中海集裝箱運輸股份有限公司

China Shipping Container Lines Company Limited*

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

(Stock code: 02866)

ANNOUNCEMENT OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2010

	1H2010 *(RMB)* **(Unaudited)**	1H2009 *(RMB)* (Unaudited)	**Change**
Revenue	**16,026,920,000**	8,929,434,000	79.5%
Operating profit/(loss)	**1,327,324,000**	(3,189,295,000)	(141.6%)
Profit/(loss) attributable to equity holders of the Company	**1,171,404,000**	(3,417,974,000)	(134.3%)
Basic earnings/(loss) per share	**0.10**	(0.29)	(134.5%)
Gross profit margin	**10.1%**	(35.2%)	(128.7%)
Gearing ratio	**22.3%**	12.8%	74.2%

Business Highlights

- Shipping volume of the Group reached 3,552,722 TEU in the first half of 2010, representing an increase of 11.6% over that of the same period in 2009.
- Revenue of the Group amounted to RMB16,026,920,000 in the first half of 2010, representing an increase of RMB7,097,486,000 or 79.5% as compared with the same period last year.
- Shipping capacity of the Group reached 509,439 TEU as at 30 June, 2010, representing a net increase of 12,439 TEU as compared with that as at the end of 2009.

The board (the "Board") of directors (the "Directors") of China Shipping Container Lines Company Limited ("CSCL" or the "Company") hereby announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the "Group") for the six months ended 30 June, 2010 (the "Period") prepared under Hong Kong Accounting Standard 34, 'Interim Financial Reporting', which has been reviewed by the audit committee of the Company. Our auditor, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, has reviewed the unaudited condensed consolidated interim financial information for the Period in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

During the Period, the Group recorded a revenue of RMB16,026,920,000, representing an increase of RMB7,097,486,000 or 79.5% as compared with that of the same period last year. Net profit attributable to equity holders of the Company for the Period amounted to RMB1,171,404,000, representing an increase of RMB4,589,378,000 compared with the same period last year. Basic earnings per share was RMB0.10.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE, 2010

	Note	**30 June, 2010** *RMB'000* **(Unaudited)**	31 December, 2009 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**33,258,537**	33,234,405
Leasehold land and land use rights		**99,001**	100,214
Intangible assets		**25,123**	26,227
Deferred income tax assets		**10,990**	19,699
Available-for-sale financial assets		**362,140**	163,300
Investment in associated companies		**115,025**	113,704
Investment in jointly controlled entities		**1,199,389**	1,122,075
Total non-current assets		**35,070,205**	34,779,624
Current assets			
Inventories		**1,032,519**	874,400
Trade and notes receivables	*4*	**2,117,219**	1,573,176
Prepayments and other receivables		**155,194**	128,394
Cash and cash equivalents		**8,784,385**	6,936,708
Total current assets		**12,089,317**	9,512,678
Total assets		**47,159,522**	44,292,302

	Note	30 June, 2010 RMB'000 (Unaudited)	31 December, 2009 RMB'000 (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**11,683,125**	11,683,125
Other reserves		**17,627,173**	17,664,548
Accumulated losses		**(2,949,570)**	(4,120,974)
		26,360,728	25,226,699
Non-controlling interests		**761,854**	751,499
Total equity		**27,122,582**	25,978,198
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings		**10,163,030**	8,351,685
Domestic corporate bonds		**1,782,950**	1,781,724
Finance lease obligations		**457,284**	571,901
Deferred income tax liabilities		**82**	83
Total non-current liabilities		**12,403,346**	10,705,393
Current liabilities			
Trade payables	*5*	**4,476,952**	4,071,296
Accrual and other payables		**628,704**	743,498
Short-term bank borrowings		**339,545**	136,564
Long-term bank borrowings – current portion		**1,867,693**	2,296,220
Finance lease obligations – current portion		**219,193**	232,069
Current income tax liabilities		**49,118**	36,971
Provisions		**52,389**	92,093
Total current liabilities		**7,633,594**	7,608,711
Total liabilities		**20,036,940**	18,314,104
Total equity and liabilities		**47,159,522**	44,292,302
Net current assets		**4,455,723**	1,903,967
Total assets less current liabilities		**39,525,928**	36,683,591

