中國遠洋控股股份有限公司

China COSCO Holdings Company Limited

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

(Stock Code: 1919)

2015

INTERIM REPORT

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Company Profile

I. THE COMPANY'S INFORMATION

The Company's Chinese name	中國遠洋控股股份有限公司
Abbreviation of the Company's Chinese name	中國遠洋
The Company's English name	China COSCO Holdings Company Limited (the "**Company**" or "**China COSCO**")
Abbreviation of the Company's English name	China COSCO
Legal representative of the Company	MA Zehua

II. CONTACT PERSONS AND METHODS

	Secretary to Board of Directors	Representative of securities affairs
Name	GUO Huawei	XIAO Junguang, MING Dong
Contact address	2nd Floor, Building 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Airport Economic Zone, Tianjin, the People's Republic of China (the "PRC")	2nd Floor, Building 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Airport Economic Zone, Tianjin, the PRC
Telephone	(022) 66270898	(022) 66270898
Facsimile	(022) 66270899	(022) 66270899
E-mail	guohuawei@chinacosco.com	xiaojunguang@chinacosco.com mingdong@chinacosco.com

III. BASIC PROFILE

The Company's registered address	2nd Floor, Building 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Airport Economic Zone, Tianjin, the PRC
Postal code of the Company's registered address	300461
Place of business of the Company	2nd Floor, Building 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Airport Economic Zone, Tianjin, the PRC
Postal code of the Company's place of business	300461
The Company's website	www.chinacosco.com
Email	investor@chinacosco.com

IV. INFORMATION DISCLOSURE AND INSPECTION

Designated newspapers for disclosure of the Company's information	Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily
Website designated by the China Securities Regulatory Commission for publishing interim report	www.sse.com.cn
Place for inspection of the Company's interim report	2nd Floor, Building 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Airport Economic Zone, Tianjin, the PRC

V. SHARES OF THE COMPANY

Shares of the Company (the "Shares")

Type of Shares	Place of listing	Stock short name	Stock code	Stock short name before change
A Shares	Shanghai Stock Exchange	China COSCO	601919	N/A
H Shares	The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")	China COSCO	1919	N/A

VI. CHANGES IN REGISTRATION OF THE COMPANY DURING THE REPORTING PERIOD

(1) Basic Information

Registered address	2nd Floor, Building 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Airport Economic Zone, Tianjin, the PRC.
Registration number of business license for enterprise legal person	100000400011790
Taxation registration number	Jin Di Shui Zi No.120116710933243
Entity number	710933243

(2) Related information of the first business registration of the Company

Please refer to 2007 to 2012 Annual Report for the details of the first business registration of the Company.

(3) Changes in principal businesses of the Company since its listing

The Company was listed on Shanghai Stock Exchange in 2007 and is principally engaged in container shipping, terminals and container leasing. The Company commenced engaging in logistics business in 2006 and dry bulk cargo shipping business in 2007. The Company disposed of its logistics business in 2013. At present, the principal businesses of the Company include container shipping, dry bulk cargo shipping, terminals and container leasing.

(4) Changes in controlling shareholder of the Company since its listing

There was no change in controlling shareholder of the Company.

VII. OTHER RELEVANT INFORMATION

Domestic auditor engaged by the Company	Name	Ruihua Certified Public Accountants, LLP.
	Office address	3-9/F,West Tower of China Overseas Property Plaza, Building 7, No. 8,Yongdingmen Xibinhe Road, Dongcheng District, Beijing
	Signing accountants	Su Chunsheng and Wang Shenghui
International auditor engaged by the Company	Name	PricewaterhouseCoopers
	Office address	22nd Floor, Prince's Building, Central, Hong Kong
	Signing accountant	Hoi Iok Kei

Other information of the Company

Place of business in Hong Kong
49/F, COSCO Tower, 183 Queen's Road Central, Hong Kong

Major bankers
Bank of China, Agricultural Bank of China, China Merchants Bank

Legal advisers as to Hong Kong law
Paul Hastings
21/F-22/F, Bank of China Tower, 1 Garden Road, Hong Kong

Legal advisers as to PRC law
Commerce and Finance Law Offices
6th Floor, NCI Tower, A12 Jianguomenwai Avenue, Beijing

Domestic A Share registrar and transfer office
China Securities Depository and Clearing Corporation Limited, Shanghai Branch
36th Floor, China Insurance Building, 166 Lujiazui Road East, Pudong New District, Shanghai

Hong Kong H Share registrar and transfer office
Computershare Hong Kong Investor Services Limited
Shops 1806-1807, 18th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015 PREPARED UNDER THE HONG KONG FINANCIAL REPORTING STANDARDS

RESULTS HIGHLIGHTS

	First half of 2015 *RMB'000*	First half of 2014 *RMB'000*	Changes
Revenues	**29,927,658**	32,492,273	-7.9%
Profit/(Loss) attributable to equity holders of the Company	**1,896,668**	(2,276,732)	183.3%
Basic earnings/(loss) per share	**RMB0.1857**	RMB(0.2229)	183.3%

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 PREPARED UNDER THE HONG KONG FINANCIAL REPORTING STANDARDS

	For the six months ended 30 June 2015 *RMB'000*	For the six months ended 30 June 2014 *RMB'000*	Changes
Revenue	**29,927,658**	32,492,273	-7.9%
Operating profit	**2,863,473**	(830,603)	444.8%
Profit before income tax	**2,806,807**	(1,380,938)	303.3%
Profit attributable to equity holders of the Company	**1,896,668**	(2,276,732)	183.3%
Basic earnings/(loss) per share	**RMB0.1857**	RMB(0.2229)	183.3%

DIRECTORS' REPORT

1. Discussion and analysis of the Board on the operations of the Company during the reporting period

In the first half of 2015, the global economic growth slowed down, the overall demand in the shipping market weakened, the oversupply in shipping capacity continued, the imbalance between supply and demand in the international shipping market was not substantially improved, and the freight rates in the shipping market showed a downward trend. The China Containerized Freight Composite Index ("CCFI") averaged at 970 points in the first half of the year, down 12% as compared with 1,102 points last year. The Baltic Dry Bulk Freight Rate Index ("BDI") averaged at 623 points in the first half of the year, down 47% as compared to the same period last year, hitting its lowest level since the financial crisis. Although the decline in the international oil price helped to improve the operating conditions, the shipping companies were still subject to tremendous operating pressure due to depressed freight rate in the shipping market.

During the period, the Company together with its subsidiaries (the "**Group**") strived to mitigate the market fluctuation risks, reduce the shipping route cost, optimize the structure of client base and cargo sources and enhance our anti-risk ability. Net profit attributable to equity holders of the Company amounted to RMB1,896,668,000, as compared to a loss of RMB2,276,732,000 for the same period of last year.

During the reporting period, COSCO Container Lines Co., Ltd ("**COSCON**") responded quickly to market changes by adjusting its allocation of global shipping capacity and improving its regional shipping route network, constantly optimizing its routes and supplier structure and taking actions to promote a rebound of freight rates, and realized increases in the container shipping volume and the overall revenue in the first half of the year as compared to last year. China COSCO Bulk Shipping (Group) Company Limited ("**COSCO Bulk**") COSCO Bulk implemented its operating principle of "being customer-centric and market-oriented" by actively promoting its marketing system reforms, gradually realized the strategic transformation of its dry bulk business, optimized its customer structure, strived to obtain more basic cargo sources and expand cargo from spot market; and it made efforts to establish lean operation, create benefits and save costs, achieving a remarkable improvement in operation results. On 19 May 2015, China Ore Shipping Pte. Ltd, a company held by COSCO Bulk and China Shipping Development Co., Ltd, entered into a long-term transportation agreement with Vale International S.A., bringing steady returns for the Company. COSCO Pacific Limited ("**COSCO Pacific**") fully implemented its principle of "Four Areas of Strategic Focus" to promote the globalized distribution of terminals and cautiously responded to the market demands, so its terminals and container leasing businesses maintained a steady growth.

Looking forward to the second half of the year, according to the latest the World Economic Outlook report published in July 2015 by the International Monetary Fund (the "IMF"), the projected global growth for 2015 is decreased to 3.3% from the previous 3.5%, and is slightly below the growth rate of 3.4% of 2014, indicating that the situation of global economy entering a "new normal state" remains unchanged. It's projected that the international shipping demand will maintain a moderate growth for a period, the shipping capacity will maintain high and the international shipping market will continue to face tremendous pressure.

In the respect of container shipping business , according to the forecast by Drewry, the global demand for container shipping throughout 2015 will only maintain a growth rate of 3.8%, which is lower than the growth rate of 5.5% for 2014 (of which, the demand during the second half of 2015 will grow by 4.0% as compared to last year, which is slightly higher than the growth rate of 3.7% for the first half of the year but is lower than the growth rate of 5.3% for the same period of 2014). According to the forecast by Alphaliner, the shipping capacity for 2015 will grow by 8.8% as compared to last year, which is higher than the growth rate of 6.3% for 2014 (the accumulated delivery capacity is projected to be 1.906 million TEUs, representing an increase of 30% as compared to last year, of which the delivery capacity of large vessels of more than 10,000 TEUs will account for 52%), the capacity oversupply situation of main routes, such as the Asia-Europe routes, will be still severe. With the formation of the four shipping alliances in the container shipping market (including 2M, G6, Ocean3 and CKYHE) since this year, the competitive landscape in the future container shipping industry will gradually evolve into competition among alliances. It's expected that the situation of slow growth in the demand, continued oversupply of shipping capacity and competition among alliances in the container shipping industry is hard to change in the near future.

In respect of dry bulk shipping business, in the second half of the year, with the increase in the trade volume of international dry bulk cargo such as iron ores and grains, the international shipping demand for dry bulk cargo is expected to recover. According to the forecast by Clarkson, the trade volume of international dry bulk freight will increase by 3.2% as compared to that of the first half of the year, representing an increase of 1.7% as compared to last year. As for the shipping capacity, as the level of newly delivered vessels will maintain low and the decommissioning or disassembly of old vessels will be implemented at a certain rate, the supply for global dry bulk shipping capacity for the second half of the year will increase by about 2%, which is lower than the growth rate of 2.7% for the first half year, it's projected that the overall international dry bulk shipping market for the second half of the year will be better than the first half. But as the existing shipping capacity in the market will still remain at high levels and a full recovery still takes some time.

Under the severe market situation, in the second half of 2015, China COSCO will continue focus on the four strategic aspects of profitability, anti-cyclical effect, globalization and increase in scale. China COSCO will set to capture a series of opportunities arising from the "One Belt and One Road" initiatives, Beijing — Tianjin — Hebei collaborative development and the development of Yangtze River Economic Zone under the mega background of China's economic reforms and innovations to comprehensively implement and practice strategies, and deepen reform and innovation with tenacious endeavors.

In the container shipping business, based on cooperation with alliance members, COSCON will continually optimize route layout and fleet structure, enhance alliance cooperation and efficiency, globally expand the alliance route network and comprehensively improve the competitiveness of product. By further leveraging the economies of scale, COSCON will provide customers better quality service, and present China COSCO's customized brand and service. Through matching with opportunities from "One Belt and One Road" and the Yangtze River Economic Zone, widening the routes pipelines calling in Piraeus Port in Greece, building up hub node of water transportation along the Yangtze river, construction of infrastructures such as onshore terminals and warehouses, COSCON will be able to strengthen our ability of resources control and management, continually increase the competitiveness of full trip transportation and improve the quality of differentiated service, strive to develop into a full trip container transportation chain solutions provider. By placing emphasis on "internet + container shipping", COSCON continues to enhance the development of new business model, to improve customer experience and provide convenient and efficient solutions for customers.

In the dry bulk freight shipping, COSCO Bulk will adhere to system thinking, system innovation, system implementation. Mainly by innovative marketing concepts and approaches and implementation of "value-based marketing", COSCO Bulk realizes the transformation of marketing approaches from "shipping capacity marketing" to "market promotion", the transformation of overseas freight solicitation network from "single point distribution" to "network distribution", and by customer and market demand differentiation, COSCO Bulk realizes the transformation from "professional service" to "accurate service". Therefore, COSCO Bulk can capture the opportunities arising from national strategies, maintain healthy operation and stable growth, and build up a first class group for dry bulk freight shipping service.

