestic trade lanes decreased by 10% as compared with the corresponding period of 2013, primarily due to the change in marketing strategy of the Company of abandoning some low-value customers.

Increase in freight rates

Increase in freight rates was primarily due to the recovery of and increased demand in international trade lanes in 2014. However, due to demand-supply imbalance, freight rates across various trade lanes showed a mixed performance, and the overall growth in freight rates was insignificant. Average freight rate per TEU for domestic trade lanes amounted to RMB1,824, representing an increase of 3.3% as compared with the corresponding period of 2013, which was mainly due to the continued effort of CSCL on the reform and adjustment of domestic trade lanes to secure high-value contracts.

Costs of services

In 2014, total costs of services amounted to RMB34,839,333,000, representing a decrease of 3.2% as compared with the corresponding period of 2013. As a result of continued cost control, costs of services per TEU was RMB4,000, representing a decrease of 5.4% as compared with the corresponding period of 2013.

The decrease in the costs of services was due to the following reasons:

- Container and cargo costs increased from RMB13,012,779,000 in 2013 to RMB13,260,260,000 during the Period, representing an increase of 1.9% as compared with 2013 mainly due to the increase in the volume of loaded cargoes for long trade lanes. Among which, port costs amounted to RMB2,024,402,000, representing an increase of 2.8% as compared with the same period of 2013. The Group's stevedore charges for loaded and empty containers amounted to RMB7,642,034,000, which basically remained the same as 2013. Container management costs amounted to RMB3,593,823,000, representing an increase of 4.7% as compared with the corresponding period of 2013, which was mainly due to an increase in loaded cargo volume for international trade lanes, and an increase in container costs as a result of repositioning empty containers.

- Vessel and voyage costs decreased from RMB13,556,045,000 in 2013 to RMB11,340,282,000 for the Period, representing a decrease of 16.3% as compared with the corresponding period of 2013, mainly due to the decrease in fuel costs. During the Period, fuel costs amounted to RMB6,850,509,000, representing a decrease of 22.7% as compared with the corresponding period of 2013. The decrease in fuel costs was due to the Company strengthening its fuel saving measures, as fuel consumption fell by 15.8% as compared with the corresponding period of 2013. On the other hand, the sharp fall in oil prices in the fourth quarter of 2014 and the adding of ports with fuel refill facilities at low prices also caused a decrease in oil price of 8.2% as compared with the same period of last year.

- Sub-route and other costs decreased from RMB6,496,280,000 in 2013 to RMB6,246,350,000 in 2014 during the Period, representing a decrease of 3.8% as compared with 2013. The decrease was mainly due to the optimization of transship and reduction of inland cargo contracts.

- During the Period, the costs of logistics and other businesses was RMB3,992,442,000, representing an increase of 33.0% as compared with 2013. The increase in costs was primarily due to the inclusion of fuel costs of China Shipping (Singapore) Petroleum Pte. Ltd. ("**China Shipping (Singapore) Petroleum**"), which increased by 82% from RMB1,351,247,000 in 2013 to RMB2,465,184,000. China Shipping (Singapore) Petroleum was established in 2012. Since the second half of 2013, its revenue recognition model was changed from recognition of differences (applicable to agency industry) to recognition of total amount (applicable to service industry) due to the amendments of contract terms.

Gross profit

Due to the above reasons, the Group recorded a gross profit of RMB1,238,092,000 in 2014 (2013: gross loss RMB2,086,858,000).

Income tax

From 1 January 2014 to 31 December 2014, the corporate income tax ("**CIT**") rate applicable to the Company and its subsidiaries in the PRC was 25%.

Pursuant to relevant new CIT regulations, the profits derived from the Company's offshore subsidiaries shall be subject to applicable CIT when dividends were declared by such offshore subsidiaries. The Company uses an applicable tax rate according to relevant CIT regulations to pay CIT on profits of the offshore subsidiaries.

Selling, administrative and general expenses

For the year ended 31 December 2014, the Group's selling, administrative and general expenses were RMB963,275,000, representing an increase of 5% as compared with 2013. This was primarily due to the increase in office lease.

Other gains

For the year ended 31 December 2014, other gains of the Group was RMB898,527,000, representing an increase of RMB764,550,000 as compared with 2013. The significant increase was mainly due to gains from disposal of subsidiaries.

Profit/loss attributable to owners of the parent

Due to the above reasons, the profit attributable to owners of the parent for the year 2014 was RMB1,044,036,000, representing an increase of RMB3,654,134,000 as compared with loss attributable to owners of the parent of RMB2,610,098,000 in 2013.

Liquidity, financial sources and capital structure

The Group's principal sources of working capital are the operating cash inflow and bank borrowings. Cash is mainly used for costs of finance services, new vessels construction, purchase of containers, payment of dividends and the repayment of principal and interest for bank borrowings and finance leases.