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE, 2010

	Note	Six months ended 30 June, **2010** *RMB'000* (Unaudited)	2009 *RMB'000* (Unaudited)
Revenue	*3*	**16,026,920**	8,929,434
Costs of services		**(14,407,946)**	(12,074,234)
Gross profit/(loss)		**1,618,974**	(3,144,800)
Other gains, net	*7*	**46,812**	70,667
Other income	*8*	**50,508**	92,460
Selling, administrative and general expenses		**(388,970)**	(207,622)
Operating profit/(loss)	*6*	**1,327,324**	(3,189,295)
Finance costs	*9*	**(111,282)**	(146,119)
Share of results of associated companies		**1,321**	(102)
Share of results of jointly controlled entities		**15,700**	7,225
Profit/(loss) before income tax		**1,233,063**	(3,328,291)
Income tax expense	*10*	**(47,003)**	(87,748)
Profit/(loss) for the period		**1,186,060**	(3,416,039)
Attributable to:			
Equity holders of the Company		**1,171,404**	(3,417,974)
Non-controlling interests		**14,656**	1,935
		1,186,060	(3,416,039)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company (Expressed in RMB per share) – Basic and diluted	*12*	**RMB0.10**	RMB(0.29)
Dividends	*11*	**–**	–

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE, 2010

	Six months ended 30 June,	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**1,186,060**	(3,416,039)
Other comprehensive income/(loss)		
Share of other comprehensive income of jointly controlled entities	**183**	–
Currency translation differences, net of tax	**(37,558)**	(17,584)
Total comprehensive income/(loss) for the period	**1,148,685**	(3,433,623)
Attributable to:		
Equity holders of the Company	**1,134,029**	(3,435,558)
Non-controlling interests	**14,656**	1,935
	1,148,685	(3,433,623)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June, 2010 has been prepared in accordance with Hong Kong Accounting Standard 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, 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), including Hong Kong Accounting Standards.

2 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December, 2009 as described in those annual financial statements.

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

(a) Standards, amendments and interpretations to existing standards effective in 2010 and relevant to the Group

- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July, 2009.

  The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. This standard does not have any impact on the Group's condensed consolidated interim financial information for the six months ended 30 June, 2010, as the Group has not entered into any business combination during the period.

- HKFRS 2 (Amendment), 'Group cash-settled share-based payment transaction' is effective for annual periods beginning on or after 1 January, 2010. The amendment does not have a material impact on the Group's financial statements.

- HKAS 17 (amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January, 2010 on the basis of information existing at the inception of those leases, and considered this amendment did not have any impact to the Group as all the leases of land should still be classified as operating lease under HKAS 17 (amendment).

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group

- 'Additional exemptions for first-time adopters' (Amendment to HKFRS 1) is effective for annual periods beginning on or after 1 January, 2010. This is not relevant to the Group, as it is an existing HKFRS preparer.

- HKAS 39 (Amendment), 'Eligible hedged items' is effective for annual periods beginning on or after 1 July, 2009. That is not currently applicable to the Group, as it has no hedging activities.

- HK(IFRIC)-Int 17, 'Distributions of non-cash assets to owners' is effective for annual periods beginning on or after 1 July, 2009. This is not currently applicable to the Group, as it has not made any non-cash distribution.

- First improvements to Hong Kong Financial Reporting Standards (2008) were issued in October 2008 by the HKICPA. The improvement related to HKFRS 5 "Non-current assets held for sale and discontinued operations" is effective for annual periods beginning on or after 1 July, 2009.