In the terminal business, COSCO Pacific will adhere to the principle of "Four Areas of Strategic Focuses", focus on seizing development opportunities in hub ports in line with the trend towards mega-vessels, focus on enhancing COSCO Pacific's brand value by optimizing the operational model of the terminal subsidiaries, and align the direction and strategy for its terminals business with global development strategies for COSCO's fleet and its shipping route network, with a view to propel a global hub network. In the container leasing business, COSCO Pacific will continue to address market needs in a prudent manner, further enhance its managerial effectiveness and strictly control operational risk so as to ensure the stable and healthy development.

With the support of all the shareholders, it is believed that the Board and Management of China COSCO will surely lead all of our staff, onshore and offshore, devote every effort to continually improve performance, striving for the sustainable development of China COSCO, provision of more quality services to customers and generation of ongoing returns to shareholders.

Unless otherwise specified, amounts contained in the information of the following financial analysis and explanations are denominated in RMB.

(i) Analysis of principal businesses

1. Table of movement analysis for the related items in the financial information

Unit: RMB'000

Items	Current period	Same period of last year	Changes (%)
Revenue	29,927,658	32,492,273	-7.9
Cost of services and inventories sold	(28,927,716)	(30,915,704)	-6.4
Selling, administrative and general expenses	(1,844,755)	(2,003,885)	-7.9
Finance income	428,915	539,861	-20.6
Finance costs	(1,357,171)	(1,520,185)	-10.7
Net related exchange (loss)/gain	145,903	(273,350)	153.4
Net cash generated from operating activities	5,886,901	1,403,679	319.4
Net cash used in investing activities	(3,490,223)	(558,544)	-524.9
Net cash generated from/ (used in) financing activities	1,945,234	(11,417,975)	117.0
Research and development expenses	3,654	5,153	-29.1

Reasons for the change of the operating revenue

In the first half of 2015, the revenue of the Group amounted to RMB29,927,658,000, representing a decrease of RMB2,564,615,000 or 7.9% as compared to RMB32,492,273,000 for the same period of last year, of which:

Container shipping business

Revenue from container shipping and related business amounted to RMB23,638,301,000, as compared to RMB24,005,819,000 for the same period of last year. In the first half of 2015, the volume of container shipping amounted to 4,793,946 TEUs, representing an increase of 6.8% as compared to the same period of last year. The average unit income was RMB4,339/TEU, representing a decrease of 1.7% as compared to the same period of last year. During the reporting period, the Group emphasized on adjusting the distribution of shipping capacity and improved the intra-regional feeder service network. Continuous optimization in the shipping lines and cargo sources led to increases in cargo volume. Meanwhile, since the market environment remained weak, the oversupply condition continued, while the average unit income decreased slightly.

In the first half of 2015, there was no new shipping capacity delivered of the Group. As at 30 June 2015, the shipping capacity operated by the Group comprised a fleet of 185 container vessels with 879,070 TEUs (excluding the chartered-out capacity of three vessels with 3,676 TEUs). The shipping capacity operated by the Group increased by 10.7% as compared to the same period of last year.

As at 30 June 2015, the Group had ten orders for container vessel, amounting to a total of 117,960 TEUs.

Dry bulk shipping business

Revenue from the dry bulk shipping and related business amounted to RMB4,457,866,000, representing a decrease of RMB1,964,031,000 or 30.6% as compared to the same period of last year. During the reporting period, the average level of the BDI was 623 points, representing a decrease of 556 points or 47.2% as compared to the same period of last year. Facing with a severe downturn of the market environment, the Group carried out the operating principal of "Customer-centered and market-oriented" to refine operating scheduling and focus on shipping route arrangement, charter negotiation and process control of effective execution through measures of optimizing customer structure, striving to obtain more basic cargo sources and expand cargo from spot market, realized the TCE level of ocean fleet significantly higher than the market level.

During the period under review, due to the reduction in the shipping capacity, the shipping volume of the Group's dry bulk shipping business reached 78.89 million tons, representing a decrease of 12.4% as compared to the same period of last year. Dry bulk shipment turnover amounted to 357.6 billion ton-nautical miles, representing a decrease of 14.5% as compared to the same period of last year, of which the shipping volume of coal was 27.41 million tons, representing a decrease of 21.9% as compared to the same period of last year. Shipping volume of metallic ore amounted to 36.48 million tons, representing an increase of 3.2% as compared to the same period of last year. Shipping volume of other cargoes was 15 million tons, representing a decrease of 23.4% as compared to the same period of last year.

As at 30 June 2015, the Group owned a fleet of 220 dry bulk vessels with 22.145 million DWT.

		January to June 2015	January to June 2014	**Change %**
Shipping volume by routes (tons)	International shipping	**65,558,079**	73,962,854	-11.4
	PRC coastal shipping	**13,328,780**	16,091,964	-17.2
Shipping volume by cargo type (tons)	Coal	**27,414,347**	35,099,780	-21.9
	Metal ore	**36,480,474**	35,356,255	3.2
	Food	**7,466,561**	11,002,052	-32.1
	Others	**7,525,477**	8,596,731	-12.5
Shipment turnover (thousand ton-nautical miles)		**357,634,769**	418,342,766	-14.5

Meanwhile, the Group had an order book of 40 dry bulk cargo vessels with 3,474,200 DWTs.

Terminal and related business

Revenue from the terminal and related business amounted to RMB1,394,312,000, representing a decrease of RMB62,900,000 or 4.3% as compared to the same period of last year. This was mainly attributed to the depreciation of euro and a decrease in revenue from Piraeus Terminal, a subsidiary of COSCO Pacific.

Breakdown of terminal throughput

Terminal throughput (TEUs)	First half of 2015	First half of 2014	Changes %
Bohai Rim Region	**12,760,512**	12,546,426	1.7
Yangtze River Delta	**5,193,524**	4,931,807	5.3
Pearl River Delta	**9,132,295**	8,622,636	5.9
Southeast Coast and others	**1,956,226**	1,809,505	8.1
Overseas	**4,789,277**	4,571,194	4.8
Total throughput	**33,831,834**	32,481,568	4.2

Container leasing, management and sales business

Revenue from container leasing, management and sales business amounted to RMB437,179,000, representing a decrease of RMB170,166,000 or 28.0% as compared to the same period of last year. During the reporting period, 10,108 TEUs were disposed of upon expiry of relevant leases (first half of 2014: 32,418 TEUs). Revenue from the disposal of containers upon expiry of relevant leases decreased by RMB131,815,000. A decline in rental rates led to a decrease of approximately RMB19,993,000 in revenue from container leasing.

Operating cost analysis

In the first half of 2015, the Group incurred operating costs of RMB28,927,716,000, representing a decrease of RMB1,987,988,000 or 6.4% as compared to the same period of last year, of which:

The total operating costs of container shipping and related business amounted to RMB21,765,571,000, representing a decrease of RMB680,948,000 or 3.0%. In particular, with a year-on-year increase in shipping volume, freight charges, empty container allocation fee and transshipment charges respesented a year-on-year increase. While international fuel prices dropped, fuel costs declined by 28.1% as compared to the same period of last year.

The total operating costs of dry bulk shipping and related business amounted to RMB5,627,154,000, representing a decrease of RMB1,132,972,000, or 16.8%, as compared to the same period of last year. During the reporting period, total operating lease rentals decreased by RMB640,767,000, or 33.1%, to RMB1,292,765,000 as compared to the same period of last year due to decrease in charter-in shipping capacity and lower charter hire rate. Due to a reduction in the scale of shipping capacity, a decrease in international fuel prices, as well as effective use of initiatives such as refinement in slowing down ship speed to save fuel and evading market downside risk through tendering or fixed-price, bunker costs decreased by 29.9% during the period as compared to the same period of last year; In addition, the reversal of provision for onerous contracts to reduce the costs amounted to RMB312,275,000 for the reporting period, decreased by RMB142,088,000 from RMB454,363,000 for the same period of last year.

The operating costs of terminal and related business amounted to RMB938,063,000, representing a decrease of RMB70,722,000, or 7.0%, as compared to the same period of last year. The decrease was primarily attributable to the depreciation of euro and the year-on-year decline in the operating costs of Piraeus Terminal.

The operating costs of container leasing, management and sales business amounted to RMB560,835,000, representing a decrease of RMB99,275,000 or 15.0% on a year-on-year basis, mainly attributable to a decrease in returned containers sold upon expiry of lease, leading to a decline in the operating cost.

Other income/(expenses) and subsidy, net

In the first half of 2015, the Group's net other income, amounted to RMB3,708,286,000, representing an increase of RMB4,111,573,000 as compared to net other expenses of RMB403,287,000 for the same period of last year. This was primarily attributed to the subsidy for the demolition and decommissioning of vessels.

Selling, administrative and general expenses

In the first half of 2015, the selling, administrative and general expenses of the Group amounted to RMB1,844,755,000, representing a decrease of RMB159,130,000, or 7.9%, as compared to the same period of last year. During the period, the Group further strengthened expense control, staff expense was reduced as compared to the same period of last year.

Finance costs

In the first half of 2015, the finance costs of the Group amounted to RMB1,357,171,000, representing a decrease of RMB163,014,000, or 10.7% as compared to RMB1,520,185,000 in the same period of last year. The decrease was mainly due to a decrease in interest expense of bills as compared to the same period last year.

Net related exchange (loss)/gain

In the first half of 2015, the Group's net related exchange gain amounted to RMB145,903,000, as compared to the net related exchange loss of RMB273,350,000 for the same period of last year, this was due to the depreciation of the US dollar against RMB.

Working capital, financial resources and capital structure

Cash flow

As at 30 June 2015, the cash and cash equivalents of the Group amounted to RMB43,941,066,000 (mainly denominated in RMB and US dollar, while others in Euro, Hong Kong dollars and other currencies), representing an increase of RMB4,235,542,000 or 10.7%, as compared to RMB39,705,524,000 as at 31 December 2014.

The net cash inflow from operating activities amounted to RMB5,886,901,000 as compared to net cash inflow of RMB1,403,679,000 in the first half of 2014. During the reporting period, cash flow of operating activities saw significant improvement, driven by the increase in revenue from container shipping and related business, a further reduction in bunker costs and subsidy for the demolition and decommissioning of vessels received.

The net cash outflow from investing activities amounted to RMB3,490,223,000 as compared to the net cash outflow of RMB558,544,000 in the first half of 2014, which was offset by an amount of RMB3,501,000,000 recovered from wealth management product.

The net cash inflow from financing activities amounted to RMB1,945,234,000 as compared to net cash outflow of RMB11,417,975,000 in the first half of 2014. During the reporting period, the proceeds from borrowings obtained amounted to RMB17,963,193,000, representing an increase of RMB6,003,074,000 as compared to the same period of last year. The cash used for borrowing repayment amounted to RMB15,072,637,000, representing a decrease of RMB6,755,780,000 as compared to the same period of last year.

As at 30 June 2015, the total outstanding borrowings of the Group were RMB89,664,658,000. After deducting the cash and cash equivalents of RMB43,941,066,000, the net amount was RMB45,723,592,000.

The working capital and capital resources of the Group have been and will continue to be generated from cash flows of operating activities, proceeds from new share issuance and loan facilities from banks. Cash of the Group has been and is expected to be utilized for various purposes such as payment of operating costs, purchases of container vessels, dry bulk vessels and containers, investments in terminals and repayment of loans.

As at 30 June 2015, the net debt to equity ratio of the Group was 100.8%, as compared to 110.0% as at 30 June 2014.

