



# China Shipping Container Lines Company Limited 中海集裝箱運輸股份有限公司

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

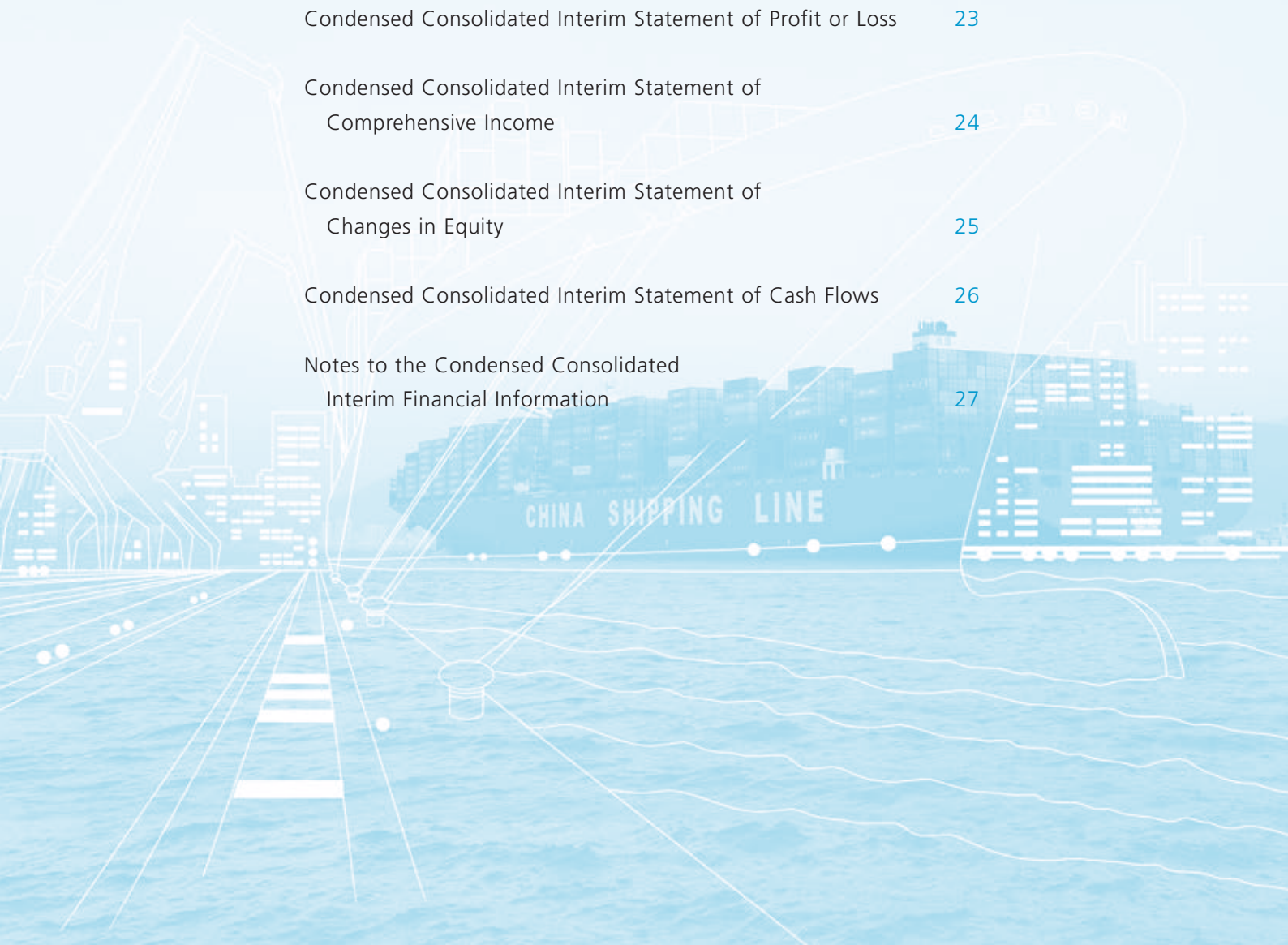
Stock Code : 2866

## PURSUING SUSTAINABLE OPPORTUNITIES 2015 INTERIM REPORT



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## CORPORATE INFORMATION

### DIRECTORS

#### EXECUTIVE DIRECTORS

Mr. Zhang Guofa (*Chairman*)  
Mr. Huang Xiaowen (*Vice Chairman*)  
Mr. Zhao Hongzhou

#### NON-EXECUTIVE DIRECTORS

Ms. Su Min  
Mr. Ding Nong  
Mr. Liu Xihan  
Mr. Yu Zenggang  
Mr. Chen Jihong

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Zhang Nan  
Ms. Hai Chi Yuet  
Mr. Guan Yimin  
Mr. Shi Xin  
Mr. Graeme Jack

### SUPERVISORS

Mr. Xu Wenrong (*Chairman*)  
Mr. Ye Hongjun  
Mr. Zhu Donglin  
Mr. Zhong Lu  
Mr. Shen Kangchen  
Mr. Shen Zhongying

### INVESTMENT STRATEGY COMMITTEE

Mr. Zhang Guofa (*Chairman*)  
Mr. Huang Xiaowen  
Mr. Zhao Hongzhou  
Mr. Yu Zenggang  
Ms. Zhang Nan  
Ms. Hai Chi Yuet  
Mr. Shi Xin

### NOMINATION COMMITTEE

Ms. Zhang Nan (*Chairman*)  
Mr. Zhang Guofa  
Mr. Yu Zenggang  
Ms. Hai Chi Yuet  
Mr. Shi Xin

### REMUNERATION COMMITTEE

Mr. Shi Xin (*Chairman*)  
Ms. Hai Chi Yuet  
Mr. Yu Zenggang

### AUDIT COMMITTEE

Mr. Guan Yimin (*Chairman*)  
Ms. Su Min  
Ms. Zhang Nan

### CHIEF ACCOUNTANT

Mr. Zhang Mingwen

### JOINT COMPANY SECRETARIES

Mr. Yu Zhen  
Ms. Ng Sau Mei

### AUTHORISED REPRESENTATIVES

Mr. Huang Xiaowen  
Mr. Yu Zhen

### LEGAL ADDRESS IN THE PRC

Room A-538, International Trade Center  
China (Shanghai) Pilot Free Trade Zone  
Shanghai  
The PRC

### PRINCIPAL PLACE OF BUSINESS IN THE PRC

628 Minsheng Road  
Pudong New Area  
Shanghai  
The PRC



**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

31/F, Tower 2  
Kowloon Commerce Centre  
51 Kwai Cheong Road  
Kwai Chung  
New Territories  
Hong Kong

**INTERNATIONAL AUDITOR**

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

**DOMESTIC AUDITOR**

Baker Tilly China

**LEGAL ADVISER**

Clifford Chance (Hong Kong Laws)  
Zhong Lun Law Firm (PRC Laws)

**HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE**

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

**PRINCIPAL BANKERS**

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

**TELEPHONE NUMBER**

86 (21) 6596 6666

**FAX NUMBER**

86 (21) 6596 6813

**COMPANY WEBSITE**

[www.cscl.com.cn](http://www.cscl.com.cn)

**H SHARE LISTING PLACE**

Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange")

**LISTING DATE**

16 June 2004

**NUMBER OF H SHARES IN ISSUE**

3,751,000,000 H Shares

**BOARD LOT**

1,000 shares

**STOCK EXCHANGE STOCK CODE**

02866

**A SHARE LISTING PLACE**

Shanghai Stock Exchange

**LISTING DATE**

12 December 2007

**NUMBER OF A SHARES IN ISSUE**

7,932,125,000 A Shares

**BOARD LOT**

100 shares

**SHANGHAI STOCK EXCHANGE STOCK CODE**

601866

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

## RESULTS AND BUSINESS HIGHLIGHTS UNDER HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”)

	<b>1H 2015</b> <i>RMB</i> <b>(Unaudited)</b>	1H 2014 <i>RMB</i> (Unaudited)	<b>Change</b> (%)
Revenue	<b>15,991,418,000</b>	17,406,834,000	(8.1)
Operating income	<b>215,676,000</b>	619,245,000	(65.2)
Profit attributable to owners of the parent	<b>10,643,000</b>	431,637,000	(97.5)
Basic earnings per share	<b>0.09 cent</b>	3.69 cent	(97.5)
Gross profit margin	<b>3.5%</b>	(0.7%)	600.0
Gearing ratio	<b>66.5%</b>	57.1%	12.0