As at 31 December 2014, the Group's total bank and shareholder borrowings were RMB22,153,905,000. The maturity profile is spread over a period between 2015 and 2026 with RMB8,690,651,000 repayable within one year, RMB2,734,020,000 repayable within the second year, RMB7,371,352,000 repayable within the third to the fifth year and RMB3,357,882,000 repayable after the fifth year. The Group's long-term bank and shareholder borrowings are mainly used to finance the construction of vessels and ports.

As at 31 December 2014, the Group's long-term bank borrowings were secured by mortgages over certain containers and container vessels with a total book value of RMB8,344,784,000 (as at 31 December 2013: RMB5,942,678,000).

As at 31 December 2014, the Group's bonds payable in ten-year period amounted to RMB1,793,981,000 (as at 31 December 2013: RMB1,791,530,000), all proceeds from the bonds were used in the construction of vessels. The bonds were issued with a guarantee provided by the Bank of China, Shanghai branch.

As at 31 December 2014, the Group's RMB borrowings at fixed interest rate amounted to RMB600,000,000, with annual interest rate of 3.60%. USD borrowings at fixed interest rates amounted to RMB613,980,000, with annual interest rates ranging from 1.24% to 4.9% and USD borrowings at floating interest rates amounted to RMB20,939,925,000, with annual interest rates adjusted based on London Interbank Offered Rate. The Group's borrowings are denominated in RMB or USD, and cash and cash equivalents are mainly denominated in these two currencies.

As at 31 December 2014, the Group's obligations under finance leases amounted to RMB187,259,000, with the maturity profile ranging from 2015 to 2019. The amount repayable within one year is RMB36,978,000; the amount repayable within the second year is RMB39,208,000; and the amount repayable within the third to the fifth year is RMB111,073,000. The Group's obligations under the finance leases are used in the lease of containers and transportation equipment.

Net current assets

As at 31 December 2014, the Group's net current assets amounted to RMB72,970,000. Current assets are mainly comprised of fuel inventories of RMB1,185,498,000, trade and notes receivables of RMB2,384,511,000, prepayments and other receivables of RMB401,953,000, derivative financial instruments of RMB697,000 and cash and bank deposits and restricted deposits of RMB9,356,388,000. Current liabilities mainly consist of trade payables of RMB3,825,897,000, accrual and other payables of RMB658,358,000, current income tax liabilities of RMB19,193,000, short-term bank loans of RMB1,407,370,000, commercial bills of RMB2,447,600,000, long-term bank borrowings due in one year of RMB4,835,681,000, finance lease obligations payable in one year of RMB36,978,000 and provisions of RMB25,000,000.

Cash flows

For the year 2014, the Group's net cash inflow generated from operating activities was RMB2,713,088,000, denominated principally in RMB and USD, representing an increase of RMB3,857,273,000 from net cash outflow used in operating activities of RMB1,144,185,000 in 2013. Cash and cash equivalents balances at the end of 2014 decreased by RMB246,916,000 as compared with the corresponding period of 2013, mainly reflecting the net cash generated from operating activities and the net cash generated from financing activities was less than the net cash outflow used in investment activities. The cash generated from financing activities of the Group during year 2014 was mainly derived from bank borrowings, and the above-mentioned funds were used mainly for the purposes of short-term business and purchase and construction of vessels and containers.

The following table provides the information regarding the Group's cash flow for the years ended 31 December 2014 and 2013:

Unit: RMB

	2014	2013
Net cash generated from/(used in) operating activities	**2,713,088,000**	(1,144,185,000)
Net cash used in investing activities	**(5,859,325,000)**	(1,858,206,000)
Net cash generated from financing activities	**2,901,559,000**	3,937,225,000
Exchange losses on cash	**(2,238,000)**	(163,000,000)
Net (decrease)/increase in cash and cash equivalents	**(246,916,000)**	771,834,000

Net cash generated from operating activities

For the year ended 31 December 2014, the net cash inflow generated from operating activities was RMB2,713,088,000, representing an increase of RMB3,857,273,000 as compared with the net outflow of RMB1,144,185,000 for the year 2013. As compared with the corresponding period of 2013, the increase in the net cash generated from operating activities of the Group was attributable to the improvement in revenue and the Group's operating profit margin in 2014.

Net cash used in investing activities

For the year ended 31 December 2014, net cash outflow used in investing activities was RMB5,859,325,000, representing an increase of RMB4,001,119,000 from the net cash outflow for the year 2013 of RMB1,858,206,000. It was primarily due to the Group's increased investment expenditure in vessel construction in 2014.

Net cash generated from financing activities

For the year ended 31 December 2014, net cash generated from financing activities was RMB2,901,559,000, representing a decrease of RMB1,035,666,000 as compared with the net cash generated from financing activities of RMB3,937,225,000 in 2013. For the year 2014, the Group's bank borrowings amounted to RMB11,636,482,000, repayment of bank borrowings amounted to RMB8,151,048,000 and repayment of principal of finance leases amounted to RMB34,111,000.