Debt analysis

By category	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Short-term borrowings	**1,222,974**	3,127,600
Long-term borrowings		
Within one year	**18,184,413**	15,758,769
In the second year	**15,251,497**	22,713,238
In the third to fifth years	**31,977,300**	21,849,275
After the fifth year	**23,028,474**	23,494,172
Subtotal	**88,441,684**	83,815,454
Total	**89,664,658**	86,943,054

Breakdown of borrowings by category:

The secured borrowings of the Group amounted to RMB20,380,060,000 while unsecured borrowings amounted to RMB69,284,598,000, representing 22.7% and 77.3% of the total borrowings, respectively. Most of the Group's borrowings bear interest at floating rate.

Breakdown of borrowings by currency:

The Group had borrowings denominated in US dollars equivalent to RMB68,082,410,000 and borrowings denominated in RMB amounted to RMB17,481,939,000, representing 75.9% and 19.5% of the total borrowings, respectively.

Corporate guarantees and contingent liabilities

As at 30 June 2015 the Group had provided a guarantee on a banking facility granted to an associate in the amount of RMB56,826,000 (31 December 2014: RMB83,298,000). As at 30 June 2015 the Group had no significant contingent liabilities.

Foreign exchange risk

The Group operates internationally and exposes to various foreign exchange risks arising from non-functional currencies. Foreign exchange risks derived from future business transactions and recognized assets and liabilities. The actual foreign exchange risks faced by the Group therefore are primarily with respect to non-functional currency bank balances, receivable and payable balances and bank borrowings. Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure with derivative financial instruments should the need arise.

2. **Others**

(1) Details of major changes in the profit structure or source of profits of the Company

During the reporting period, net profit attributable to equity holders of the Company amounted to RMB1,896,668,000, representing a decrease in loss of RMB4,173,400,000 as compared to the same period of last year. Of this, revenues from container shipping business increased with the rise in cargo volume. The bunker costs decreased as compared to the same period of last year. Gross profit of RMB1,230,866,000 were recorded as compared to RMB915,159,000 for the same period of last year. BDI fell as compared to the same period of last year. Freight volume decreased and the gross loss of dry bulk shipping and related business were RMB1,019,044,000, as compared to RMB103,552,000 for the same period of last year. In addition, the subsidy for vessel retirement and replacement transferred from controlling shareholders amounted to RMB3.963 billion during the reporting period, giving a positive effect on the operating results for current period.

(The above gross profit figures are expressed by A Shares)

(2) Analysis and explanation of the progress in the implementation of various types of financing and major asset reorganization by the Company in the previous period

Not applicable.

(3) Explanation of the progress in the operation plan

In the first half of 2015, the Group recorded the volume of 4,793,946 TEUs in the container shipping business and the shipment turnover of 357.6 billion ton-nautical miles in the dry bulk shipping business. Total container throughputs amounted to 33,831,834 TEUs.

I. EQUITY CHANGE

(I) Equity changes of current directors, supervisors and senior management who resigned during the reporting period

Not applicable.

(II) Share option granted to directors, supervisors and senior management during the reporting period

Not applicable.

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Change	Reason for change
Wan Min	Non-executive Director	Elected	Approved by the Shareholders' meeting
Wan Min	Deputy General Manager	Resigned	Resigned due to work change
Wang Haimin	Deputy General Manager	Appointed	Appointed by the Board
Qiu Jinguang	Deputy General Manager	Appointed	Appointed by the Board

III. OTHER EXPLANATORY INFORMATION

1. Appointment of and Changes in Directors

On 26 March 2015, the Company held the 9th meeting of the fourth session of the Board, where it was resolved that Wan Min be nominated as the candidate for the non-executive Director of the fourth session of the Board. Such resolution was proposed for consideration at the general meeting of the Company.

On 20 May 2015, the Company held the 2014 annual general meeting, where it was resolved that Wan Min be elected as the non-executive Directors of the fourth session of the Board.

2. Appointment of and Changes in Supervisor

Nil.

3. Appointment of and Changes in Senior Management

On 26 March 2015, the Company held the 9th meeting of the fourth session of the Board, where it was resolved that Wan Min be approved to resign from the deputy general manager of China COSCO, while Wang Haimin and Qiu Jinguang be appointed as the deputy general managers of China COSCO. The terms of office of the above mentioned senior management members commenced on 20 May 2015 and will end on the date when the 1st meeting of the fifth session of the Board will be held.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, there was no material change in the number of employees of the Group as compared with the information disclosed in the 2014 annual report most recently published by the Company. During the six months ended 30 June 2015, there was no material change in the total staff cost, including directors' remuneration, and the remuneration policies as compared with the information disclosed in the 2014 annual report most recently published by the Company.

SHARE APPRECIATION RIGHTS PLAN

A share appreciation rights plan (the "Share Appreciation Rights Plan") was adopted by the Company, which was designed to align the interests of Directors, Supervisors and senior management of the Company with the Company's operating results and market value of the Shares. The issuance of share appreciation rights does not involve any issuance of new Shares, or it does not have any dilutive effect on the Shareholders.

On 16 December 2005, the Board granted share appreciation rights to certain directors, supervisors and senior management of the Company and its subsidiaries, and other personnel designated by the Board, including nine Directors and three Supervisors at an exercise price of HK$3.195 each under the Share Appreciation Rights Plan. On 5 October 2006, the Board granted share appreciation rights to certain Directors, Supervisors and senior management of the Company and its subsidiaries, and other personnel designated by the Board, including eight Directors and three Supervisors at an exercise price of HK$3.588 each under the Share Appreciation Rights Plan. On 4 June 2007, the Company granted further share appreciation rights to certain Directors, Supervisors and senior management of the Company and its subsidiaries, and other personnel designated by the Board, including seven Directors and four Supervisors at an exercise price of HK$9.540 each under the Share Appreciation Rights Plan. As of 30 June 2015, the Company did not grant any share appreciation rights after the grant on 4 June 2007.

(1) The purpose of the Share Appreciation Rights Plan:

The Share Appreciation Rights Plan is formulated in order to meet the Company's strategic development requirements, establish and improve the operational risk control mechanism and enhance the long-term incentive and restraint mechanism for senior management pursuant to domestic laws and regulations and drawing on international practices together with the Company's actual conditions.

The Share Appreciation Rights Plan aims to provide long-term incentives to attract and retain senior management and core business staff, so as to enhance the Company's profitability and value and maximize Shareholders' interests, hence promoting long-term development of the Company.

(2) The participants of the Share Appreciation Rights Plan:

The scope of application of the plan is determined by the Board of Directors, in particular:

1. Directors (excluding independent non-executive Directors), Supervisors (excluding independent Supervisors) and Secretary of the Board.

2. The Company's senior management, including chief executive officer, general manager, deputy general manager, chief financial officer, department general managers, department deputy general managers and other staff of similar levels.

3. Senior management of the level one subsidiaries, including the full time staff, part-time staff, assistants to general managers, department general managers, department deputy general managers of the companies.

4. Full-time and part-time staff of level two companies as well as full-time staff of port companies.

5. Other personnel approved by the Board of Directors: determined according to their importance in business development, mainly referring to personnel and core business staff of the Company and affiliated companies who are crucial to the Company's business development and have made outstanding contributions.

(3) The total number of securities that can be issued in the Share Appreciation Rights Plan and their percentage of the issued shares as at the date of the annual report:

The share appreciation rights were granted in unit, each unit representing one share.

In the absence of special approval, the total number of share appreciation rights granted shall not exceed 10% of the issued and outstanding H shares. The grant shall be made once a year and the number of shares in the first grant shall be in principle not more than 1% of the issued and outstanding H shares.

(4) The maximum entitlement of each participant under the Share Appreciation Rights Plan:

No participants shall be offered or granted share appreciation rights when the total number of unexercised share appreciation rights previously granted to a certain participant according to the plan is more than twenty five percent (25%) of the total number of share appreciation rights currently issued or issuable according to the plan.

(5) The period within which the securities must be taken up under an option:

The securities must be taken up within the third year, the fourth year, the fifth year and the sixth year from the date of grant. The respective percentage of exercise shall be in aggregate not more that 25%, 50%, 75% and 100% of the share appreciation rights granted to such grantee.

(6) The minimum period, if any, for which an option must be held before it can be exercised:

Except that conditions of early termination as provided by the plan are fulfilled, the share appreciation rights granted each time shall be valid for ten years, two of which are the lockup period (i.e., the grantee shall not exercise the rights for two years from the date of grant).

(7) The amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

Not applicable.

(8) The basis of determining the exercise price:

1. At the beginning of the Company's listing, the exercise price of the share appreciation rights first granted shall be the price of the Initial Public Offering.

2. The exercise price of the share appreciation rights granted subsequently shall depends on the higher of the following:

   A. the official closing price of H shares as listed on Stock Exchange's daily quotation on the date of grant;

   B. the official average closing price of H shares as listed on Stock Exchange's daily quotation for the five trading days prior to the date of grant; or

   C. par value of the share.

(9) The remaining life of the Share Appreciation Rights Plan:

1. For the batch with exercise price of HK$3.195, the effective exercise period is from 16 December 2007 to 15 December 2015.

2. For the batch with exercise price of HK $3.588, the effective exercise period is from 5 October 2008 to 4 October 2016.

3. For the batch with exercise price of HK$9.54, the effective exercise period is from: 4 June 2009 to 3 June 2017.

Movements of the share appreciation rights, which were granted to Directors, Supervisors or senior management by the Company pursuant to the Share Appreciation Rights Plan during the six months ended 30 June 2015 are set out below:

				Number of units of share appreciation rights							
Name of director/ supervisor/ senior management	Capacity	Nature of interest	Exercise price	Outstanding as at 1 January 2015	Transfer (to)/from other category during the period	Granted during the period	Exercised during the period	Lapsed duing the period	Outstanding as at 30 June 2015	Approximate % of issued share capital of the Company's H shares as at 30 June 2015	Note
LI Yunpeng	Beneficial owner	Personal	HK$3.195	450,000	–	–	–	–	450,000	0.017%	(1)
			HK$3.588	600,000	–	–	–	–	600,000	0.023%	(2)
			HK$9.540	580,000	–	–	–	–	580,000	0.022%	(3)
SUN Yueying	Beneficial owner	Personal	HK$3.195	450,000	–	–	–	–	450,000	0.017%	(1)
			HK$3.588	600,000	–	–	–	–	600,000	0.023%	(2)
			HK$9.540	580,000	–	–	–	–	580,000	0.022%	(3)
SUN Jiakang	Beneficial owner	Personal	HK$3.195	375,000	–	–	–	–	375,000	0.015%	(1)
			HK$3.588	500,000	–	–	–	–	500,000	0.019%	(2)
			HK$9.540	480,000	–	–	–	–	480,000	0.019%	(3)
YE Weilong	Beneficial owner	Personal	HK$9.540	480,000	–	–	–	–	480,000	0.019%	(3)
WAN Min	Beneficial owner	Personal	HK$3.195	–	75,000	–	–	–	75,000	0.003%	(1)(4)
			HK$3.588	–	280,000	–	–	–	280,000	0.011%	(2)(4)
			HK$9.540	–	260,000	–	–		260,000	0.01%	(3)(4)
FU Xiangyang	Beneficial owner	Personal	HK$3.195	100,000	–	–	–	–	100,000	0.004%	(1)
			HK$3.588	90,000	–	–	–	–	90,000	0.003%	(2)
			HK$9.540	85,000	–	–	–	–	85,000	0.003%	(3)
MA Jianhua	Beneficial owner	Personal	HK$9.540	480,000	–	–	–	–	480,000	0.019%	(3)
GAO Ping	Beneficial owner	Personal	HK$3.195	100,000	–	–	–	–	100,000	0.004%	(1)
			HK$3.588	90,000	–	–	–	–	90,000	0.003%	(2)
			HK$9.540	85,000	–	–	–	–	85,000	0.003%	(3)