### BUSINESS HIGHLIGHTS

- Shipping volume of China Shipping Container Lines Company Limited (the “Company”) and its subsidiaries (the “Group”) reached 3,991,098TEU in the first half of 2015, representing an increase of 1.0% over that of the same period of 2014.
- Revenue of the Group amounted to RMB15,991,418,000 in the first half of 2015, representing a decrease of RMB1,415,416,000 or 8.1% as compared with the same period of 2014.
- Shipping capacity of the Group reached 908,579TEU as at 30 June 2015, representing a net increase of 181,966TEU as compared with that as at the end of 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING ENVIRONMENT

Due to the imbalance between shipping capacity supply and demand, the container transportation market as a whole remained sluggish in the first half of 2015. Freight rates for Asia-Europe trade lanes hit record low levels under the impact of new shipping capacity put into market amid a weak economic growth momentum in the Eurozone. On the other side, benefiting from steadily growing demand boosted by the stable recovery of the U.S. economy, coupled with the impact of the U.S. West Coast port strike, freight rates for Trans-Pacific trade lanes stayed at stable levels. Meanwhile, freight rates for Asia Pacific trade lanes underwent volatility under the gradual upgrade of shipping capacity. In response to varied conditions of different trade lanes, the Company actively adjusted its operating strategies and implemented differentiated operation to boost trade lane efficiency and operating results.

### PERFORMANCE ANALYSIS

In the first half of 2015, the Group’s loaded container volume amounted to 3,991,098TEU, increasing by 1.0% as compared with the same period of 2014, and revenue was RMB15,991,418,000, representing a decrease of RMB1,415,416,000 or 8.1% as compared with the same period of 2014.



## LOADED CONTAINER VOLUME BY TRADE LANES

<i>Principal Markets</i>	<b>1H 2015 (TEU)</b>	1H 2014 (TEU)	Change
Pacific trade lanes	<b>614,021</b>	649,140	(5.4%)
Europe/Mediterranean trade lanes	<b>743,647</b>	760,273	(2.2%)
Asia Pacific trade lanes	<b>1,045,293</b>	931,621	12.2%
China domestic trade lanes	<b>1,555,947</b>	1,562,384	(0.4%)
Other trade lanes	<b>32,190</b>	49,869	(35.5%)
<b>Total</b>	<b>3,991,098</b>	3,953,287	1.0%

## BREAKDOWN OF REVENUE

<i>Principal Markets</i>	<b>1H 2015 (RMB'000)</b>	1H 2014 (RMB'000)	Change
Pacific trade lanes	<b>4,711,005</b>	4,473,300	5.3%
Europe/Mediterranean trade lanes	<b>3,645,219</b>	4,402,181	(17.2%)
Asia Pacific trade lanes	<b>3,074,579</b>	2,968,948	3.6%
China domestic trade lanes	<b>2,248,362</b>	2,885,645	(22.1%)
Other trade lanes	<b>773,628</b>	446,823	73.1%
Logistics and other businesses	<b>1,538,625</b>	2,229,937	(31.0%)
<b>Total</b>	<b>15,991,418</b>	17,406,834	(8.1%)

In the first half of 2015, the Group flexibly adjusted shipping capacity allocated to domestic and international lanes based on market demand, while consolidating its domestic market share. As such, the freight volume of international lanes increased by 1.9% as compared to the corresponding period of last year, while the freight volume of domestic lanes decreased by 0.4% as compared to the corresponding period of last year. Due to the factors above, during the six months ended 30 June 2015 (the "Period"), the loaded container volume of the Group amounted to 3,991,098TEU, representing an increase of 1.0% as compared to the corresponding period of 2014.

As the imbalance between supply and demand remained severe during the Period, the freight rates for international trade lanes bumped up and down and towards a downward trend while the freight rates for domestic trade lanes continued to decline. As a result, the Group recorded a revenue of RMB15,991,418,000 for the Period, representing a decrease of 8.1% as compared with the same period of 2014.



## COST ANALYSIS

For the first half of 2015, the Group's operational costs totalled RMB15,431,426,000, representing a decrease of RMB2,091,592,000 or 11.9% as compared with the same period of 2014.

The change in operational costs was due to the following reasons:

- During the Period, container and cargo costs amounted to RMB5,942,680,000, representing a decrease of 9.2% as compared with the same period of last year. The decrease was mainly due to the decrease in container stevedore charges standing to accounts during the Period as a result of partial port calls adjusted for international trade lanes as well as the sharp depreciation in non-US dollars against US dollars; meanwhile, the Company has significantly lowered container management and operation fee and empty container storage and allocation costs by further optimizing transshipment routes and controlling inland cargo.
- Vessel and voyage costs for the Period amounted to RMB5,150,315,000 representing a decrease of 10.7% as compared with the same period of last year, mainly due to decrease in fuel costs under the combined effect of the reduction in international oil prices and the Company's continued effort to reinforce fuel saving measures.
- During the Period, the costs of logistics and other businesses amounted to RMB1,464,410,000, representing a decrease of 28.7% as compared with the same period of last year. The decrease was mainly due to sharp declines in international oil prices this year which resulted in a decrease in the procurement costs of China Shipping (Singapore) Petroleum Pte. Ltd., a subsidiary of the Company.
- During the Period, sub-route and other costs amounted to RMB2,874,021,000, representing a decrease of 8.9% as compared with the same period of last year, mainly due to the decrease in inland freight volume as a result of depressed domestic route market.

## BUSINESS REVIEW

In the first half of 2015, in response to the complex and changing market conditions, the Company managed to achieve remarkable results by entering on "large vessels, new trade lanes, new network" and vigorously implementing each operating measure.

Thanks to the enhanced restructuring of shipping capacity, fleet optimization brought good effect. In the first half of the year, the Company completed in taking delivery of all five 19,100TEU new vessels and made reasonable operation arrangement for the vessels. In the meantime, the Company pressed ahead with the disposal of old vessels, speeded up the surrender of outdated vessels and acquired special vessels to replenish its fleet to better cater for market demand. As at 30 June 2015, the Company had a total operating capacity of 909,000TEU indicating further enhancement in the core competence of its fleet.

As a result of enhanced service quality improvement and increased marketing efforts, high value added cargoes and cargoes from direct customers saw noticeable increases. The Company has always regarded service quality as the cornerstone for cooperation with customers, striving to build high-quality trade lanes through focusing on customer demand and innovating marketing ideas. In addition, the Company managed to offer more specialised services to customers of different sectors, improving service quality at every tiny point and satisfying customers' differentiated needs for trade lane products and services. While improving service quality, the Company also increased its marketing efforts targeted at customers. Thanks to these efforts, both the contracted volume from direct customers and high value added cargoes increased significantly in the first half of the year.



Cost advantage was achieved through strengthening cost control. In the first half of the year, amid a weak market recovery, the Company firmly stuck to the idea that “cost is the core competitiveness” and continued to increase cost control efforts, thus improving its cost competitiveness. In particular, by strengthening energy-saving technical transformation and monitoring over vessel fuel consumption, the Company achieved a considerable reduction in fuel costs which accounted for a large proportion of its operating costs. In the first half of the year, while the shipping capacity of the Company’s fleet has increased, fuel consumption and fuel costs were lowered.

Supply chain integration strategy was strengthened and diversified development achieved a breakthrough. In the first half of the year, the Company further enhanced its strategic cooperation with China Railway Corporation\* (中國鐵路總公司) to further promote sea-rail operations across the country, with the loaded container volume of railway transportation increasing by 60%. Meanwhile, the Company continued to increase its efforts in building extended onshore services by refining trailer management and standardizing operating procedures, with an aim to enhance the competitiveness and coverage of the extended services.

In addition, the Company continued to promote the setting up of e-commerce platform for shipping services. In the first half of the year, the Company launched three products on the “eshippinggateway” platform, namely, domestic shipping booking, European pickup services, Sino-Brazil express. The Company’s loading ports substantially cover all the major ports across the country.

## **FUTURE PROSPECT**

In second half of 2015, international trade still will not be cheerful. With the massive influx of new shipping capacity, shipping market will face even more uncertainties. The shipping industry is gradually developing towards scale expansion, intensive operation and supply chain integration. Thresholds of market entry and service standards will continue to rise along with the increasing scale of container liners, innovations in large vessel operations and in service concepts.