- Second improvements to Hong Kong Financial Reporting Standards (2009) were issued in May 2009 by the HKICPA. All improvements are effective in the financial year of 2010.

(c) New standards, new interpretations and amendments to standards and interpretations that relevant to the Group's operations have been issued but are not effective for the financial year beginning 1 January, 2010 and have not been early adopted:

- HKFRS 9, 'Financial instruments' addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January, 2013.

- HKAS 24 (Revised) 'Related party disclosures' supersedes HKAS 24 'Related party disclosures' issued in 2003. The standard is not applicable until 1 January, 2011.

- Under 'Classification of rights issues' (Amendment to HKAS 32), for rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment is not applicable until 1 February, 2010.

- Amendments to HK(IFRIC)-Int 14 'Prepayments of a minimum funding requirement' corrects an unintended consequence of HK(IFRIC)-Int 14, 'HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. The amendments are not applicable until 1 January, 2011.

- HK(IFRIC)-Int 19, 'Extinguishing financial liabilities with equity instruments'. The interpretation is not applicable until 1 July, 2010.

- 'Limited exemption from comparative HKFRS 7 disclosures for first-time adopters' (Amendment to HKFRS 1). The amendment is not applicable until 1 July, 2010.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA. All improvements are effective in the financial year of 2011.

3 REVENUE AND SEGMENT INFORMATION

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

The chief operating decision-maker considers the business from both a geographic and business perspective. From a geographic perspective, the decision-maker assesses the revenue from the world's major trade lanes including Pacific, Europe/Mediterranean, Asia Pacific, China Domestic and Others. From a business perspective, the chief operating decision-maker assesses the performance of container shipping and related business and container terminal and related business.

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

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

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

Revenue is set out below:

	Six months ended 30 June, 2010 RMB'000 (Unaudited)	2009 RMB'000 (Unaudited)
Pacific	**5,366,930**	3,127,756
Europe/Mediterranean	**5,269,655**	1,728,987
Asia Pacific	**2,186,822**	1,438,777
China Domestic	**2,432,234**	1,716,894
Others	**771,279**	917,020
Turnover	**16,026,920**	8,929,434

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment results for the six months ended 30 June, 2010 (Unaudited)				
Total segment revenue	**15,887,970**	**214,518**	**(75,568)**	**16,026,920**
Less: inter-segment revenue	**–**	**(75,568)**	**75,568**	**–**
Revenue of the Group, from external customers	**15,887,970**	**138,950**	**–**	**16,026,920**
Segment operating profit	**1,173,003**	**154,321**	**–**	**1,327,324**
Finance costs	**(85,859)**	**(25,423)**	**–**	**(111,282)**
Share of results of jointly controlled entities	**608**	**15,092**	**–**	**15,700**
Segment profit before income tax	**1,087,752**	**143,990**	**–**	**1,231,742**
Share of result of an associated company				**1,321**
Profit before income tax				**1,233,063**
Income tax expense				**(47,003)**
Profit for the period				**1,186,060**
Other items				
Depreciation and amortisation	**658,308**	**40,743**	**–**	**699,051**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**675,855**	**280,137**	**–**	**955,992**

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment assets and liabilities as at 30 June, 2010 (Unaudited)				
Other segment assets	**41,548,176**	**4,005,663**	**(81,861)**	**45,471,978**
Jointly controlled entities	**39,643**	**1,159,746**	**–**	**1,199,389**
Associated companies	**38,704**	**–**	**–**	**38,704**
Available-for-sale financial assets	**–**	**362,140**	**–**	**362,140**
Total segment assets	**41,626,523**	**5,527,549**	**(81,861)**	**47,072,211**
Unallocated assets				
– An associated company				**76,321**
– Deferred income tax assets				**10,990**
Total assets				**47,159,522**
Segment liabilities	**17,605,983**	**2,463,618**	**(81,861)**	**19,987,740**
Unallocated liabilities				
– Deferred income tax liabilities				**82**
– Current income tax liabilities				**49,118**
Total liabilities				**20,036,940**