Name of director/ supervisor/ senior management	Capacity	Nature of interest	Exercise price	Number of units of share appreciation rights: Outstanding as at 1 January 2015	Transfer (to)/from other category during the period	Granted during the period	Exercised during the period	Lapsed duing the period	Outstanding as at 30 June 2015	Approximate % of issued share capital of the Company's H shares as at 30 June 2015	Note
WAN Min	Beneficial owner	Personal	HK$3.195 HK$3.588 HK$9.540	75,000 280,000 260,000	(75,000) (280,000) (260,000)	– – –	– – –	– –	– – –	0% 0% 0%	(1)(5) (2)(5) (3)(5)
WANG Haimin	Beneficial owner	Personal	HK$3.195 HK$3.588 HK$9.540	– – –	57,000 90,000 75,000	– – –	– – –	– – –	57,000 90,000 75,000	0.002% 0.003% 0.003%	(1)(5) (2)(5) (3)(5)
TANG Runjiang	Beneficial owner	Personal	HK$3.195 HK$3.588	75,000 65,000	– –	– –	– –	– –	75,000 65,000	0.003% 0.003%	(1) (2)
Other continuous contract employees (Under the Company's employment, excluding senior management)	Beneficial owner	Personal	HK$3.195 HK$3.588 HK$9.540	7,829,500 9,575,000 8,215,000	(57,000) (90,000) (75,000)	– – –	– – –	– – –	7,772,500 9,485,000 8,140,000	0.301% 0.368% 0.315%	(1) (2) (3)
Others (Not under the Company's employment, including ex-Directors)	Beneficial owner	Personal	HK$3.195 HK$3.588 HK$9.540	5,756,250 7,270,000 13,055,000	– – –	– – –	– – –	– – –	5,756,250 7,270,000 13,055,000	0.223% 0.282% 0.506%	(1) (2) (3)
				58,580,750	–	–	–	–	58,580,750		

Notes:

(1) The share appreciation rights were granted by the Company in units with each unit representing one H Share pursuant to the Share Appreciation Rights Plan. At each of the last day of the third, fourth, fifth and sixth anniversary of the date of grant (i.e. 16 December 2005), the total number of the share appreciation rights exercisable shall not exceed 25%, 50%, 75% and 100%, respectively, of each of the total share appreciation rights granted. The share appreciation rights are exercisable at HK$3.195 per unit according to its terms between 16 December 2007 and 15 December 2015.

(2) The share appreciation rights were granted by the Company in units with each unit representing one H Share pursuant to the Share Appreciation Rights Plan. At each of the last day of the third, fourth, fifth and sixth anniversary of the date of grant (i.e. 5 October 2006), the total number of the share appreciation rights exercisable shall not exceed 25%, 50%, 75% and 100%, respectively, of each of the total share appreciation rights granted. The share appreciation rights are exercisable at HK$3.588 per unit according to its terms between 5 October 2008 and 4 October 2016.

(3) The share appreciation rights were granted by the Company in units with each unit representing one H Share pursuant to the Share Appreciation Rights Plan. At each of the last day of the third, fourth, fifth and sixth anniversary of the date of grant (i.e. 4 June 2007), the total number of the share appreciation rights exercisable shall not exceed 25%, 50%, 75% and 100%, respectively, of each of the total share appreciation rights granted. The share appreciation rights are exercisable at HK$9.540 per unit according to its terms between 4 June 2009 and 3 June 2017.

(4) At the general meeting of the Company held on 20 May 2015, the election of WAN Min as the non-executive Director was considered and approved.

(5) On 26 March 2015, the Company held the ninth meeting of the fourth session of Board on which the senior management adjustment program of the Company was considered and approved, and Mr. Wan Min's resignation as deputy general manager of the Company and appointment of Mr.Wang Haimin and Mr. Qiu Jinguang as deputy general managers of the Company were approved.

SHARE OPTION SCHEME OF COSCO PACIFIC

At the special general meeting of COSCO Pacific held on 23 May 2003, its shareholders approved the adoption of a share option scheme (the "2003 Share Option Scheme").

Movements of the share options, which were granted under the 2003 Share Option Scheme, during the six months ended 30 June 2015 are set out below:

		Number of share option								
Category	Exercise price (HK$)	Outstanding as at 1 January 2015	Transterred (to)/ from other categories during the period	Granted during the period	Excerised during the period	Lapsed during the period	Outstanding as at 30 June 2015	Approximate percentage of total issued share captial of COSCO Pacific as at 30 June 2015	Exercisable period	Note
Others	19.30	13,240,000	–	–	–	(10,000)	13,230,000	0.45%	(Refer to Note 1)	(1) (2)
Total		13,240,000	–	–	–	(10,000)	13,230,000	0.45%		

Notes:

(1) The share options were granted during the period from 17 April 2007 to 19 April 2007 under the 2003 Share Option Scheme at an exercise price of HK$19.30. The options are exercisable at any time within ten years from the commencement date. The commencement date of the options of the grantees was from 17 April 2007 to 19 April 2007.

(2) This category comprises, inter alia, continuous contract employees of COSCO Pacific.

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests of the Directors and Supervisors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise 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:

(a) Long positions in the shares, underlying shares and debentures of the Company:

Name of Director	Capacity	Nature of interest	Number of H Shares	Approximate percentage of total issued H share capital of the Company
FAN HSU Lai Tai, Rita	Beneficial owner	Personal	10,000	0.0004%
Peter Guy BOWIE	Beneficial owner	Personal	15,000	0.0006%
WAN Min	Beneficial owner	Personal	2,000	0.00008%

Name of Director/Supervisor	Capacity	Nature of interest	Number of A Shares	Approximate percentage of total issued A share capital
LI Yunpeng	Beneficial owner	Family	3,000	0.00004%
WAN Min	Beneficial owner	Personal	35,000	0.00046%
		Family	12,000	0.00016%

(b) Long positions in shares, underlying shares and debentures of associated corporations of the Company:

Name of associated corporation	Name of Director	Capacity	Nature of interest	Number of ordinary Shares	Approximate percentage of total issued share capital
COSCO Corporation (Singapore) Limited	SUN Yueying	Beneficial owner	Personal	600,000	0.03%
COSCO Pacific	KWONG Che Keung, Gordon	Beneficial owner	Personal	250,000	0.009%

DIRECTORS' AND SUPERVISORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(c) Long positions in the underlying shares of equity derivatives of the Company:

Movements of the share appreciation rights which were granted pursuant to the Share Appreciation Rights Plan during the six-month period ended 30 June 2015 are set out in the paragraph headed "Share Appreciation Rights Plan" in this section above.

Save as disclosed above, as at 30 June 2015, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in any Shares or underlying shares or interests in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2015, so far as was known to the Directors, Shareholders having interests in the A Shares and H Shares which 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

		Number of shares/Percentage of total issued share capital of the Company					
Name	Capacity and nature of interest	Long position	(approx) %	Short position	(approx) %	Lending Pool	(approx) %
China Ocean Shipping (Group) Company (a state-owned enterprise in China and the controlling shareholder of the Company) ("COSCO")	Beneficial owner	A Shares: 5,313,082,844 H Shares: 81,179,500 Total: 5,394,262,344	52.80	-	-	-	-

Save as disclosed above, as at 30 June 2015, so far as was known to the Directors, there was no person (other than a Director, Supervisor or chief executive of the Company) who had any other interest or short positions in the Shares and underlying Shares 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 which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Since 10 July 2015, Cosco has increased its shareholdings in the Company by 5,000,000 A Shares in aggregate. After such increases in shareholdings COSCO holds 5,399,262,344 shares of the Company, representing approximately 52.85% of the total share capital of the Company. For more details about the increases in shareholdings of the Company by COSCO, please refer to the announcements of the Company dated 10 July 2015 and 17 July 2015, respectively.

DISCLOSURE UNDER RULE 13.22 OF CHAPTER 13 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED ("LISTING RULES")

In relation to the financial assistance granted by COSCO Pacific, a listed subsidiary of the Company, to certain affiliated companies, a proforma combined balance sheet of the affiliated companies as at 30 June 2015 required to be disclosed under Rule 13.22 of Chapter 13 of the Listing Rules is set out below:

	RMB'000
Non-current assets	4,872,820
Current assets	730,845
Current liabilities	(312,796)
Non-current liabilities	(2,647,770)
Net assets	2,643,099
Share Capital	427,848
Reserves	1,949,034
Non-controlling interests	266,217
Capital and reserves	2,643,099

As at 30 June 2015, the Group's share of net assets of these affiliated companies amounted to RMB1,818,765,000.

AUDIT COMMITTEE

The Company has an audit committee established in compliance with Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review the financial reporting process and the systems of internal controls of the Group (including the adequacy of resources, qualification and experience of staff with accounting and financial reporting function, effectiveness of internal audit, corporate governance and control, and their training programme and budget), the completeness and accuracy of its accounts and to liaise on behalf of the Directors with external auditors. The audit committee consists of two independent non-executive Directors, Mr. Kwong Che Keung, Gordon (chairman of the audit committee) and Mr. Yang, Liang Yee Philip, and one non-executive Director, Ms. Sun Yueying, who will meet regularly with management of the Company and the Company's external auditors, review external auditors' review and audit reports (as applicable) and the interim and annual financial statements, as the case may be, of the Group. It has reviewed the unaudited interim financial information for the six months ended 30 June 2015, and recommended its adoption by the Board.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance of the Group. The Board considers that effective corporate governance is essential and makes important contribution to the success of the Company and the enhancement of Shareholder value.

The Company adopted the Company's corporate governance code (the "**Code**") which incorporates all the code provisions in the Corporate Governance Code under Appendix 14 to the Listing Rules and a majority of the recommended best practices therein.

Having made all reasonable enquiries, none of the Directors is aware of any information that would reasonably indicate that the Company did not meet the applicable code provisions in the Corporate Governance Code or the Code for any part of the period for the six months ended 30 June 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code under Appendix 10 to the Listing Rules as its own code of conduct ("**Code of Conduct**") regarding securities transactions of the Directors and Supervisors effective on 9 June 2005. Having made specific enquiry of all Directors and Supervisors, they have confirmed that they complied with the required standard set out in the Model Code and the Code of Conduct for the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company had not redeemed any of its listed Shares during the six months ended 30 June 2015. Neither the Company nor any of its subsidiaries had purchased or sold any of its listed Shares during the six months ended 30 June 2015.

INTERIM DIVIDEND

The Board did not recommend distribution of an interim dividend for the six months ended 30 June 2015.

INVESTOR RELATIONS

The Company highly values investor relations at all times and considers the maintenance of investor relations as an on-going strategic work.

In the first half of the year, the Group had extensive communication with the capital market by organizing domestic and overseas road shows, reverse road shows, results press release, domestic and overseas investor meetings, corporate visits and telephone conferences. The Group had also organized 5 road shows in which a total of 494 investors participated and held 66 personal or group meetings. The Company promptly sent emails to investors who it has made contact with containing announcements, circulars published by the Company, information about the shipping market and summary of analysts' reports, etc, which were mostly welcomed by investors.

We continue to release the announcements of the Company, regular reports, updates of the Company, highlights of results, recordings of analysts' meetings, etc. and contacts of analysts on the website of the Company and updated such information in a timely manner. We also try our best to facilitate domestic and overseas media to conduct interviews and obtain public information subject to laws and regulations.

While actively communicating with external parties, the Company also places great importance on opinions from the capital markets. The investment department actively collects relevant opinions and advice and reports to the senior management in a timely manner, which are important references to the decision making process of the Company.

During the process of the above work, senior management and the relevant staff are all in strict compliance with domestic and overseas regulatory requirements, and actively and proactively commence their tasks subject to laws and regulations.

The investor relations page on the website of the Company (www.chinacosco.com) addresses investor enquiries.

CORPORATE CULTURE

The Company views a positive corporate culture as an important foundation for the continuous development of an enterprise. While actively expanding its business, the Group emphasizes on building its corporate culture, creating a corporate value of "maximizing operational efficiency and company value together with maximizing return for shareholders" among its employees and is committed to building a listed flagship and integrated platform for COSCO and its subsidiaries ("COSCO Group", excluding our Group). Having due regard to its employees, shareholders, customers, other stakeholders and the community as a whole, the Group cultivates corporate culture with "practice and cooperation" as its core and realizes the healthy and sustainable development of the Company.