In response to the ever changing shipping market, the Company will actively adjust its strategic thinking and endeavor to create its service advantage, cost advantage and competitive edge, to become bigger and stronger. In the second half of the year, the Company will focus on the implementation of the following measures: improve fleet planning to optimize fleet structure; strengthen cost control and management standard to improve quality and efficiency; improve cargo source structure to raise the revenue per container; enhance the development of strategic customers and cultivate high-quality customers to realize win-win cooperation; study innovation-driven business model to improve existing business model and service quality; conduct research on transshipment port strategy to enhance scale expansion and intensive capacity.

In addition, the Company will continue to strengthen talent team building, improve corporate governance standard and enhance production safety control, so as to ensure stable and sustainable development of the Company.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group’s principal sources of liquidity are the operating cash inflow and short-term bank borrowings. The Group’s cash is mainly used in operation cost expenses, repayment of loans, construction of new vessels and the purchase of containers. During the Period, the Group’s net operating cash inflow was RMB854,203,000. As at 30 June 2015, the Group’s cash balance in banks was RMB8,005,395,000.

As at 30 June 2015, the Group’s total bank borrowings were RMB22,745,440,000. The maturity profile is spread over a period between 2015 to 2027 with RMB8,217,757,000 repayable within one year, RMB3,446,837,000 repayable within the second year, RMB7,127,128,000 repayable within the third to the fifth year, and RMB3,953,718,000 repayable after the fifth year. The Group’s long-term bank borrowings are mainly used to finance the construction of vessels.





As at 30 June 2015, the Group's long-term bank borrowings were secured by mortgages over certain container vessels and vessels under construction with a book value of RMB9,946,363,000 (as at 31 December 2014: RMB8,344,784,000).

As at 30 June 2015, the Group's obligations under finance leases amounted to RMB18,031,000, with maturity profile ranging from 2015 to 2019. The amount repayable within one year is RMB7,779,000, the amount repayable within the second year is RMB8,250,000, the amount repayable within the third to the fifth year is RMB2,002,000. All the Group's obligations under the finance leases are used in the lease of new containers.

As at 30 June 2015, the Group's bonds payable in ten-year period amounted to RMB1,795,206,000, and all proceeds raised from the bonds were used in the construction of vessels. The issuance of such bonds is guaranteed by Bank of China, Shanghai branch. The Group's RMB borrowings at fixed interest rates amounted to RMB600,000,000. USD borrowings at fixed interest rates amounted to USD194,747,000 (equivalent to RMB1,190,605,000) and USD borrowings at floating interest rates amounted to USD3,427,577,000 (equivalent to RMB20,954,835,000). The Group's borrowings are settled in RMB or US dollars while its cash and cash equivalents are also primarily denominated in RMB and US dollars.

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

## GEARING RATIO

As at 30 June 2015, the gearing ratio of the Group (i.e. the ratio of net interest-bearing financial liabilities less cash and cash equivalents over total equity) was 66.5%, which is higher than that of 59.4% as at 31 December 2014. The increase was primarily due to the increase of interest-bearing financial liabilities during the Period.

## FOREIGN EXCHANGE RISK AND HEDGING

Most of the Group's revenues and operating expenses are settled or denominated in US dollars. As a result, the impact on the net operating revenue due to RMB exchange rate fluctuation can be offset by each other to a certain extent. During the Period, the Group recorded a net exchange loss of RMB15,033,000 which was mainly due to fluctuations of the US dollar and Euro exchange rates and the exchange difference which was charged to equity amounted to RMB5,288,000. The Group will continue to monitor the exchange rate fluctuation of RMB and major international currencies, minimize the loss arising from exchange rate fluctuation, and take appropriate measures to mitigate the Group's foreign exchange exposure when necessary.

## CAPITAL COMMITMENT

As at 30 June 2015, the Group had no capital commitments which had been contracted but not provided for and which had been authorised by the Board but not contracted for, in relation to vessels under construction, and there was no equity investment commitment for the Period. Furthermore, the operating lease commitments of the Group relating to land and buildings, and vessels and containers, were RMB272,768,000 and RMB7,646,356,000, respectively.



## SUBSEQUENT EVENTS

On 29 July 2015, China Shipping Container Lines (Hong Kong) Co., Ltd. ("CSCL HK"), a wholly-owned subsidiary of the Company, entered into the shipbuilding contracts with the builders, pursuant to which CSCL HK agreed to purchase eight vessels (each container vessel with a capacity of 13,500TEU). The aggregate consideration payable for such vessel acquisition under the shipbuilding contracts is US\$934,400,000 (equivalent to approximately RMB5,713,856,000).

## CONTINGENT LIABILITY

As at 30 June 2015, the Group had a provision of RMB25,000,000 for legal claims. The provision was related to legal claims brought against the Group by customers of the Group. After taking appropriate legal advice, the Board is of the view that the outcome of the legal claims should not give rise to any significant loss beyond the amounts provided for as at 30 June 2015.

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

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

## INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2014: nil).

## EMPLOYEES, TRAINING AND BENEFITS

As at 30 June 2015, the Group had 7,683 employees (of which 3,805 were outsourced labour employees). Total staff expenses during the Period amounted to approximately RMB918,563,000 (including outsourced employee costs).

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

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

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

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



## SHARE CAPITAL

As at 30 June 2015, the share capital of the Company was as follows:

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

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

As at 30 June 2015, the interests or short positions of the Directors, supervisors or chief executive(s) of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which 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 any such Directors, supervisors or chief executive(s) were taken or deemed to have taken under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

### (I) INTERESTS IN THE SHARES OF THE COMPANY

Name	Number of underlying H shares interested in	Capacity in which underlying H shares were held	Percentage in the issued H share capital
<b>Director</b>			
Teo Siong Seng <sup>(1)</sup>	200,000(L)	Beneficial owner	0.005%

(L) – long position

Note:

1. Teo Siong Seng has resigned as Director due to personal reason, with effect from 8 May 2015.



**(II) INTERESTS IN THE SHARES OF THE COMPANY UNDER THE RIGHTS SCHEME<sup>(1)</sup>**

<b>Name</b>	<b>Number of underlying H shares</b>	<b>Capacity</b>	<b>Percentage in total H share capital</b>
<b>Directors:</b>			
Zhang Guofa	2,218,050(L)	Beneficial owner	0.059%
Huang Xiaowen	3,334,050(L)	Beneficial owner	0.088%
Zhao Hongzhou	2,604,000(L)	Beneficial owner	0.069%
<b>Supervisor:</b>			
Tu Shiming <sup>(2)</sup>	246,450(L)	Beneficial owner	0.007%
<b>Chief Executives:</b>			
Feng Xingguo	1,240,000(L)	Beneficial owner	0.033%
Sui Jun	1,395,000(L)	Beneficial owner	0.037%
Chen Shuai	1,395,000(L)	Beneficial owner	0.037%

(L) – long position

Notes:

1. In accordance with the “Resolution Regarding Adoption and Approval of the H Share Share Appreciation Rights Scheme and Implementation Methods” passed at the Company’s second Special General Meeting held on 12 October 2005, the Company implemented a H Share Share Appreciation rights scheme (the “Scheme”) as appropriate incentive policy. Details of the original Scheme were set out in the Company’s circular to shareholders dated 26 August 2005 and each amended Scheme was produced to the annual general meetings of the Company held on 20 June 2006, 26 June 2007 and 26 June 2008. The above disclosure represents the interests in H shares of the Company held by the Directors and supervisors of the Company under the Scheme.
2. Tu Shiming has resigned as supervisor of the Company due to change of job assignments, with effect from 20 April 2015.

Save as disclosed above, as at 30 June 2015, none of the Directors, supervisors or chief executive(s) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which 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 any such Directors, supervisors or chief executive(s) were taken or deemed to have taken under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company.



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

As at 30 June 2015, so far as was known to the Directors, Supervisors or chief executive(s) of the Company, the interests or short positions of the shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director, supervisor or chief executive(s) of the Company) in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or which have been notified to the Company and the Stock Exchange were as follows:

Name of shareholder	Class of shares	Number of shares/ underlying shares held	Capacity	Percentage in the relevant class of share capital (%)	Percentage in total share capital (%)
China Shipping (Group) Company ("China Shipping")	A Shares	5,273,749,711(L)	Beneficial owner	66.49	45.14
BlackRock, Inc.	H Shares	225,642,244(L) 6,494,587(S)	Interest of controlled corporation	6.02 0.17	1.93 0.06
The Northern Trust Company (ALA)	H Shares	249,945,900(P)	Approved lending agent	6.66	2.14

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

Save as disclosed above, as at 30 June 2015, no other person (other than Directors, supervisors or chief executive(s) of the Company) had any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interests or short positions which have been notified to the Company and the Stock Exchange.