Average turnover days of trade receivables

As at 31 December 2014, the gross balance of trade and notes receivables by the Group amounted to RMB2,384,511,000, representing a decrease of RMB91,891,000 as compared with 31 December 2013, which was mainly due to the Company speeding up in bill processing and freight rate collection. The balance of trade receivables from related parties amounted to RMB333,418,000, representing a decrease of RMB5,496,000 as compared with 31 December 2013.

Gearing ratio

As at 31 December 2014, the Company's net gearing ratio (i.e. net debts over shareholders' equity) was 59.4%, which was higher than 49.3% as at 31 December 2013. The increase in gearing ratio was mainly due to the increase in financing which has led to an increase in interest-bearing liabilities.

Foreign exchange risk and hedging

Most of the revenue of the Company is settled in USD. The Group recorded a net exchange loss of RMB30,530,000, which was mainly due to fluctuations of the US dollar and Euro exchange rates and the exchange difference which was charged to shareholders' equity amounted to RMB10,724,000. The Company will continue to watch closely the exchange rate fluctuation between RMB and major international currencies for settlement, convert net foreign cash inflows from operating activities into RMB in a timely manner so as to minimize the losses brought by foreign exchange rate fluctuations and take appropriate measures where necessary to reduce its foreign exchange risk.

Capital expenditure

For the year ended 31 December 2014, the Group's expenditures on the purchase of container vessels and vessels under construction amounted to RMB4,993,634,000, expenditures on purchase of containers amounted to RMB838,928,000, expenditures on other production infrastructure, office equipment and motor vehicles amounted to RMB76,728,000 and expenditures on equity investments amounted to RMB506,983,000.

Commitments

As at 31 December 2014, capital commitments of the Group which had been contracted but not provided for in relation to vessels under construction were RMB1,755,168,000. Furthermore, the operating lease commitments of the Group relating to land and buildings, and vessels and containers are RMB305,444,000 and RMB8,855,677,000, respectively.

Contingent liabilities

As at 31 December 2014, the Group had provisions of RMB25,000,000 credited as legal claim. Apart from this, the Group had no other contingent liabilities.

Employees, training and benefits

As at 31 December 2014, the Group had a total of 8,213 employees. During the Period, total staff expenses were approximately RMB1,843,894,000.

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

Details of such performance-based discretionary incentive scheme vary among the employees of the Group. The Group currently 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 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" ("**Rights Scheme**"). The fair value change of the rights is recognised as an expense or income of the Group. According to the Rights Scheme, the senior management of the Company, heads of operation and management divisions of the Company, and the general managers and deputy general managers of the Company's subsidiaries and others 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.

The Group has organized and implemented various trainings for our internal employees, including trainings on Safety Management System (SMS) for crew management division and management courses for middle and senior leaders.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2014.

AUDIT COMMITTEE

The audit committee of the Company is comprised of two independent non-executive Directors, namely Mr. Guan Yimin and Ms. Zhang Nan, and one non-executive Director, namely Ms. Su Min. The Group's final results for the year ended 31 December 2014 have been reviewed by the audit committee of the Company.

CORPORATE GOVERNANCE CODE

The Board confirms that the Company was in compliance with all the code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the year ended 31 December 2014.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors, supervisors and relevant employees 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. Having made specific enquiry of all directors and supervisors of the Company, the Company has confirmed that its directors and supervisors have complied with the required standard set out in the Model Code regarding securities transactions during the Period. The Company is not aware of any non-compliance with these guidelines by the relevant employees.

DISCLOSURE OF INFORMATION

This announcement is published on the website of Hong Kong Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.cscl.com.cn. The annual report for the year ended 31 December 2014 containing all the information as required by Disclosure of Financial Information as set out in Appendix 16 to the Listing Rules will be dispatched by the Company to its shareholders and published on the aforesaid websites of Hong Kong Stock Exchange and the Company in due course.

By Order of the Board
China Shipping Container Lines Company Limited
Chairman
Zhang Guofa

Shanghai, the People's Republic of China
26 March 2015

The Board as at the date of this announcement comprises of Mr. Zhang Guofa, Mr. Huang Xiaowen and Mr. Zhao Hongzhou, being executive Directors, Ms. Su Min, Mr. Ding Nong, Mr. Liu Xihan, Mr. Yu Zenggang and Mr. Chen Jihong, being non-executive Directors, and Ms. Zhang Nan, Mr. Teo Siong Seng, Mr. Chen Lishen, Mr. Guan Yimin and Mr. Shi Xin, being independent non-executive Directors.

* *The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "China Shipping Container Lines Company Limited".*