Unaudited Condensed Consolidated Interim Balance Sheet

As at 30 June 2015

	Note	**As at 30 June 2015** *RMB'000*	As at 31 December 2014 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**81,273,404**	80,097,345
Investment properties	6	**481,552**	476,432
Leasehold land and land use rights	6	**1,996,831**	1,934,852
Intangible assets	6	**97,856**	107,078
Joint ventures		**5,943,577**	6,051,578
Associates		**6,152,765**	6,096,396
Loans to joint ventures and an associate		**619,378**	636,219
Available-for-sale financial assets		**1,618,380**	1,640,570
Deferred income tax assets		**108,539**	109,129
Restricted bank deposits		**4,400**	1,482
Other non-current assets		**707,917**	917,629
Total non-current assets		**99,004,599**	98,068,710
Current assets			
Inventories		**1,710,795**	1,926,723
Trade and other receivables	7	**8,904,877**	7,722,068
Derivative financial assets		**11,757**	—
Available-for-sale financial assets		**700,000**	500,000
Restricted bank deposits		**862,628**	865,429
Cash and bank balances		**43,941,066**	39,705,524
Total current assets		**56,131,123**	50,719,744
Total assets		**155,135,722**	148,788,454

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Balance Sheet

As at 30 June 2015

	Note	**As at 30 June 2015** ***RMB'000***	As at 31 December 2014 *RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	8(a)	**10,216,274**	10,216,274
Reserves		**15,950,012**	14,162,888
		26,166,286	24,379,162
Non-controlling interests		**19,197,836**	18,578,796
Total equity		**45,364,122**	42,957,958
LIABILITIES			
Non-current liabilities			
Long-term borrowings	9	**70,257,251**	68,056,685
Provisions and other liabilities	10	**1,234,707**	1,271,566
Deferred income tax liabilities		**552,511**	527,062
Total non-current liabilities		**72,044,469**	69,855,313
Current liabilities			
Trade and other payables	11	**16,844,419**	15,377,316
Short-term borrowings	12	**1,222,974**	3,127,600
Current portion of long-term borrowings	9	**18,184,433**	15,758,769
Current portion of provisions and other liabilities	10	**290,773**	493,489
Tax payable		**1,184,532**	1,218,009
Total current liabilities		**37,727,131**	35,975,183
Total liabilities		**109,771,600**	105,830,496
Total equity and liabilities		**155,135,722**	148,788,454
Net current assets		**18,403,992**	14,744,561
Total assets less current liabilities		**117,408,591**	112,813,271

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015 RMB'000	2014 RMB'000
Revenues	5	**29,927,658**	32,492,273
Cost of services and inventories sold		**(28,927,716)**	(30,915,704)
Gross profit		**999,942**	1,576,569
Other income/(expense) and subsidy, net		**3,708,286**	(403,287)
Selling, administrative and general expenses		**(1,844,755)**	(2,003,885)
Operating profit/(loss)	13	**2,863,473**	(830,603)
Finance income		**428,915**	539,861
Finance costs		**(1,357,171)**	(1,520,185)
Net related exchange gain/(loss)		**145,903**	(273,350)
Net finance costs	14	**(782,353)**	(1,253,674)
Share of profits less losses of			
– joint ventures		**380,365**	318,633
– associates		**345,322**	384,706
Profit/(loss) before income tax		**2,806,807**	(1,380,938)
Income tax expenses	15	**(252,096)**	(292,792)
Profit/(loss) for the period		**2,554,711**	(1,673,730)
Profit/(loss) attributable to:			
– Equity holders of the Company		**1,896,668**	(2,276,732)
– Non-controlling interests		**658,043**	603,002
		2,554,711	(1,673,730)
		RMB	*RMB*
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company	16		
– basic		**0.1857**	(0.2229)
– diluted		**0.1857**	(0.2229)

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit/(loss) for the period	**2,554,711**	(1,673,730)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Fair value losses on available-for-sale financial assets, net of tax	**(21,516)**	(41,554)
Share of other comprehensive income/(loss) of joint ventures and associates	**4,630**	(13,871)
Currency translation differences	**(165,441)**	336,388
Item that may not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	**(80)**	—
Total other comprehensive (loss)/income	**(182,407)**	280,963
Total comprehensive income/(loss) for the period	**2,372,304**	(1,392,767)
Total comprehensive income/(loss) for the period attributable to:		
– Equity holders of the Company	**1,789,633**	(2,077,324)
– Non-controlling interests	**582,671**	684,557
Total comprehensive income/(loss) for the period	**2,372,304**	(1,392,767)

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2015

	Equity holders of the Company *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at 1 January 2015	**24,379,162**	**18,578,796**	**42,957,958**
Comprehensive income			
Profit for the period	**1,896,668**	**658,043**	**2,554,711**
Other comprehensive (loss)/income:			
Fair value losses on available-for-sale financial assets, net of tax	**(11,321)**	**(10,195)**	**(21,516)**
Share of other comprehensive income of joint ventures and associates	**2,062**	**2,568**	**4,630**
Currency translation differences	**(97,696)**	**(67,745)**	**(165,441)**
Post-employment benefit obligations	**(80)**	—	**(80)**
Total other comprehensive loss	**(107,035)**	**(75,372)**	**(182,407)**
Total comprehensive income for the period ended 30 June 2015	**1,789,633**	**582,671**	**2,372,304**
Transactions with owners:			
Establishment of a non-wholly owned subsidiary	—	**286,264**	**286,264**
Dividends paid to non-controlling interests of subsidiaries	—	**(249,452)**	**(249,452)**
Others	**(2,509)**	**(443)**	**(2,952)**
Total transactions with owners	**(2,509)**	**36,369**	**33,860**
As at 30 June 2015	**26,166,286**	**19,197,836**	**45,364,122**

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2015

	Equity holders of the Company *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at 1 January 2014	24,222,585	17,891,222	42,113,807
Comprehensive (loss)/income			
(Loss)/profit for the period	(2,276,732)	603,002	(1,673,730)
Other comprehensive (loss)/income:			
Fair value losses on available-for-sale financial assets, net of tax	(34,671)	(6,883)	(41,554)
Share of other comprehensive loss of joint ventures and associates	(6,092)	(7,779)	(13,871)
Currency translation differences	240,171	96,217	336,388
Total other comprehensive income	199,408	81,555	280,963
Total comprehensive (loss)/income for the period ended 30 June 2014	(2,077,324)	684,557	(1,392,767)
Transactions with owners:			
Contributions from non-controlling interests of subsidiaries	—	25,500	25,500
Dividends paid to non-controlling interests of subsidiaries	—	(213,182)	(213,182)
Total transactions with owners	—	(187,682)	(187,682)
As at 30 June 2014	22,145,261	18,388,097	40,533,358

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Cash Flow Statement

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Net cash generated from operating activities	**5,886,901**	1,403,679
Net cash used in investing activities	**(3,490,223)**	(558,544)
Net cash generated from/(used in) financing activities	**1,945,234**	(11,417,975)
Net increase/(decrease) in cash and cash equivalents	**4,341,912**	(10,572,840)
Cash and cash equivalents as at 1 January	**39,705,524**	48,206,390
Effect of exchange rate changes	**(106,370)**	208,822
Cash and cash equivalents as at 30 June	**43,941,066**	37,842,372

The notes on pages 37 to 70 form an integral part of this unaudited condensed consolidated interim financial information.

1 GENERAL INFORMATION

China COSCO Holdings Company Limited (the "Company") was incorporated in the People's Republic of China (the "PRC") on 3 March 2005 as a joint stock company with limited liability under the Company Law of the PRC. The address of its registered office is 2nd Floor, 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Port Free Trade Zone, Tianjin, the PRC. The H-Shares and A-Shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively.

The businesses of the Company and its subsidiaries (the "Group") include the provisions of a range of container shipping, dry bulk shipping, managing and operating container terminals and container leasing services all over the world.

The directors of the Company (the "Directors") regard China Ocean Shipping (Group) Company ("COSCO"), a state-owned enterprise established in the PRC, as being the Company's parent company. COSCO and its subsidiaries (other than the Group) are collectively referred to as "COSCO Group".

The unaudited interim financial information is presented in Renminbi ("RMB'') and all values are rounded to the nearest thousand except when otherwise indicated. This unaudited interim financial information for the six months ended 30 June 2015 (the "Interim Financial Information") was approved by the Board of Directors for issue on 27 August 2015.

This Interim Financial Information has been reviewed, and not audited.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

This Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over the level of demand for the Group's services and the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

The Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2014 (the "2014 Annual Financial Statements") which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Except as described below, the significant accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with the 2014 Annual Financial Statements.

(a) Amendments and interpretation to standards adopted by the Group

The amendments and interpretation to standards which are mandatory for the financial year beginning on 1 January 2015 are as follows:

HKAS 19 (Amendment)	"Employee Benefits: Defined Benefit Plans"
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

The adoption of above amendments and interpretation to standards in the current period did not have any significant effect on the Interim Financial Information or result in any significant changes in the Group's significant accounting policies.

(b) New and amended standards not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group

The HKICPA has issued certain new and amended standards, which are not yet effective for the year beginning on 1 January 2015.

The Group has not early adopted these new and amended standards, in the Interim Financial Information, but has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

All aspects of the Group's financial risk management objectives and practices are consistent with those disclosed in the 2014 Annual Financial Statements.

The Directors of the Company believe that based on the Group's available unused banking facilities of approximately RMB33,970,244,000 and its cash and bank balances of RMB43,941,066,000 the Group has sufficient financial resources to satisfy its working capital requirements and payments of liabilities and its forthcoming future capital commitments as and when they fall due in the foreseeable future.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

– Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);

– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value.

As at 30 June 2015	**Level 1** *RMB'000*	**Level 2** *RMB'000*	**Level 3** *RMB'000*	**Total** *RMB'000*
Assets				
Available-for-sale financial assets	**442,546**	—	**1,875,834**	**2,318,380**
As at 31 December 2014				
Assets				
Available-for-sale financial assets	446,210	—	1,694,360	2,140,570

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regular occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as available-for-sale financial assets.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Fair value estimation (Continued)

Specific valuation techniques used to value financial instruments include:

– Quoted market prices or dealer quotes for similar instruments.

– Other techniques, such as discounted cash flow analysis are used to determine fair value for the remaining financial instruments.

Movements of available-for-sale financial assets classified as level 3 recognised in the Interim Financial Information are as follows:

	Six months ended 30 June 2015 *RMB'000*	Six months ended 30 June 2014 *RMB'000*
As at 1 January	**1,694,360**	5,415,948
Additions	**200,000**	5,699,000
Disposals	**—**	(9,200,000)
Net fair value loss recognised in equity	**(18,379)**	(32,000)
Currency translation differences	**(147)**	1,479
	1,875,834	1,884,427

As at 30 June 2015, description of the valuation techniques and the inputs used in the fair value measurement in level 3 include:

– The fair value of financial investments in wealth management products are determined by using discounted cash flow method.

– The fair value of investments in unlisted property management companies and a hotel are determined using valuation techniques (including asset-based approach and market comparable approach). The inputs are mainly prices per square metre.

– The fair value of other unlisted available-for-sale financial assets is determined by reference to valuation report or the valuation performed by management using valuation techniques (including price/earnings multiple method and direct market quote). The inputs are mainly price/earnings multiples. Discount rates ranging from 20% to 30% are applied to compute the fair value on top of market price/earnings multiples.