## CHANGES IN INFORMATION OF DIRECTORS OR SUPERVISORS

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors or supervisors of the Company subsequent to the date of its 2014 Annual Report were as follows:

### DIRECTORS, SUPERVISORS – DETAILS OF CHANGES

Name	Position	Change	Reason of change
Hai Chi Yuet	Independent non-executive Director	elected to be in office	Took office since 8 May 2015
Graeme Jack	Independent non-executive Director	elected to be in office	Took office since 26 June 2015
Chen Lishen	Independent non-executive Director	ceased to be in office	Due to personal reason, left office since 26 June 2015
Teo Siong Seng	Independent non-executive Director	ceased to be in office	Due to personal reason, left office since 8 May 2015
Zhong Lu	Employee representative supervisor	elected to be in office	Took office since 20 April 2015
Tu Shiming	Employee representative supervisor	ceased to be in office	Due to work arrangement, left office since 20 April 2015

## CONTINUING CONNECTED TRANSACTIONS

As at 30 June 2015, the Company had the following continuing connected transactions and their key terms are summarised as below:

No.	Continuing Connected Transactions	Signing date of the transaction and effective period after renewal every three years	Parties and connected relationship	Nature of transaction	Pricing Terms	Transaction amount		
						Year ended 31 December 2013 RMB'000	Year ended 31 December 2014 RMB'000	Six months ended 30 June 2015 RMB'000
1	Master Liner Services Agreement in respect of services to be provided by the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Liner services	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market Prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	155,343	113,616	56,148
2	First Master IT Service Agreement in respect of products and services to be provided by the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	IT Service	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	14,094	13,970	–
3	Master Purchase Agreement for the provision of the Agreed Materials, Fuel, and related services by the Group	28 June 2013, 28 June 2015	The Company and China Shipping <sup>1</sup>	Purchase Service	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>6</sup> .	1,125,712	2,325,178	684,453
4	Revised Master Provision of Containers Agreement in respect of containers leased to the Group	10 April 2007, 10 April 2016	The Company and China Shipping <sup>1</sup>	Lease of containers	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	182,287	154,107	73,662



No.	Continuing Connected Transactions	Signing date of the transaction and effective period after renewal every three years	Parties and connected relationship	Nature of transaction	Pricing Terms	Transaction amount		
						Year ended 31 December 2013	Year ended 31 December 2014	Six months ended 30 June 2015
						RMB'000	RMB'000	RMB'000
5	Master Provision of Chassis Agreement in respect of container chassis etc. to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Lease of container chassis	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	22,088	17,912	<b>7,033</b>
6	First Master Liner and Cargo Agency Agreement in respect of services to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Cargo and liner agency services	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	587,593	574,328	<b>296,923</b>
7	First Master Container Management Agreement in respect of services etc. to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Container management services	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	150,070	178,912	<b>73,650</b>
8	Master Ship Repair Services Agreement in respect of services to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Ship repair services	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	75,580	47,432	<b>10,877</b>
9	Master Supply Agreement in respect of products and services to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup> , China Shipping & Sinopec Suppliers Co. <sup>2</sup>	Supply of fresh water, vessel fuel, lubricants, spare parts and other materials	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	2,127,274	1,462,340	<b>610,064</b>





Continuing Connected No. Transactions	Signing date of the transaction and effective period after renewal every three years	Parties and connected relationship	Nature of transaction	Pricing Terms	Transaction amount			
					Year ended 31 December 2013	Year ended 31 December 2014	Six months ended 30 June 2015	
					RMB'000	RMB'000	RMB'000	
10	Master Depot Services Agreement in respect of services to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Depot services	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	8,559	14,573	<b>9,128</b>
11	First Master IT Service Agreement in respect of products and services to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	IT Service	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	43,054	29,955	<b>18,689</b>
12	Master Provision of Crew Members Agreement in respect of crew members to be provided to the Group	10 May 2004, 10 May 2016	The Company and China Shipping <sup>1</sup>	Provision of crew members	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>7</sup> .	31,926	506,001	<b>367,711</b>
13	First Master Loading and Unloading Agreement and Second Master Loading and Unloading Agreement in respect of services to be provided to the Group	10 May 2004, 10 May 2016	First Master Loading and Unloading Agreement: The Company and China Shipping, Shanghai China Shipping Container Terminal Co., Ltd., Zhanjiang China Shipping Container Terminal Co. Ltd. and Dalian Dagang China Shipping Container Terminal Co., Ltd. <sup>1</sup> ; Second Master Loading and Unloading Agreement: The Company and West Basin Container Terminal LLC <sup>2</sup>	Loading and unloading services	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market Prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> . The calculation of the payment is subject to the service fees charged based on container unit prices.	583,709	1,211,294	<b>691,132</b>



No.	Continuing Connected Transactions	Signing date of the transaction and effective period after renewal every three years	Parties and connected relationship	Nature of transaction	Pricing Terms	Transaction amount		
						Year ended 31 December 2013	Year ended 31 December 2014	Six months ended 30 June 2015
						RMB'000	RMB'000	RMB'000
14	Revised Master Provision of Containers Agreement in respect of containers to be purchased by the Group	10 April 2007, 10 April 2016	The Company and China Shipping <sup>1</sup>	Manufacture of containers	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	479,025	682,779	<b>685,829</b>
15	Master Tenancy Agreement in respect of products or services to be provided to the Group	31 December 2012, 31 December 2015	The Company and China Shipping <sup>1</sup>	Property rental	(i) state-prescribed prices <sup>3</sup> ; (ii) where there is no state-prescribed price, then according to relevant market Prices <sup>4</sup> and on principle of fairness and reasonableness; or (iii) where there is no market price, then according to the contracted price <sup>5</sup> .	20,072	82,658	<b>42,048</b>
16	Financial Service Framework Agreement in respect of maximum daily outstanding balance of deposits (including accrued interest and handling fee) to be placed by the Group at CS Finance Company	31 December 2009, 31 December 2015	The Company and China Shipping <sup>1</sup>	Deposit services	interest rates not lower than (a) the lower limit of the relevant rates stipulated by PBOC for the same type of deposits; (b) the interest rates offered by any independent third parties for the same type of deposits; or (c) the interest rates at which CS Finance Company accepts from any independent third parties for the same type of deposits.	3,741,887	4,194,975	<b>3,841,248</b>
17	Financial Service Framework Agreement in respect of maximum daily outstanding balance of loans (including accrued interest and handling fee) to be granted to the Group by CS Finance Company	31 December 2009, 31 December 2015	The Company and China Shipping <sup>1</sup>	Loan services	interest rates not higher than (a) the relevant rates stipulated by PBOC for the same type of loan; (b) the interest rates offered by any independent third parties for the same type of loan; or (c) the interest rates at which CS Finance Company provides to any independent third parties with the same credit rating for the same type of loan.	364,000	1,211,900	-



No.	Continuing Connected Transactions	Signing date of the transaction and effective period after renewal every three years	Parties and connected relationship	Nature of transaction	Pricing Terms	Transaction amount		
						Year ended 31 December 2013	Year ended 31 December 2014	Six months ended 30 June 2015
						RMB'000	RMB'000	RMB'000
18	Financial Service Framework Agreement in respect of provision of settlement service to the Group	31 December 2009, 31 December 2015	The Company and China Shipping <sup>1</sup>	Settlement service	The settlement service charges shall not be higher than (a) the upper limit of the relevant charges stipulated by PBOC for the same type of services (if applicable); (b) the charges offered by any independent third parties for the same type of services; or (c) the charges offered by CS Finance Company to any independent third parties with the same credit rating for the same type of services.	7,240	82,309	<b>26,834</b>

*Notes:*

1. China Shipping (Group) Company ("China Shipping") is a controlling shareholder of the Company (as defined in the Listing Rules), which constitutes a connected person of the Company.
2. Such companies are associates of China Shipping (as defined in the Listing Rules), which constitute connected persons of the Company.
3. Representing the price set by the relevant laws, regulations and other governmental regulatory documents issued by the relevant departments of the PRC government.
4. Representing the price at which the same or comparable type of products or services are provided from or to (as appropriate) independent third parties in the same area on normal commercial terms in the ordinary course of business.
5. Representing the relevant cost incurred in providing such products or services plus a profit margin ranging from 0% to 12.25% thereof.
6. Representing the price arrived at after arm's length negotiations on principle of fairness and reasonableness.
7. The relevant cost incurred, covering the management fee incurred while the crew members are not on board vessels and the relevant expenses incurred while such crew members are on board vessels.