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment results for the six months ended 30 June, 2009 (Unaudited)				
Total segment revenue	8,830,678	166,066	(67,310)	8,929,434
Less: inter-segment revenue	–	(67,310)	67,310	–
Revenue of the Group, from external customers	8,830,678	98,756	–	8,929,434
Segment operating (loss)/profit	(3,253,652)	64,357	–	(3,189,295)
Finance costs	(114,816)	(31,303)	–	(146,119)
Share of results of				
– an associated company	(102)	–	–	(102)
– jointly controlled entities	698	6,527	–	7,225
Segment (loss)/profit before income tax	(3,367,872)	39,581	–	(3,328,291)
Income tax expense				(87,748)
Loss for the period				(3,416,039)
Other items				
Depreciation and amortisation	712,520	40,939	–	753,459
Additions to non-current assets (other than financial instruments and deferred income tax assets)	480,779	172,241	–	653,020

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Segment assets and liabilities as at 31 December, 2009 (Audited)				
Other segment assets	38,880,976	4,014,826	(22,278)	42,873,524
Jointly controlled entities	39,035	1,083,040	–	1,122,075
Associated companies	38,704	–	–	38,704
Available-for-sale financial assets	–	163,300	–	163,300
Total segment assets	38,958,715	5,261,166	(22,278)	44,197,603
Unallocated assets				
– An associated company				75,000
– Deferred income tax assets				19,699
Total assets				44,292,302
Segment liabilities	15,965,521	2,333,807	(22,278)	18,277,050
Unallocated liabilities				
– Deferred income tax liabilities				83
– Current income tax liabilities				36,971
Total liabilities				18,314,104

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

4 TRADE AND NOTES RECEIVABLES

	30 June, 2010 ***RMB'000*** **(Unaudited)**	31 December, 2009 *RMB'000* (Audited)
Trade receivables		
– Related parties	**347,440**	224,472
– Third parties	**1,533,195**	1,153,584
	1,880,635	1,378,056
Notes receivables	**236,584**	195,120
	2,117,219	1,573,176

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

	30 June, 2010 *RMB'000* **(Unaudited)**	31 December, 2009 *RMB'000* (Audited)
Within 3 months	**1,952,727**	1,396,028
4 to 6 months	**116,017**	81,146
7 to 9 months	**39,955**	66,113
10 to 12 months	**25,603**	72,507
Over one year	**44,275**	–
	2,178,577	1,615,794
Less: provision for impairment of receivables	**(61,358)**	(42,618)
	2,117,219	1,573,176

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

5 TRADE PAYABLES

	30 June, 2010 *RMB'000* **(Unaudited)**	31 December, 2009 *RMB'000* (Audited)
Trade payables		
– Related parties	**1,128,672**	1,636,424
– Third parties	**3,348,280**	2,434,872
	4,476,952	4,071,296

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

	30 June, 2010 *RMB'000* **(Unaudited)**	31 December, 2009 *RMB'000* (Audited)
Within 3 months	**4,389,775**	3,929,336
4 to 6 months	**67,635**	72,196
7 to 9 months	**19,466**	69,764
10 to 12 months	**76**	–
	4,476,952	4,071,296

6 OPERATING PROFIT/(LOSS)

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

	Six months ended 30 June,	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Costs of bunker consumed	**3,717,540**	2,485,740
Depreciation and amortization	**699,051**	753,459
Operating lease rental	**1,778,763**	1,991,549
Provision/(reversal of provision) for impairment of receivables	**19,537**	(24,981)

7 OTHER GAINS, NET

	Six months ended 30 June,	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange (losses)/gains	**(47,783)**	67,861
Gains on disposal of investment in a jointly controlled entity	**92,272**	–
Net gains on disposal of property, plant and equipment	**2,323**	2,806
	46,812	70,667