Financial assets and liabilities approximate their carrying amounts including: trade and other receivables, cash and bank balances, restricted bank deposits, finance lease receivables, trade and other payables, other long term liabilities and borrowings.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the 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 expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were basically the same as those that applied to the consolidated financial statements for the year ended 31 December 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

5 REVENUES AND SEGMENT INFORMATION

Revenues include gross revenues from operations of container shipping, dry bulk shipping, container terminal operations and container leasing, net of discounts allowed, where applicable. Revenues recognised during the period are as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Revenues		
Container shipping	**23,265,578**	23,609,609
Dry bulk shipping	**3,851,884**	5,903,126
Container terminal operations	**1,394,312**	1,457,212
Container leasing	**437,179**	607,345
	28,948,953	31,577,292
Crew service income	**174,592**	123,960
Others	**804,113**	791,021
Total revenues	**29,927,658**	32,492,273

5 REVENUES AND SEGMENT INFORMATION (Continued)

Operating segments

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

– Container shipping and related business

– Dry bulk shipping and related business

– Container terminal operations and related business

– Container leasing, management, sale and related business

– Corporate and other operations that primarily comprise investment holding, management services and financing.

Segment assets are those operating assets that are employed by a segment in its operating activities. They exclude joint ventures, associates, loans to joint ventures and associates, available-for-sale financial assets not related to the segment and unallocated assets. Segment liabilities are these operating liabilities that result from the operating activities of a segment.

Unallocated assets consist of deferred income tax assets. Unallocated liabilities consist of current and deferred income tax liabilities.

Addition to non-current assets comprises additions to property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, investments in joint ventures and an associate and other non-current assets (excluding finance lease receivables).

5 REVENUES AND SEGMENT INFORMATION (Continued)

Operating segments (Continued)

	Six months ended 30 June 2015						
	Container shipping and related business[#] *RMB'000*	Dry bulk shipping and related business[#] *RMB'000*	Container terminal operations and related business *RMB'000*	Container leasing, management, sale and related business *RMB'000*	Corporate and other operations *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Income statement							
Total revenues	23,641,299	4,463,784	1,502,665	978,323	—	(658,413)	29,927,658
Inter-segment revenues	(2,998)	(5,918)	(108,353)	(541,144)	—	658,413	—
Revenues (from external customers)	23,638,301	4,457,866	1,394,312	437,179	—	—	29,927,658
Segment profit/(loss) [##]	1,627,527	688,491	494,046	373,845	(320,436)	—	2,863,473
Finance income							428,915
Finance costs							(1,357,171)
Net related exchange gain							145,903
Share of profits less losses of							
– joint ventures	11,958	15,839	352,568	—	—	—	380,365
– associates	5,796	8,805	209,271	—	121,450	—	345,322
Profit before income tax							2,806,807
Income tax expenses							(252,096)
Profit for the period							2,554,711
Loss/(gain) on disposals/demolition of property, plant and equipment[###]	232,409	94,163	(3,552)	—	—	—	323,020
Depreciation and amortisation	723,645	675,945	258,982	379,494	5,403	—	2,043,469
Provision/(reversal of provision) for impairment of trade and other receivables, net	175	9,995	(12,665)	—	—	—	(2,495)
Reversal of provision for litigation	—	(20,577)	—	—	—	—	(20,577)
Amortised amount of transaction costs on long-term borrowings	14,888	1,942	—	8,536	6,000	—	31,366
Additions to non-current assets	50,872	2,834,834	218,950	1,166,286	7,151	—	4,278,093

(#) Revenues for container shipping and related business and dry bulk shipping and related business including respective crew service income and other income.

(##) Segment profit included government subsidy for demolition of vessels.

(###) It comprised the demolition of 28 aged vessels of the Group during the period, resulting in a net loss on disposal amounting to approximately RMB325,612,000 to restructure the shipping fleet of the Group.

5 REVENUES AND SEGMENT INFORMATION (Continued)

Operating segments (Continued)

	Six months ended 30 June 2014						
	Container shipping and related business[#] *RMB'000*	Dry bulk shipping and related business[#] *RMB'000*	Container terminal operations and related business *RMB'000*	Container leasing, management, sale and related business *RMB'000*	Corporate and other operations *RMB'000*	Inter-segment elimination *RMB'000*	Total *RMB'000*
Income statement							
Total revenues	24,010,095	6,425,832	1,584,483	1,129,771	—	(657,908)	32,492,273
Inter-segment revenues	(4,276)	(3,935)	(127,271)	(522,426)	—	657,908	—
Revenues (from external customers)	24,005,819	6,421,897	1,457,212	607,345	—	—	32,492,273
Segment (loss)/profit	(868,632)	(710,228)	477,547	398,787	(128,077)	—	(830,603)
Finance income							539,861
Finance costs							(1,520,185)
Net related exchange loss							(273,350)
Share of profits less losses of							
– joint ventures	(13,989)	20,077	312,545	—	—	—	318,633
– associates	5,318	(100)	189,068	—	190,420	—	384,706
Loss before income tax							(1,380,938)
Income tax expenses							(292,792)
Loss for the period							(1,673,730)
Loss/(gain) on disposals/ demolition of property, plant and equipment[##]	863,349	23,821	(3,792)	—	—	—	883,378
Depreciation and amortisation	724,995	662,018	252,950	393,632	6,200	—	2,039,795
Provision/(reversal of provision) for impairment of trade and other receivables, net	12,655	(18,910)	—	(2,141)	—	—	(8,396)
Reversal of provision for litigation	—	(155,200)	—	—	—	—	(155,200)
Amortised amount of transaction costs on long-term borrowings	12,607	1,073	—	8,273	17,473	—	39,426
Additions to non-current assets	1,201,952	1,495,340	1,561,696	1,324,588	859	—	5,584,435

(#) Revenues for container shipping and related business and dry bulk shipping and related business including respective crew service income and other income.

(##) It comprised the demolition of 31 aged vessels of the Group during the period, resulting in a net loss on disposal amounting to approximately RMB909,139,000 to restructure the shipping fleet of the Group.

5 REVENUES AND SEGMENT INFORMATION (Continued)

Operating segments (Continued)

As at 30 June 2015

	Container shipping and related business RMB'000	Dry bulk shipping and related business RMB'000	Container terminal and related business RMB'000	Container leasing, management, sale and related business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Balance sheet							
Segment assets	56,663,027	41,261,109	17,319,620	13,448,098	29,889,577	(18,588,348)	139,993,083
Joint ventures	290,477	623,950	5,029,150	—	—	—	5,943,577
Associates	38,459	99,576	5,213,437	—	801,293	—	6,152,765
Loans to joint ventures and an associate	—	—	619,378	—	—	—	619,378
Available-for-sale financial assets	590,356	832,389	195,635	—	700,000	—	2,318,380
Unallocated assets							108,539
Total assets							155,135,722
Segment liabilities	50,136,108	35,824,587	10,471,067	6,343,186	23,847,957	(18,588,348)	108,034,557
Unallocated liabilities							1,737,043
Total liabilities							109,771,600

As at 31 December 2014

	Container shipping and related business RMB'000	Dry bulk shipping and related business RMB'000	Container terminal and related business RMB'000	Container leasing, management, sale and related business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Balance sheet							
Segment assets	55,296,737	35,191,351	17,385,341	13,487,977	25,934,705	(13,541,549)	133,754,562
Joint ventures	293,824	612,342	5,145,412	—	—	—	6,051,578
Associates	43,585	90,791	5,055,499	—	906,521	—	6,096,396
Loans to joint ventures and an associate	—	—	636,219	—	—	—	636,219
Available-for-sale financial assets	600,687	825,718	214,165	—	500,000	—	2,140,570
Unallocated assets							109,129
Total assets							148,788,454
Segment liabilities	49,751,676	30,426,846	10,999,482	6,693,697	19,755,273	(13,541,549)	104,085,425
Unallocated liabilities							1,745,071
Total liabilities							105,830,496

5 REVENUES AND SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenues

The Group's businesses are managed on a worldwide basis. The revenues generated from the world's major trade lanes for container shipping business mainly include Trans-Pacific, Asia-Europe, Intra-Asia, PRC coastal, Trans-Atlantic and others which are reported as follows:

Geographical	Trade lanes
America	Trans-Pacific
Europe	Asia-Europe (including Mediterranean)
Asia Pacific	Intra-Asia (including Australia)
China domestic	PRC coastal
Other international market	Trans-Atlantic and others

The revenues generated from provision of dry bulk shipping business services are classified into international shipping and PRC coastal shipping only.

For the geographical information, freight revenues from container shipping and dry bulk shipping are analysed based on the outbound cargoes or goods transport to each geographical territory.

In respect of container terminals operations, corporate and other operations, revenues are based on the geographical locations in which the business operations are located.

In respect of container leasing, the movements of containers under operating leases or finance leases are known through reports from the lessees but the Group is not able to control the movements of containers except to the degree that the movements are restricted by the terms of the leases or where safety of the containers is concerned. It is therefore impracticable to present financial information by geographical area and thus the revenues of which are presented as unallocated revenues.

5 REVENUES AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Revenues		
Container shipping and related business		
– America	**8,352,224**	6,915,302
– Europe	**5,249,834**	5,644,078
– Asia Pacific	**4,022,474**	3,840,716
– China domestic	**4,500,439**	6,336,924
– Other international market	**1,513,330**	1,268,799
Dry bulk shipping and related business		
– International shipping	**3,641,644**	5,668,534
– PRC coastal shipping	**816,222**	753,363
Container terminal and related business, corporate and other operations		
– Europe	**448,370**	521,385
– China domestic	**945,942**	935,827
Unallocated	**437,179**	607,345
Total	**29,927,658**	32,492,273

5 REVENUES AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current assets

The Group's non-current assets, other than financial instruments and deferred income tax assets ("Geographical Non-Current Assets"), consist of its property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, joint ventures and associates and other non-current assets (excluding finance lease receivables).

The container vessels, dry bulk vessels and containers (included in property, plant and equipment) are primarily utilised across geographical markets for shipment of cargoes throughout the world. Accordingly, it is impractical to present the locations of the container vessels, dry bulk vessels and containers by geographical areas and thus the container vessels, dry bulk vessels, containers and vessels under construction are presented as unallocated non-current assets.

In respect of the remaining Geographical Non-Current Assets, they are presented based on the geographical locations in which the business operations/assets are located.

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
China domestic	**26,606,643**	26,992,510
Non-China domestic	**5,322,670**	5,461,323
Unallocated	**64,515,756**	63,010,765
Total	**96,445,069**	95,464,598

6 TANGIBLE AND INTANGIBLE ASSETS

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
Property, plant and equipment(#)	**81,273,404**	80,097,345
Investment properties	**481,552**	476,432
Leasehold land and land use rights	**1,996,831**	1,934,852
Intangible assets	**97,856**	107,078
Total tangible and intangible assets	**83,849,643**	82,615,707

(#) Property, plant and equipment included container vessels, dry bulk vessels, containers, leasehold land and buildings, trucks, chassis and motor vehicles, computer and office equipment, assets under construction.

Movement of the tangible and intangible assets during the period is set out below:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Opening net book value as at 1 January	**82,615,707**	83,906,652
Currency translation differences	**(202,973)**	477,245
Additions	**4,195,890**	4,293,150
Disposals/write-off/demolition	**(711,100)**	(1,792,506)
Depreciation/amortisation	**(2,041,544)**	(2,033,788)
Transfer to inventories	**(6,337)**	(110,316)
Closing net book value as at 30 June	**83,849,643**	84,740,437

7 TRADE AND OTHER RECEIVABLES

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Trade receivables (notes a and b)		
– third parties	**4,100,697**	3,384,336
– fellow subsidiaries	**117,251**	98,982
– joint ventures	**52,309**	46,251
– associates	**3,387**	754
– other related companies	**60,536**	63,071
	4,334,180	3,593,394
Bills receivable (note b)	**132,147**	165,741
	4,466,327	3,759,135
Prepayments, deposits and other receivables		
– third parties	**2,991,829**	2,912,923
– fellow subsidiaries (note c)	**330,533**	690,110
– joint ventures (note c)	**672,416**	152,521
– associates (note c)	**196,802**	17,058
– other related companies (note c)	**212,921**	156,846
	4,404,501	3,929,458
Current portion of finance lease receivables	**34,049**	33,475
Total	**8,904,877**	7,722,068

7 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

(a) Trading balances with related parties are unsecured, and have similar credit periods as third party customers.