## AUDIT COMMITTEE

The Board has set up an audit committee which consists of two independent non-executive Directors, namely Mr. Guan Yimin and Ms. Zhang Nan, and one non-executive Director, namely Ms. Su Min. The audit committee has reviewed the Company's interim results for the Period and agreed with the accounting treatment adopted by the Company.

## CORPORATE GOVERNANCE CODE

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

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors', supervisors' and relevant employees' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry made with all the Directors and supervisors of the Company, each of them has confirmed that he/she has complied with the required standard set out in the Model Code regarding directors' and supervisors' securities transactions during the Period. The Company is not aware of any non-compliance with these guidelines by the relevant employees.

By order of the Board

**China Shipping Container Lines Company Limited**

**Zhang Guofa**

*Chairman*

Shanghai, the PRC

27 August 2015





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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF CHINA SHIPPING CONTAINER LINES COMPANY LIMITED

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

### INTRODUCTION

We have reviewed the condensed consolidated interim financial information set out on pages 21 to 52, which comprises the condensed consolidated interim statement of financial position of China Shipping Container Lines Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2015, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

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

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

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

#### Ernst & Young

Certified Public Accountants

Hong Kong

27 August 2015

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	37,983,945	36,369,808
Investment properties		2,065	2,093
Intangible assets	7	16,201	18,916
Deferred tax assets		10,467	10,479
Derivative financial instruments		–	4,026
Interests in associates		3,833,037	3,754,380
Interests in joint ventures		53,859	52,402
<b>Total non-current assets</b>		<b>41,899,574</b>	40,212,104
<b>CURRENT ASSETS</b>			
Inventories		1,228,983	1,185,498
Trade and notes receivables	8	2,135,031	2,384,511
Prepayments and other receivables		516,479	401,953
Restricted deposits		326,100	500
Derivative financial instruments		–	697
Cash and cash equivalents		8,005,395	9,355,888
<b>Total current assets</b>		<b>12,211,988</b>	13,329,047
<b>Total assets</b>		<b>54,111,562</b>	53,541,151
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	9	11,683,125	11,683,125
Special reserves		16,456	20,150
Other reserves		16,880,843	16,873,604
Accumulated losses		(3,770,570)	(3,784,442)
		<b>24,809,854</b>	24,792,437
<b>Non-controlling interests</b>		<b>85,266</b>	85,046
<b>Total equity</b>		<b>24,895,120</b>	24,877,483

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

AS AT 30 JUNE 2015

	Notes	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	10	14,527,683	13,463,254
Domestic corporate bonds	11	1,795,206	1,793,981
Finance lease obligations	12	10,252	150,281
Deferred tax liabilities		72	75
Derivative financial instruments	13	16	–
<b>Total non-current liabilities</b>		<b>16,333,229</b>	15,407,591
<b>CURRENT LIABILITIES</b>			
Trade payables	14	3,954,807	3,825,897
Other payables and accruals		671,827	658,358
Interest-bearing bank and other borrowings	10	8,217,757	8,690,651
Finance lease obligations – current portion	12	7,779	36,978
Tax payable		5,538	19,193
Provisions	15	25,000	25,000
Derivative financial instruments – current portion	13	505	–
<b>Total current liabilities</b>		<b>12,883,213</b>	13,256,077
<b>Total liabilities</b>		<b>29,216,442</b>	28,663,668
<b>Total equity and liabilities</b>		<b>54,111,562</b>	53,541,151
<b>Net current (liabilities)/assets</b>		<b>(671,225)</b>	72,970
<b>Total assets less current liabilities</b>		<b>41,228,349</b>	40,285,074

The notes on pages 27 to 52 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	Six months ended 30 June	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	6	<b>15,991,418</b>	17,406,834
Cost of services		<b>(15,431,426)</b>	(17,523,018)
<b>Gross profit/(loss)</b>		<b>559,992</b>	(116,184)
Selling, administrative and general expenses		<b>(526,454)</b>	(473,380)
Other income	17	<b>199,662</b>	322,791
Other gains, net	18	<b>(17,524)</b>	886,018
<b>Operating profit</b>	16	<b>215,676</b>	619,245
Finance costs	19	<b>(281,167)</b>	(215,770)
Share of profits and losses of:			
Associates		<b>94,980</b>	28,824
Joint ventures		<b>1,457</b>	3,606
<b>Profit before income tax from continuing operations</b>		<b>30,946</b>	435,905
Income tax expense	20	<b>(11,848)</b>	(29,839)
<b>Profit for the period from continuing operations</b>		<b>19,098</b>	406,066
<b>DISCONTINUED OPERATION</b>			
Profit for the period from a discontinued operation	22	–	38,756
<b>PROFIT FOR THE PERIOD</b>		<b>19,098</b>	444,822
<b>Attributable to:</b>			
Owners of the parent		<b>10,643</b>	431,637
Non-controlling interests		<b>8,455</b>	13,185
		<b>19,098</b>	444,822
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
(Expressed in RMB per share)	23		
– Basic and diluted			
For profit for the period		<b>RMB0.09 cent</b>	RMB3.69 cent
For profit from continuing operations		<b>RMB0.09 cent</b>	RMB3.39 cent

Details of the dividends payable and proposed for the period are disclosed in note 21 to the financial statements.

The notes on pages 27 to 52 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
<b>Profit for the period</b>	<b>19,098</b>	444,822
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive income of associates	<b>16,868</b>	–
Exchange differences on translation of foreign operations	<b>(5,288)</b>	55,067
Others, net off income tax effects	<b>(5,236)</b>	2,054
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<b>6,344</b>	57,121
<b>Total comprehensive income for the period</b>	<b>25,442</b>	501,943
<b>Attributable to:</b>		
Owners of the parent	<b>17,548</b>	488,626
Non-controlling interests	<b>7,894</b>	13,317
	<b>25,442</b>	501,943

The notes on pages 27 to 52 form an integral part of this condensed consolidated interim financial information.



## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Owners of the parent				Total RMB'000	Non- controlling interests RMB'000	Total RMB'000
	Issued capital RMB'000	Special reserves RMB'000	Other reserve RMB'000	Accumulated losses RMB'000			
<b>At 1 January 2014</b>	11,683,125	38,278	16,895,316	(4,845,260)	23,771,459	446,595	24,218,054
Profit for the period	-	-	-	431,637	431,637	13,185	444,822
Other comprehensive income for the period:							
Exchange differences on translation of foreign operations	-	-	54,935	-	54,935	132	55,067
Others	-	-	2,054	-	2,054	-	2,054
<b>Total comprehensive income for the period ended 30 June 2014</b>	-	-	56,989	431,637	488,626	13,317	501,943
<b>Transactions with owners</b>							
Capital injection from non-controlling interests	-	-	-	-	-	10,081	10,081
Disposal of subsidiaries	-	(883)	(6,395)	-	(7,278)	(422,270)	(429,548)
Dividends paid to non-controlling interests	-	-	-	-	-	(5,468)	(5,468)
Accrued special reserve during the period	-	87,627	-	(87,627)	-	-	-
Used special reserve during the period	-	(116,307)	-	116,307	-	-	-
Others	-	-	468	(464)	4	(151)	(147)
<b>Balance at 30 June 2014 (unaudited)</b>	11,683,125	8,715	16,946,378	(4,385,407)	24,252,811	42,104	24,294,915
<b>At 1 January 2015</b>	<b>11,683,125</b>	<b>20,150</b>	<b>16,873,604</b>	<b>(3,784,442)</b>	<b>24,792,437</b>	<b>85,046</b>	<b>24,877,483</b>
Profit for the period	-	-	-	10,643	10,643	8,455	19,098
Other comprehensive income for the period:							
Share of other comprehensive income of associates	-	-	16,868	-	16,868	-	16,868
Exchange differences on translation of foreign operations	-	-	(4,727)	-	(4,727)	(561)	(5,288)
Others	-	-	(5,236)	-	(5,236)	-	(5,236)
<b>Total comprehensive income for the period ended 30 June 2015</b>	-	-	6,905	10,643	17,548	7,894	25,442
<b>Transactions with owners</b>							
Dividends paid to non-controlling interests	-	-	-	-	-	(7,524)	(7,524)
Accrued special reserve during the period	-	86,738	-	(86,738)	-	-	-
Used special reserve during the period	-	(90,432)	-	90,432	-	-	-
Others	-	-	334	(465)	(131)	(150)	(281)
<b>Balance at 30 June 2015 (unaudited)</b>	11,683,125	16,456	16,880,843	(3,770,570)	24,809,854	85,266	24,895,120