During the six months ended 30 June, 2010, China Shipping Terminal Development Co., Ltd. ("China Shipping Terminal"), a subsidiary of the Group, disposed all of its investment in a jointly controlled entity, CSX World Terminal Yan Tai Co., Ltd. ("CSX") to Yantai Port., Ltd. ("Yantai Port"). As the consideration, Yantai Port issued 131,230,000 shares, representing 3.9% of its total paid-in capital, to China Shipping Terminal, credited as fully paid. The investment in Yantai Port is accounted for as an available-for-sale financial asset of the Group and a gain of RMB92,272,000 on disposal of interest in CSX was recognised in the condensed consolidated interim income statement for the six months ended 30 June, 2010. The gain on disposal was determined based on the difference between the fair value of the shares of Yantai Port amounting to approximately RMB198,840,000 and the carrying amount of China Shipping Terminal's investment in CSX upon disposal amounting to RMB106,568,000.

8 OTHER INCOME

	Six months ended 30 June,	
	2010	2009
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**26,605**	72,065
Government grant	**12,711**	–
Information technology services fee	**11,170**	–
Dividend income from available-for-sale financial assets	**22**	20,395
	50,508	92,460

9 FINANCE COSTS

	Six months ended 30 June, 2010 *RMB'000* (Unaudited)	2009 *RMB'000* (Unaudited)
Interest expenses:		
– Bank borrowings	**111,872**	129,170
– Domestic corporate bonds	**41,768**	41,625
– Finance lease obligations	**25,790**	48,148
Total interest expenses	**179,430**	218,943
Less: amount capitalised in vessels under construction and construction in progress	**(68,148)**	(72,824)
	111,282	146,119

10 INCOME TAX EXPENSE

	Six months ended 30 June, 2010 *RMB'000* (Unaudited)	2009 *RMB'000* (Unaudited)
Current income tax		
– Hong Kong profits tax (a)	**847**	–
– PRC corporate income tax (b)	**37,448**	8,064
Deferred income tax	**8,708**	79,684
	47,003	87,748

Taxes on income for the interim periods 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 periods are set out below:

(a) Hong Kong profits tax

Hong Kong profits tax is provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits of the Group's companies operated in Hong Kong for the six months ended 30 June, 2010.

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

The Company is a joint stock limited company under the Company Law of the PRC and is registered in the Yangshan Free Trade Port Area, Shanghai PuDong New Area. The original CIT rate applicable to the Company was 15%. Under the new CIT Law, the CIT rate applicable to the Company will increase gradually to 25% within 5 years from 2008 to 2012. The applicable income tax rate of the Company for the six months ended 30 June, 2010 is 22%. The original CIT rates applicable to the Company's subsidiaries incorporated in the PRC range from 15% to 33%. Under the new CIT Law, except for certain subsidiaries whose CIT rates will increase gradually to 25% within 5 years from 2008 to 2012, the CIT rates for other subsidiaries has been changed to 25% since 1 January, 2008.

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

11 DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June, 2010 (2009: Nil).

12 EARNINGS/(LOSS) PER SHARE

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

	Six months ended 30 June,	
	2010	2009
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to equity holders of the Company *(RMB'000)*	**1,171,404**	(3,417,974)
Weighted average number of ordinary shares in issue *(thousands)*	**11,683,125**	11,683,125
Basic earnings/(loss) per share *(RMB per share)*	**RMB0.10**	RMB(0.29)

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share, as the Company does not have any potential dilutive ordinary shares during the period ended 30 June, 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

The global economy bottomed out in the second half of 2009 and continued to improve in the first half of 2010. According to the latest forecast released by the International Monetary Fund in July, the growth rate of the global economy will reach 4.6% in 2010. Driven by the revival of trading activities, the demand for container transportation in the global container market is expected to pick up at the same time.