(b) The normal credit period granted to trade receivables of the Group is generally within 90 days. Trade receivables primarily consist of voyage-related receivables. As at 30 June 2015, the ageing analysis of trade and bills receivables was as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
1-3 months	**4,231,208**	3,514,997
4-6 months	**119,085**	144,907
7-12 months	**94,424**	117,543
Over 1 year	**201,302**	155,342
Trade and bills receivables, gross	**4,646,019**	3,932,789
Provision for impairment	**(179,692)**	(173,654)
	4,466,327	3,759,135

(c) Other receivables due from related parties are unsecured, interest free and have no fixed terms of repayment.

8 SHARE CAPITAL AND EQUITY LINKED BENEFITS

(a) Share capital

	As at 30 June 2015		As at 31 December 2014	
	Number of shares *(thousands)*	**Nominal value** *RMB'000*	Number of shares *(thousands)*	Nominal value *RMB'000*
Registered, issued and fully paid:				
H-Shares of RMB1.00 each	**2,580,600**	**2,580,600**	2,580,600	2,580,600
A-Shares of RMB1.00 each	**7,635,674**	**7,635,674**	7,635,674	7,635,674
	10,216,274	**10,216,274**	10,216,274	10,216,274

8 SHARE CAPITAL AND EQUITY LINKED BENEFITS (Continued)

(b) Share appreciation rights

The Group has adopted a cash-settled, share-based payment scheme (the "Plan") which was approved on 9 June 2005. The Plan provides for the grant of share appreciation rights ("SARs") based on the share price of the H-share of the Company to eligible participants as approved by the Company's Board of Directors (collectively the "Grantees"). The Plan will remain in force unless otherwise cancelled or amended.

Movements in the number of SARs granted by the Company during the period are set out below:

	Six months ended 30 June 2015 Number of units of SARs				
Exercise price	**Outstanding as at 1 January 2015**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**Outstanding as at 30 June 2015**
HK$3.195	**15,210,750**	—	—	—	**15,210,750**
HK$3.588	**19,070,000**	—	—	—	**19,070,000**
HK$9.540	**24,300,000**	—	—	—	**24,300,000**
Total	**58,580,750**	—	—	—	**58,580,750**

	Six months ended 30 June 2014 Number of units of SARs				
Exercise price	Outstanding as at 1 January 2014	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2014
HK$3.195	15,210,750	—	—	—	15,210,750
HK$3.588	19,070,000	—	—	—	19,070,000
HK$9.540	24,300,000	—	—	—	24,300,000
Total	58,580,750	—	—	—	58,580,750

8 SHARE CAPITAL AND EQUITY LINKED BENEFITS (Continued)

(c) Share options of a subsidiary

The Group's subsidiary, COSCO Pacific, operates share option schemes whereby options are granted to eligible employees and directors or any participants of the Group, to subscribe for its shares.

Movements of the share options granted by COSCO Pacific during the period are set out below:

	Six months ended 30 June 2015 Number of share options				
Exercise price	**Outstanding as at 1 January 2015**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**Outstanding as at 30 June 2015**
HK$19.30	**13,240,000**	—	—	**(10,000)**	**13,230,000**

	Six months ended 30 June 2014 Number of share options				
Exercise price	Outstanding as at 1 January 2014	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2014
HK$13.75	13,456,000	—	—	(120,000)	13,336,000
HK$19.30	13,390,000	—	—	(80,000)	13,310,000
Total	26,846,000	—	—	(200,000)	26,646,000

9 LONG-TERM BORROWINGS

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Bank loans		
– secured (note b)	**20,380,060**	21,475,272
– unsecured	**49,150,633**	44,579,185
Loans from COSCO Finance Co., Ltd ("COSCO Finance"), a fellow subsidiary		
– unsecured	**145,678**	134,474
Other loans		
– unsecured	**20**	20
Notes (note c)	**16,733,248**	16,720,554
Loans from non-controlling shareholders of subsidiaries (note d)	**2,032,045**	905,949
Total long-term borrowings	**88,441,684**	83,815,454
Current portion of long-term borrowings	**(18,184,433)**	(15,758,769)
	70,257,251	68,056,685

Notes:

(a) Movements in long-term borrowings for the period is analysed as follows:

	RMB'000
Six months ended 30 June 2015	
As at 1 January 2015	**83,815,454**
Repayments of borrowings	**(12,070,747)**
Drawdown of borrowings	**16,856,337**
Currency translation differences	**(195,953)**
Amortised amount of transaction costs on long-term borrowings	**31,366**
Amortised amount of discount on issue of notes	**5,227**
As at 30 June 2015	**88,441,684**
Six months ended 30 June 2014	
As at 1 January 2014	93,629,807
Repayments of borrowings	(19,013,098)
Drawdown of borrowings	11,709,434
Currency translation differences	662,451
Amortised amount of transaction costs on long-term borrowings	39,426
Amortised amount of discount on issue of notes	5,127
As at 30 June 2014	87,033,147

9 LONG-TERM BORROWINGS (Continued)

(b) The secured bank loans as at 30 June 2015 are secured, inter alia, by one or more of the following:

(i) First legal mortgages over certain property, plant and equipment with aggregate net book value of RMB34,057,023,000 (31 December 2014: RMB34,776,361,000);

(ii) Two vessels with aggregative net book value of RMB572,905,000 (31 December 2014: RMB587,386,000) under finance lease arrangement;

(iii) Assignment of the charter, rental income and earnings, requisition compensation, insurance relating to certain container vessels;

(iv) Shares of certain subsidiaries; and

(v) Restricted bank deposits amounting to approximately RMB289,107,000 (31 December 2014: RMB257,820,000).

(c) Notes issued by the Company and its subsidiaries

(i) Notes issued by the Company

Notes with principal amount of RMB5,000,000,000 and RMB4,000,000,000, which bear interest at a fixed rate of 4.35% and 5.45% per annum, were issued by the Company to investors on 3 September 2010 and 29 November 2011 respectively at a price equal to the principal amount. The interest is payable annually in arrears and these notes will mature at their principal amount on 6 September 2020 and 30 November 2018 respectively.

(ii) Notes issued by subsidiaries

On 3 December 2012, COSCO Finance (2011) Limited, a subsidiary of the Company, issued bonds with an aggregate principal amount of US$1,000,000,000 (equivalent to approximately RMB6,113,600,000). The bonds carry a fixed interest yield of 4.00% per annum and were issued at a price of 98.766% of their principal amount. The bonds bear interest from 3 December 2012, payable semi-annually in arrears. The bonds are guaranteed by an irrevocable standby letter of credit issued by Bank of China Limited, Beijing Branch. The bonds have been listed on The Stock Exchange of Hong Kong Limited. Unless previously redeemed or repurchased by COSCO Finance (2011) Limited, the bonds will mature on 3 December 2022 at their principal amount. The bonds are subject to redemption in whole, at the option of COSCO Finance (2011) Limited at any time in the event of certain changes affecting the taxes of certain jurisdictions at their principal amount together with accrued interest, or at any time after 3 December 2017 at a redemption price.

10-year notes with principal amount of US$300,000,000 (equivalent to approximately RMB1,834,080,000) were issued by a subsidiary of the Company to investors on 31 January 2013. The notes carried a fixed interest yield of 4.46% per annum and were issued at a price of 99.320 per cent of their principal amount with a fixed coupon rate of 4.375% per annum, resulting in a discount on issue of US$2,040,000 (equivalent to approximately RMB12,471,744). The notes bear interest from 31 January 2013, payable semi-annually in arrear on 31 January and 31 July of each year, commencing on 31 July 2013. The notes are guaranteed unconditionally and irrevocably by the Company and listed on the Stock Exchange. Unless previously redeemed or repurchased by the Company, the notes will mature on 31 January 2023 at their principal amount. The notes are subject to redemption in whole, at their principal amount, together with accrued interest, at the option of the Company at any time in the event of certain changes affecting the taxes of certain jurisdictions.

(d) As at 30 June 2015, balance of non-controlling shareholder's loan of US$184,240,000 (equivalent to approximately RMB1,126,370,000) (2014: nil) was unsecured, bore interest at 4% per annum and wholly repayable in or before May 2018. Other loans from non-controlling shareholders of subsidiaries are unsecured, interest free and not due for repayment in the next 12 months.

10 PROVISIONS AND OTHER LIABILITIES

	Retirement benefit obligations RMB'000	Provision for onerous contracts RMB'000 (note)	Provision for one-off housing subsidy RMB'000	Deferred income and others RMB'000	Total RMB'000
Six months ended 30 June 2015					
As at 1 January 2015	**1,067,986**	**385,927**	**78,468**	**232,674**	**1,765,055**
Decrease during the period	**(106,671)**	**(312,275)**	**(801)**	**(28,531)**	**(448,278)**
Provisions for the period	**59,912**	**120,516**	**1,186**	**27,202**	**208,816**
Currency translation differences	**(12)**	**94**	—	**(195)**	**(113)**
As at 30 June 2015	**1,021,215**	**194,262**	**78,853**	**231,150**	**1,525,480**
Less: current portion of provisions and other liabilities	**(64,432)**	**(194,262)**	—	**(32,079)**	**(290,773)**
Non-current portion of provisions and other liabilities	**956,783**	—	**78,853**	**199,071**	**1,234,707**
Six months ended 30 June 2014					
As at 1 January 2014	1,035,733	596,301	81,160	173,405	1,886,599
Decrease during the period	(87,982)	(454,363)	(3,289)	(30,561)	(576,195)
Provisions for the period	45,401	221,109	2,265	40,767	309,542
Currency translation differences	180	4,199	—	4,668	9,047
As at 30 June 2014	993,332	367,246	80,136	188,279	1,628,993
Less: current portion of provisions and other liabilities	(157,147)	(367,246)	—	(10,746)	(535,139)
Non-current portion of provisions and other liabilities	836,185	—	80,136	177,533	1,093,854

Note:

Balance represents the provision for the non-cancellable chartered-in dry bulk vessel contracts. Those contracts under assessment for onerous provision relate to leases (i) with lease term expiring within 12 months from the balance sheet date; and (ii) with lease term expiring over 12 months from the balance sheet date in respect of the period being covered by the chartered-out dry bulk vessel contracts.

As at 30 June 2015, the committed charterhire expenses of those non-cancellable chartered-in dry bulk vessel contracts with lease term expiring over 12 months from the balance sheet date of which management cannot reliably assess their onerous provision amounted to approximately RMB7,116,901,000 (31 December 2014: RMB7,951,441,000).

11 TRADE AND OTHER PAYABLES

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Trade payables (note a)		
– third parties	**3,543,220**	3,471,235
– fellow subsidiaries	**823,695**	871,024
– joint ventures	**118,219**	96,830
– associates	**15**	5,937
– other related companies	**448,981**	384,839
	4,934,130	4,829,865
Bills payables (note a)	**62,446**	71,420
	4,996,576	4,901,285
Advance from customers	**416,158**	492,500
Other payables and accruals	**10,457,039**	8,992,782
Due to related companies (note b)		
– COSCO		
– fellow subsidiaries	**232,885**	252,949
– joint ventures	**214,898**	238,054
– associates	**48,691**	13,307
– other related companies	**478,172**	486,439
	974,646	990,749
Total	**16,844,419**	15,377,316

11 TRADE AND OTHER PAYABLES (Continued)

Notes:

(a) As at 30 June 2015, the ageing analysis of trade and bills payables was as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
1-6 months	**4,814,648**	4,515,959
7-12 months	**64,454**	149,320
1-2 years	**62,626**	158,800
2-3 years	**21,577**	37,711
Over 3 years	**33,271**	39,495
	4,996,576	4,901,285

Trading balances with related parties are unsecured, interest free and have similar terms of repayment as those of third party suppliers.

(b) Other payables due to related parties, except for advances of US$8,292,000 (equivalent to approximately RMB50,694,000) (31 December 2014: US$8,292,000 (equivalent to approximately RMB50,739,000)) from non-controlling shareholders of subsidiaries that bear interest at 0.6% above 1-year US dollar LIBOR per annum, are unsecured, interest free and have no fixed terms of repayment.