The notes on pages 27 to 52 form an integral part of this condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	Six months ended 30 June	
		2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		879,698	638,649
Income tax paid		(25,495)	(30,179)
Net cash generated from operating activities		854,203	608,470
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of items of property, plant and equipment and intangible assets		(2,544,006)	(2,650,522)
Proceeds from disposal of items of property, plant and equipment		16,706	77,014
Disposal of subsidiaries		–	(880)
Increase in investments in available for sales financial assets		–	(499,445)
Dividends received from associates		79,090	19,308
Dividends received from joint ventures		–	1,286
Dividends received from available-for-sale financial assets		–	12,600
Interest received		139,600	63,363
Net cash used in investing activities		(2,308,610)	(2,977,276)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(317,677)	(363,369)
Capital injection from non-controlling shareholders		–	7,897
New bank loans		40,550,414	4,403,639
Repayment of bank loans		(39,939,588)	(3,076,687)
Capital element of finance lease payments		(127,390)	(17,154)
Interest element of finance lease payments		(47,853)	(6,433)
Dividends paid to non-controlling interests		–	(946)
Net cash generated from financing activities		117,906	946,947
Net decrease in cash and cash equivalents		(1,336,501)	(1,421,860)
Cash and cash equivalents at beginning of the period		9,355,888	9,602,804
Effect of foreign exchange rate changes – net		(13,992)	35,092
Cash and cash equivalents at end of the period		8,005,395	8,216,036

The notes on pages 27 to 52 form an integral part of this condensed consolidated interim financial information.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 1. GENERAL INFORMATION

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

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

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

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the board of directors of the Company on 25 August 2015.

This condensed consolidated interim financial information has not been audited.

### 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standards 34 *Interim Financial Reporting*. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2014, which were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

As at 30 June 2015, the current liabilities of the Group exceeded its current assets by approximately RMB671 million. In the opinion of the Directors, it is an industry practice for the shipping business to keep a low level of current ratio. The Directors have prepared these financial statements on a going concern basis notwithstanding the net current liability position because the Directors expected that the Group will generate sufficient cash inflows from the operation and have adequate unused bank and other credit facilities to meet its financial obligation when they fall due.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015.

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

(a) New and revised standards adopted by the Group

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2015.

HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i>
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21	<i>Levies</i>

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning on or after 1 January 2015 and have not been early adopted:

HKFRS 9	<i>Financial Instruments</i> <sup>3</sup>
Amendments HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> <sup>1</sup>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <sup>2</sup>
HKFRS 14	<i>Regulatory Deferral Accounts</i> <sup>4</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>3</sup>
Amendments to HKAS 1	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> <sup>1</sup>
Amendments to HKAS 19	<i>Defining the Welfare Plan: Employees Contribution</i>
Amendments to HKAS 28 (2011)	<i>Equity Method in Independent Financial Statements</i>
Annual Improvements 2012-2014 Cycle	<i>Amendments to a number of IFRSs</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>4</sup> Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group.

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

### 4. ESTIMATES

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

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 5. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and cash equivalents and restricted deposits, held by the Group as at 30 June 2015 and 31 December 2014:

#### Loans and receivables

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
<b>Financial assets:</b>		
Trade and notes receivables	<b>2,135,031</b>	2,384,511
Other receivables	<b>314,782</b>	245,418
<b>Total</b>	<b>2,449,813</b>	2,629,929

#### Other financial liabilities at amortised cost

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
<b>Financial liabilities:</b>		
Interest-bearing bank and other borrowings	<b>14,527,683</b>	13,463,254
Domestic corporate bonds	<b>1,795,206</b>	1,793,981
Finance lease obligations	<b>10,252</b>	150,281
Derivative financial instruments	<b>16</b>	–
Trade payables	<b>3,954,807</b>	3,825,897
Other payables	<b>475,421</b>	503,860
Interest-bearing bank and other borrowings	<b>8,217,757</b>	8,690,651
Finance lease obligations – current portion	<b>7,779</b>	36,978
Derivative financial instruments – current portion	<b>505</b>	–
<b>Total</b>	<b>28,989,426</b>	28,464,902



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 5. FINANCIAL INSTRUMENTS *(Continued)*

#### 5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2014.

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

#### 5.2 Liquidity risk

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

#### 5.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings, domestic corporate bonds and finance lease obligations as shown in the consolidated statement of financial position) less cash and cash equivalents.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 5. FINANCIAL INSTRUMENTS (Continued)

#### 5.3 Capital risk management (Continued)

The gearing ratios of the Group at 30 June 2015 and 31 December 2014 were as follows:

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Interest-bearing bank and other borrowings (note 10)	22,745,440	22,153,905
Domestic corporate bonds (note 11)	1,795,206	1,793,981
Finance lease obligations (note 12)	18,031	187,259
Less: Cash and cash equivalents	(8,005,395)	(9,355,888)
Net debt	16,553,282	14,779,257
Total equity	24,895,120	24,877,483
Gearing ratio (net debt/total equity)	66.5%	59.4%

Note:

The increase of gearing ratio is mainly due to the increase in borrowings and decrease of total equity of the Group as a result of operating loss.

#### 5.4 Fair value estimation

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2015 and 31 December 2014:

	Carrying amounts		Fair values	
	30 June 2015 RMB'000	31 December 2014 RMB'000	30 June 2015 RMB'000	31 December 2014 RMB'000
<b>Financial assets</b>				
Derivative financial instruments	–	4,723	–	4,723
<b>Financial liabilities</b>				
Interest-bearing bank and other borrowings	22,745,440	22,153,905	22,702,511	22,134,498
Domestic corporate bonds	1,795,206	1,793,981	1,763,791	1,784,964
Finance lease obligations	18,031	187,259	18,031	187,259
Derivative financial instruments	521	–	521	–
	24,559,198	24,135,145	24,484,854	24,069,743

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 5. FINANCIAL INSTRUMENTS (Continued)

#### 5.4 Fair value estimation (Continued)

##### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
- Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2015

	Fair value measurement using		Total RMB'000
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
<i>Liabilities for which fair values are disclosed:</i>			
Long term borrowing	–	22,745,440	22,745,440
Domestic corporate bonds	–	1,795,206	1,795,206
Finance lease obligations	–	18,031	18,031
Derivative financial instruments	521	–	521
	<b>521</b>	<b>24,558,677</b>	<b>24,559,198</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 5. FINANCIAL INSTRUMENTS (Continued)

#### 5.4 Fair value estimation (Continued)

*Fair value hierarchy (Continued)*

*As at 31 December 2014*

	Fair value measurement using		Total RMB'000
	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
<i>Assets measured at fair value:</i>			
Derivative financial instruments	4,723	–	4,723
<i>Liabilities for which fair values are disclosed:</i>			
Long term borrowing	–	22,153,905	22,153,905
Domestic corporate bonds	–	1,793,981	1,793,981
Finance lease obligations	–	187,259	187,259
	–	24,135,145	24,135,145



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 6. REVENUE AND SEGMENT INFORMATION

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

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

The container terminal and related business was classified as held for sale and its carrying amount will be recovered principally through a sale transaction approved by the Board rather than through continuing operation. For the period ended 30 June 2015 and 2014, all the profits or losses from continuing operations were generated through container shipping and related business.