12 SHORT-TERM BORROWINGS

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Bank loans - unsecured	**752,974**	3,007,600
COSCO Finance - unsecured	**470,000**	120,000
	1,222,974	3,127,600

13 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after crediting/charging the following:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Crediting:		
Gain on disposals of property, plant and equipment		
– containers	**2,395**	2,798
– others	**197**	22,963
Reversal of provision for impairment of trade and other receivables	**19,698**	25,466
Reversal of provision for litigation	**20,577**	155,200
Government subsidy for demolition of vessels and other subsidies included in other income, net (note i)	**4,049,661**	130,135
Dividend income from listed and unlisted investments	**36,599**	13,926
Investment income from available-for-sale financial assets	**20,693**	128,200
Net exchange gain	**—**	6,839
Charging:		
Loss on demolition of property, plant and equipment		
– dry bulk vessels	**91,739**	45,124
– container vessels	**233,873**	864,015
Cost of bunkers consumed	**4,569,210**	6,400,945
Operating lease rentals		
– container vessels	**2,576,115**	2,408,456
– dry bulk vessels	**1,364,920**	1,933,532
– containers	**127,830**	586,782
– land and buildings	**11,067**	121,381
– other property, plant and equipment	**124,468**	180,660
Provision for onerous contracts on dry bulk vessels		
– provision for current period	**120,516**	221,109
– provision made in prior periods	**(312,275)**	(454,363)
Provision for impairment of trade and other receivables	**17,203**	17,070
Cost of inventories sold		
– resaleable containers	**42,186**	147,102
– marine supplies and others	**6,762**	6,939
– merchandises	**252,289**	246,808
Net exchange loss	**117,933**	—

13 OPERATING PROFIT/(LOSS) (Continued)

Note:

(i) In June 2015, the Company received a subsidy of approximately RMB3.9 billion from the Ministry of Finance ("MoF") through COSCO in respect of the demolition of vessels in accordance with the "Implementation Plan for Early Retirement and Replacement of Obsolete and Worn-out Transportation Vessels And Single-hull Oil Tankers" (《老舊運輸船舶和單殼油輪提前報廢更新實施方案》) and "Administrative Measure For The Special Subsidies Given By The Central Finance To Encourage Retirement And Replacement Of Obsolete and Worn-out Transportation Vessels And Single-hull Oil Tankers" (《老舊運輸船舶和單殼油輪報廢更新中央財政補助專項資金管理辦法》) jointly promulgated by MoF, the Ministry of Transport, the Development and Reform Commission, and the Ministry of Industry and Information Technology of China.

14 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance income		
Interest income from:		
– deposits in COSCO Finance	**65,675**	112,020
– loans to joint ventures and an associate	**16,448**	16,237
– banks	**346,792**	411,604
	428,915	539,861
Finance costs		
Interest expenses on:		
– bank loans	**(822,394)**	(865,121)
– other loans wholly repayable within five years	**(26,326)**	(23,333)
– loans from COSCO Finance	**(4,039)**	(8,572)
– finance lease obligations	**—**	(2,988)
– notes	**(372,282)**	(497,419)
	(1,225,041)	(1,397,433)
Amortised amount of transaction costs on long-term borrowings	**(31,366)**	(39,426)
Amortised amount of discount on issue of notes	**(5,227)**	(5,127)
Other incidental borrowing costs and charges	**(112,878)**	(105,396)
Less: amount capitalised in construction in progress	**17,341**	27,197
	(1,357,171)	(1,520,185)
Net related exchange gain/(loss)	**145,903**	(273,350)
Net finance costs	**(782,353)**	(1,253,674)

15 INCOME TAX EXPENSES

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax (note a)		
– PRC enterprise income tax	**166,476**	113,399
– Hong Kong profits tax	**2,371**	1,845
– Overseas taxation	**57,241**	63,055
	226,088	178,299
Deferred income tax (note b)	**26,008**	114,493
	252,096	292,792

Notes:

(a) Current income tax

Taxation has been provided at the appropriate rate of taxation prevailing in the countries in which the Group operates. These rates range from 12.5% to 46%.

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 12.5% to 25%.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits derived from or arising in Hong Kong for the period.

(b) Deferred income tax

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted at the balance sheet date.

As at 30 June 2015, the unrecognised deferred income tax liabilities were RMB3,617,789,000 (31 December 2014: RMB3,459,539,000), relating to income tax and withholding tax that would be payable for undistributed profits of certain overseas subsidiaries, as the Directors considered that the timing for the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these overseas subsidiaries as at 30 June 2015 amounted to RMB15,651,432,000 (31 December 2014: RMB14,976,851,000).

As at 30 June 2015, the Group had tax losses of RMB26,760,467,000 (31 December 2014: RMB29,575,239,000), which were not recognised for deferred tax assets as the Directors considered that the utilisation of these tax losses in the foreseeable future is not probable, of which an amount of RMB26,258,793,000 (31 December 2014: RMB29,146,712,000) will expire within five years.

16 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
Profit/(loss) attributable to equity holders of the Company (RMB)	**1,896,668,000**	(2,276,732,000)
Number of ordinary shares in issue	**10,216,274,357**	10,216,274,357
Basic earnings/(loss) per share (RMB)	**0.1857**	(0.2229)

(b) Diluted

The outstanding share options granted by a subsidiary of the Company did not have any dilutive effect on the earnings per share for the six months ended 30 June 2015 and 2014, and the diluted earnings per share is equal to the basic earnings per share for the six months ended 30 June 2015 and 2014 respectively.

17 DIVIDEND

The Board of Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

18 CONTINGENT LIABILITIES

(a) The Group was involved in a number of claims, including but not limited to, the claims arising from damage to vessels during transportation, delay in delivery, collision of vessels, early termination of vessel chartering contracts and non-payment of professional fees of certain terminal investment.

As at 30 June 2015, the Group is unable to ascertain the likelihood and amounts of the above mentioned claims. However, based on advice of legal counsel and/or information available to the Group, the Directors are of the opinion that the related claims amounts should not be material to the Group's Interim Financial Information for the period ended 30 June 2015.

(b) Guarantee

	As at 30 June 2015 ***RMB'000***	As at 31 December 2014 *RMB'000*
Bank guarantee to an associate at face value	**56,826**	83,298

A subsidiary of COSCO Pacific provided corporate guarantee to an associate in respect of banking facilities of the associate. The Directors consider that it is not probable for a claim to be made against the Group and the fair value of the guarantee contract is not significant to the Group, and has not been recognised at the balance sheet date.

As at 30 June 2015, the Company provided guarantees for credit facilities and notes granted to its subsidiaries of RMB22,104,830,000 (31 December 2014: RMB16,631,358,000).

19 COMMITMENTS

(a) Capital commitments

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Contracted but not provided for		
Containers	**180,608**	132,287
Container vessels and dry bulk vessels	**13,613,798**	13,693,900
Terminal equipment	**2,160,993**	1,134,989
Buildings	**15,639**	29,087
Other property, plant and equipment	**12,566**	14,888
Investments in terminals	**3,403,184**	3,504,547
Intangible assets	**47,152**	19,750
	19,433,940	18,529,448

Amounts of capital commitments relating to the Group's interest in the joint ventures not included in the above are as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Contracted but not provided for	**54,283**	59,899

19 COMMITMENTS (Continued)

(b) Operating lease commitments

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Containers vessels and dry bulk vessels		
– not later than one year	**6,559,342**	7,162,777
– later than one year and not later than five years	**15,483,760**	17,895,272
– later than five years	**5,174,211**	7,703,570
	27,217,313	32,761,619
Concession of Piraeus Port		
– not later than one year	**270,344**	255,102
– later than one year and not later than five years	**1,638,286**	1,396,772
– later than five years	**14,733,240**	21,576,555
	16,641,870	23,228,429
Containers		
– not later than one year	**262,831**	269,598
– later than one year and not later than five years	**377,281**	497,025
	640,112	766,623
Leasehold land, buildings and other property, plant and equipment		
– not later than one year	**259,446**	276,312
– later than one year and not later than five years	**188,229**	246,734
– later than five years	**11,050**	26,539
	458,725	549,585
	44,958,020	57,306,256

20 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company's parent company is COSCO, a state-owned enterprise established in the PRC and is controlled by the PRC government.

In addition to the related party information and transactions disclosed elsewhere in the unaudited Interim Financial Information, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the period.

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Transactions with COSCO		
Expenses		
Sub-charter expenses	**57,515**	58,288
Rental expenses	**27,011**	17,109

20 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

	Six months ended 30 June 2015 RMB'000	2014 RMB'000
Transactions with subsidiaries of COSCO and its related entities (including joint ventures and associates of COSCO)		
Revenues		
Dry bulk shipping income	**—**	2,320
Container shipping income	**170,735**	156,200
Freight forwarding and shipping agency income	**5,228**	4,802
Vessel services income	**12,502**	8,625
Crew service income	**33,342**	35,761
Vessel management income	**—**	523
Expenses		
Vessel costs		
Charterhire expenses	**14,190**	16,084
Sub-charter expenses	**152,381**	155,499
Vessel services expenses	**296,965**	238,979
Crew expenses	**1,936**	4,174
Voyage costs		
Bunker costs	**3,590,180**	5,279,010
Port charges	**377,855**	323,097
Equipment and cargo transportation costs		
Commission and rebates	**65,492**	66,180
Cargo and transhipment and equipment and repositioning expenses	**36,470**	34,761
General services expenses	**16,432**	13,897
Management fee expenses	**2,974**	3,321
Rental expenses	**57,117**	59,433
Others		
Purchase of containers from other related parties	**823,171**	1,081,135

20 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Transactions with joint ventures of the Group		
Revenues		
Charterhire income	**33,474**	66,825
Management fee and service fee income	**12,319**	12,464
Crew service income	**6,755**	6,810
Expenses		
Voyage costs		
Port charges	**407,083**	436,311
Rental expenses	**1,878**	2,380
Transactions with associates of the Group		
Revenues		
Crew service income	**—**	6,200
Expenses		
Port charges	**12,276**	143,624

20 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Transactions with non-controlling shareholders of subsidiaries		
Revenues		
Terminal handling and storage income	**127,517**	140,466
Expenses		
Container handling and logistics services fee	**49,663**	60,417
Electricity and fuel expenses	**17,611**	12,115
Others		
Port construction fee and high-frequency communication fee	**508**	504

These transactions were conducted either (i) based on terms as governed by the master agreements and subsisting agreements entered into between the Group and COSCO Group, or (ii) based on terms as set out in the underlying agreements, statutory rates or market prices or actual cost incurred, or as mutually agreed between the Group and the parties in concern.

20 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

Balances with related parties

Other than those disclosed elsewhere in the Interim Financial Information, the outstanding balances with related entities at period end are as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Balances placed in COSCO Finance (note a)	**9,701,723**	11,449,117

Notes:

(a) Balances placed in COSCO Finance bear interest at prevailing market rates.

(b) As at 30 June 2015 and 31 December 2014, majority of the Group's bank balances and bank borrowings are in state-owned banks.

Key management compensation

	Six months ended 30 June	
	2015 *RMB'000*	2014 *RMB'000*
Salaries, bonuses and other allowances	**5,001**	8,656
Contribution to retirement benefit scheme	**156**	147
Fair value change on SARs not yet exercised	**3,811**	(2,625)
	8,968	6,178

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF CHINA COSCO HOLDINGS COMPANY LIMITED

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 30 to 70, which comprises the condensed consolidated interim balance sheet of China COSCO Holdings Company Limited (the "Company") and its subsidiaries (together the "Group") as at 30 June 2015 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim cash flow statement for the six–month period then ended, and a summary of significant accounting policies and other explanatory notes (the "Interim Financial Information"). 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 "HKICPA") ("HKAS 34"). The directors of the Company are responsible for the preparation and presentation of this Interim Financial Information in accordance with HKAS 34. 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 HKICPA. 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 HKAS 34.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 August 2015

China COSCO Holdings Company Limited

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