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

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Pacific	4,711,005	4,473,300
Europe/Mediterranean	3,645,219	4,402,181
Asia Pacific	3,074,579	2,968,948
China Domestic	2,248,362	2,885,645
Other Lanes	773,628	446,823
Logistic Services and Others	1,538,625	2,229,937
Turnover	<b>15,991,418</b>	17,406,834

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

No revenue derived from a single customer or a group of customers under common control amounted to 10% or more of the Group's revenue for the six months ended 30 June 2015 and 2014.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

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

	Property, plant and equipment <i>RMB'000</i>	Leasehold land and land use rights <i>RMB'000</i>	Intangible assets <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2015</b>				
<b>(Unaudited)</b>				
Opening net book amount as at 1 January 2015	36,369,808	–	18,916	36,388,724
Additions	2,540,986	–	514	2,541,500
Disposals	(33,839)	–	–	(33,839)
Depreciation and amortisation (note 16)	(876,418)	–	(3,227)	(879,645)
Exchange difference	(16,592)	–	(2)	(16,594)
Closing net book amount as at 30 June 2015	<b>37,983,945</b>	<b>–</b>	<b>16,201</b>	<b>38,000,146</b>
<b>Six months ended 31 December 2014</b>				
<b>(Audited)</b>				
Opening net book amount as at 1 January 2014	32,290,294	75,991	20,406	32,386,691
Additions	5,970,844	–	4,886	5,975,730
Disposals	(141,512)	–	–	(141,512)
Disposal of subsidiaries	(254,365)	(75,991)	(191)	(330,547)
Depreciation and amortisation (note 16)	(1,556,586)	–	(6,194)	(1,562,780)
Exchange difference	61,133	–	9	61,142
Closing net book amount as at 31 December 2014	<b>36,369,808</b>	<b>–</b>	<b>18,916</b>	<b>36,388,724</b>

As at 30 June 2015, the net book value of container vessels and vessels under construction of the Group pledged as securities for bank borrowings amounted to approximately RMB9,946,363,000 (31 December 2014: RMB8,344,784,000) (note 10).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 8. TRADE AND NOTES RECEIVABLES

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Trade receivables		
– Fellow subsidiaries (note 25(b))	<b>322,072</b>	333,418
– Third parties	<b>1,725,668</b>	1,858,108
	<b>2,047,740</b>	2,191,526
Notes receivable	<b>87,291</b>	192,985
	<b>2,135,031</b>	2,384,511

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

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Within 3 months	<b>2,043,365</b>	2,344,821
4 to 6 months	<b>30,457</b>	56,954
7 to 9 months	<b>118,312</b>	49,410
10 to 12 months	<b>6,009</b>	222
Over one year	<b>237</b>	952
	<b>2,198,380</b>	2,452,359
Less: provision for impairment of receivables	<b>(63,349)</b>	(67,848)
	<b>2,135,031</b>	2,384,511

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 9. ISSUED CAPITAL

	Number of shares (thousand)	A Shares of RMB1 each RMB'000	H Shares of RMB1 each RMB'000	Total RMB'000
At 1 January 2015 till 30 June 2015	11,683,125	7,932,125	3,751,000	11,683,125

As at 30 June 2015, all issued shares were registered, fully paid and divided into 11,683,125,000 shares (31 December 2014: 11,683,125,000 shares) of RMB1.00 each, comprising 7,932,125,000 A Shares and 3,751,000,000 H Shares (31 December 2014: 7,932,125,000 A Shares and 3,751,000,000 H Shares).

### 10. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2015 RMB'000 (Unaudited)	31 December 2014 RMB'000 (Audited)
Non-current		
Long-term bank borrowings	13,316,323	12,251,354
Borrowing from parent and ultimate holding company (note 25(b))	1,211,360	1,211,900
	<b>14,527,683</b>	13,463,254
Current		
Short-term bank borrowings	3,197,413	1,407,370
Commercial paper notes	2,445,440	2,447,600
Long-term bank borrowings – current portion	2,574,904	4,835,681
	<b>8,217,757</b>	8,690,651
	<b>22,745,440</b>	22,153,905
Representing:		
Borrowing from parent and ultimate holding company (note 25(b))		
– unsecured	1,211,360	1,211,900
Bank borrowings		
– unsecured	12,615,171	13,281,412
– secured	8,918,909	7,660,593
	<b>22,745,440</b>	22,153,905

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 10. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

As at 30 June 2015, there was a legal mortgage over certain container vessels and vessels under construction of the Group with a net book value of approximately RMB9,946,363,000 (31 December 2014: RMB8,344,784,000) (note 7).

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

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
RMB	<b>600,000</b>	600,000
USD	<b>22,145,440</b>	21,553,905
	<b>22,745,440</b>	22,153,905

The maturity periods of the borrowings are as follows:

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Within one year	<b>8,217,757</b>	8,690,651
In the second year	<b>3,446,837</b>	2,734,020
In the third to fifth years	<b>7,127,128</b>	7,371,352
After the fifth year	<b>3,953,718</b>	3,357,882
	<b>22,745,440</b>	22,153,905

The carrying amounts and the fair values of the non-current borrowings and current bank borrowings, which are based on cash flows discounted using a rate of 5.75% (31 December 2014: 6.00%), are as follows:

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Non-current borrowings		
Carrying amounts	<b>14,527,683</b>	13,463,254
Fair values	<b>14,497,405</b>	13,451,171
Current bank borrowings		
Carrying amounts	<b>8,217,757</b>	8,690,651
Fair values	<b>8,205,106</b>	8,683,327



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 11. DOMESTIC CORPORATE BONDS

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Non-current domestic corporate bonds	<b>1,795,206</b>	1,793,981

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

The bonds were initially recognised at their fair value of RMB1,800,000,000, after deducting the transaction costs of approximately RMB24,512,000 that were directly attributable to the bonds. As at 30 June 2015, the estimated fair value of the bonds was approximately RMB1,763,791,000 (31 December 2014: RMB1,784,964,000). The fair value is calculated based on the discounted cash flows using applicable discount rates from the prevailing market interest rates offered to the Group for debts with substantially the same characteristics and maturity dates. The discount rate used was approximately 5.75% (31 December 2014: 6.00%) per annum.

### 12. FINANCE LEASE OBLIGATIONS

	30 June 2015			31 December 2014		
	Minimum lease payments RMB'000 (Unaudited)	Finance charges RMB'000 (Unaudited)	Net present value of minimum lease payments RMB'000 (Unaudited)	Minimum lease payments RMB'000 (Audited)	Finance charges RMB'000 (Audited)	Net present value of minimum lease payments RMB'000 (Audited)
Finance lease obligations						
– Within one year	9,295	1,516	7,779	47,128	10,150	36,978
– In the second year	8,955	704	8,250	47,147	7,939	39,208
– In the third to fifth years	2,049	47	2,002	121,585	10,512	111,073
	<b>20,299</b>	<b>2,267</b>	<b>18,031</b>	215,860	28,601	187,259
Less: within one year (current portion)	<b>(9,295)</b>	<b>(1,516)</b>	<b>(7,779)</b>	(47,128)	(10,150)	(36,978)
	<b>11,004</b>	<b>751</b>	<b>10,252</b>	168,732	18,451	150,281



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

	<b>30 June 2015 Liabilities RMB'000 (Unaudited)</b>	31 December 2014 Assets RMB'000 (Audited)
Interest rate swaps	<b>(521)</b>	4,723
Portion classified as non-current:		
Interest rate swaps	<b>(16)</b>	4,026
Current portion	<b>(505)</b>	697

#### *Cash flow hedges*

At 30 June 2015, the Group had interest rate swap agreements in place with a total notional amount of US\$380,755,200 whereby they receive interests at variable rates equal to the 3 month London Interbank Offered Rate ("LIBOR") on the notional amounts and pay interests at fixed rates of 1.37% to 1.58%. The swaps are used to hedge the exposure to changes in the cash flow of its secured loans with variable rates. The secured loans and the interest rate swap agreements have the same critical terms. The hedge of the interest rate swaps was assessed to be effective.

### 14. TRADE PAYABLES

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Trade payables		
– Fellow subsidiaries (note 25(b))	<b>338,606</b>	873,069
– Third parties	<b>3,616,201</b>	2,952,828
	<b>3,954,807</b>	3,825,897

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 14. TRADE PAYABLES *(Continued)*

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

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Within 3 months	<b>3,907,589</b>	3,782,579
4 to 6 months	<b>9,954</b>	8,961
7 to 9 months	<b>12,438</b>	11,196
10 to 12 months	<b>16,494</b>	14,847
1 to 2 years	<b>8,332</b>	8,314
	<b>3,954,807</b>	3,825,897

### 15. PROVISIONS

**Legal claims**  
RMB'000

**Six months ended 30 June 2015 (Unaudited)**

**At 1 January 2015 and 30 June 2015** **25,000**

**Year ended 31 December 2014 (Audited)**

**At 1 January 2014 and 31 December 2014** 25,000

The provision for legal claims of RMB25,000,000 is related to legal claims brought against the Company by customers of the Company. In the opinion of the Company's directors, after taking into account of legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 30 June 2015.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 16. OPERATING PROFIT

The following items have been charged to the operating profit/(loss) during the period:

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Bunker consumed or sold	2,946,149	4,807,980
Depreciation and amortisation (note 7)	876,418	754,034
Operating lease rentals	2,147,334	1,670,057
Provision for impairment of receivables	(2,834)	13,944

### 17. OTHER INCOME

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Interest income	100,413	89,786
Government grant related to income	3,964	70,414
Refund of value-added tax ("VAT")	91,150	156,775
Agency service income	4,135	–
Information technology service fees	–	5,816
	199,662	322,791

### 18. OTHER GAINS, NET

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Losses on disposal of items of property, plant and equipment	(2,491)	(48,288)
Gains on disposal of subsidiaries	–	948,093
Net foreign exchange losses	(15,033)	(13,787)
	(17,524)	886,018

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 19. FINANCE COSTS

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Interest expenses		
– Borrowings and domestic corporate bonds	283,048	236,029
– Finance lease obligations	2,267	6,433
Total interest expenses	285,315	242,462
Less: amount capitalised in vessels under construction and construction in progress	(4,148)	(26,692)
	281,167	215,770

### 20. INCOME TAX

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Current income tax		
– PRC corporate income tax (a)	7,793	29,373
– Hong Kong profits tax (b)	–	–
– Others	4,047	466
Deferred income tax	8	–
	11,848	29,839





## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 20. INCOME TAX *(Continued)*

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

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

According to the Corporate Income Tax Law of the People's Republic of China, which was effective from 1 January 2008, the CIT rate applicable of the Company and its subsidiaries established in Mainland China was 25% for the six months ended 30 June 2015 and 2014.

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

(b) *Hong Kong profits tax*

Hong Kong profits tax was provided at the rate of 16.5% (six months ended 30 June 2014: 16.5%) on the estimated assessable profits of the Group's companies operating in Hong Kong for the six months ended 30 June 2015.

### 21. DIVIDENDS

The directors did not recommend an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 22. DISCONTINUED OPERATION

On 11 October 2013, the Company announced the decision of its board of directors to dispose of China Shipping Terminal Company Limited. China Shipping Terminal Company Limited engages in operating container terminals. The disposal was completed on 10 June 2014.

The results and cash flows of China Shipping Terminal Company Limited for the period are presented below:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Revenue	–	132,876
Costs of services	–	(79,620)
Selling, administrative and general expenses	–	(25,745)
Other income	–	22,945
Other (losses)/gains, net	–	(7,023)
Finance costs	–	(21,786)
Share of profits and losses of:		
Associates	–	1,289
Joint ventures	–	25,617
Profit of the discontinued operation	–	48,553
Loss recognised on the remeasurement to fair value	–	–
Profit before tax from the discontinued operation	–	48,553
Income tax:		
Related to pre-tax profit	–	(9,797)
Profit for the period from the discontinued operation	–	38,756
Operating activities	–	19,112
Investing activities	–	(483,783)
Financing activities	–	313,926
Exchange loss on cash and cash equivalents	–	2,901
Net cash (outflow)/inflow	–	(147,844)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 23. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)		
– From continuing operations	10,643	395,591
– From a discontinued operation	–	36,046
<hr/>		
<b>Shares</b>		
Weighted average number of ordinary shares in issue (thousands)	11,683,125	11,683,125
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Diluted earnings per share for the period ended 30 June 2015 was the same as the basic earnings per share, as the Company did not have any potentially dilutive ordinary shares during the period.

### 24. COMMITMENTS

#### (a) Capital commitments

As at 30 June 2015 and 31 December 2014, the Group had the following significant capital commitments which were not provided for in the statement of financial position:

	30 June	31 December
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contracted, but not provided for:		
– Vessels under construction	–	1,755,168
<hr/>		

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 24. COMMITMENTS *(Continued)*

(b) *Lease commitments – the Group is the lessee*

As at 30 June 2015 and 31 December 2014, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Land and buildings:		
– Within one year	<b>77,630</b>	82,526
– In the second to fifth years	<b>152,375</b>	177,947
– After the fifth year	<b>42,763</b>	44,971
	<b>272,768</b>	305,444
Vessels chartered in and containers under operating leases:		
– Within one year	<b>3,200,855</b>	2,724,802
– In the second to fifth years	<b>4,196,762</b>	5,091,447
– After the fifth year	<b>248,739</b>	1,039,428
	<b>7,646,356</b>	8,855,677
	<b>7,919,124</b>	9,161,121

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

As at 30 June 2015 and 31 December 2014, the Group had the following future aggregate minimum lease receipts under non-cancellable operating leases where the Group is the lessor:

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
Vessels chartered out under operating leases:		
– Within one year	<b>1,181,519</b>	488,492
– In the second to fifth years	<b>566,375</b>	429,016
– After the fifth year	–	3,300
	<b>1,747,894</b>	920,808

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 25. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

In addition to the related party information shown elsewhere in this condensed consolidated interim financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the period and balances arising from related party transactions for the six months ended 30 June 2015 and 2014.

(a) *Significant transactions with related parties*

	Six months ended 30 June	
	2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
<i>Transaction with parent and ultimate holding company</i>		
Interest expense from non-current borrowings	<b>19,683</b>	27,929
<i>Transactions with fellow subsidiaries</i>		
Income:		
Liner services	<b>56,148</b>	50,025
Fuel supply	<b>684,453</b>	1,210,192
Port services	–	13,069



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 25. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(a) *Significant transactions with related parties (Continued)*

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Expenditure:		
Lease of containers	<b>73,662</b>	78,554
Lease of chassis	<b>7,033</b>	9,610
Lease of properties	<b>42,048</b>	31,121
Cargo and liner agency services	<b>296,923</b>	260,790
Container management services	<b>73,650</b>	87,450
Ship repair services	<b>10,877</b>	31,940
Supply of fresh water, vessel fuel, lubricants, spare parts and other materials	<b>610,064</b>	676,663
Depot services	<b>9,128</b>	6,150
Information technology service charges	<b>18,689</b>	3,598
Provision of crew members	<b>367,711</b>	167,910
Loading and unloading services	<b>691,132</b>	339,702
Purchase of containers	<b>685,829</b>	39,034
Ground container transport costs	<b>1,550</b>	1,502
<hr/>		
<i>Transactions with China Shipping Finance Co., Ltd.</i>		
<i>("CS Finance", a fellow subsidiary and associated company)</i>		
Interest expense from non-current borrowings	–	6,899
Interest income from deposits	<b>39,942</b>	23,107
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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 25. SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(b) *Balances with related parties*

	<b>30 June 2015 RMB'000 (Unaudited)</b>	31 December 2014 RMB'000 (Audited)
<i>Balances with parent and ultimate holding company</i>		
Borrowing (note 10)	<b>(1,211,360)</b>	(1,211,900)
Interest payables	<b>(1,101)</b>	(1,132)
<hr/>		
<i>Balances with fellow subsidiaries</i>		
Trade receivables (note 8)	<b>332,033</b>	343,746
Less: provisions	<b>(9,961)</b>	(10,328)
	<b>322,072</b>	333,418
<hr/>		
Trade payables (note 13)	<b>(338,606)</b>	(873,069)
<hr/>		
The balances are unsecured and interest-free.		
<i>Balances with CS Finance</i>		
Interest receivables	<b>36,723</b>	5,421
Deposits	<b>3,584,820</b>	2,964,893
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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

### 25. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(c) *Transactions with other state-owned enterprises*

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

- Purchases of services, bunker and spare part and others
- Purchase of assets
- Bank deposits and borrowings
- Interest income and expense

These transactions were conducted in the ordinary course of business.

(d) *Key management compensation*

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Basic salaries and allowances	<b>9,235</b>	4,520

### 26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 29 July 2015, China Shipping Container Lines (Hong Kong) Co., Ltd. ("CSCL HK"), a wholly-owned subsidiary of the Company, entered into the shipbuilding contracts with the builders, pursuant to which CSCL HK agreed to purchase eight vessels (each container vessel with a capacity of 13,500TEU). The aggregate consideration payable for such vessel acquisition under the shipbuilding contracts is US\$934,400,000 (equivalent to approximately RMB5,713,856,000).