During the Period, the total container throughput handled by major ports in China was 68.702 million TEU, representing an increase of approximately 22.3% as compared with the same period last year, amongst which, the container throughput handled by coastal ports and river ports amounted to 61.898 million TEU and 6.804 million TEU respectively, representing an increase of 22.1% and 24.3% respectively as compared with the same period last year (Source: the Ministry of Transport of the PRC).

PERFORMANCE ANALYSIS

During the Period, the Group recorded a revenue of RMB16,026,920,000, representing an increase of RMB7,097,486,000 or 79.5% as compared with that of the same period last year. Net profit attributable to equity holders of the Company for the Period amounted to RMB1,171,404,000, representing an increase of RMB4,589,378,000 compared with the same period last year. Basic earnings per share was RMB0.10.

LOADED CONTAINER VOLUME BY TRADE LANES

Principal Markets	**1H2010** *(TEU)*	1H2009 *(TEU)*	Change *(%)*
Pacific trade lanes	**662,852**	565,307	17.3%
Europe/Mediterranean trade lanes	**598,828**	557,547	7.4%
Asia Pacific trade lanes	**704,507**	736,422	(4.3%)
China domestic trade lanes	**1,549,326**	1,253,522	23.6%
Others	**37,209**	70,837	(47.5%)
Total	**3,552,722**	3,183,635	11.6%

REVENUE FROM OPERATIONS BY TRADE LANES

Principal Markets	**1H2010** *(RMB'000)*	1H2009 *(RMB'000)*	Change *(%)*
Pacific trade lanes	**5,366,930**	3,127,756	71.6%
Europe/Mediterranean trade lanes	**5,269,655**	1,728,987	204.8%
Asia Pacific trade lanes	**2,186,822**	1,438,777	52.0%
China domestic trade lanes	**2,432,234**	1,716,894	41.7%
Others	**771,279**	917,020	(15.9%)
Total	**16,026,920**	8,929,434	79.5%

The remarkable improvement in the Group's operating results for the Period as compared with the same period last year was mainly attributable to the following reasons:

I. Market factors:

The recovery of major economies around the globe had led to a general increase in consumption which in turn stimulated the transportation demand directly. As a result, the cargo volume of the Group in the Period grew by 11.6% over that of the same period last year, thus idle shipping capacity was fully utilized.

Encouraged by the above positive factors, freight rates of all trade lanes were restored to their prior level:

The revenue per TEU from Europe/Mediterranean trade lanes increased by 183.8% as compared with the same period last year; the revenue per TEU from the Pacific trade lanes and Asia Pacific trade lanes saw a significant rebound; and the revenue per TEU from domestic trade lanes also recorded an increase over that of the same period last year.

II. The Group's management has closely monitored changes in market conditions, allocated assets on a flexible basis, exercised strict control over operating costs and deepened the concept of refined management:

1. Grasp the opportunities brought about by the market rebound and proactively push ahead with market development.

2. Adhere to the principle of prioritizing economical benefits and optimize its trade lanes and the allocation of shipping capacity.

3. Deepen the philosophy of refined management by implementing strict control over operating costs. The Group seized the opportunities to purchase and order containers at low prices, secure certain fuel price at favourable terms, apply ultra-slow voyage speed on trial basis, optimize transhipment routes, strengthen its cooperation with ports and secure the best possible rates. The Group had explored all possible means of cost control and achieved remarkable results in this respect.

Cost analysis

During the Period, the Group's operation costs totaled to RMB14,407,946,000, representing an increase of RMB2,333,712,000 or 19.3% as compared to the same period last year. The increase in cost was mainly due to the following reasons:

During the Period, container and cargo costs amounted to RMB5,460,026,000, representing an increase of 18.0% as compared to the same period last year, mainly due to the increase in the volume of loaded cargoes.

Port charges increased by 8.8% as compared to the same period last year as a result of the increase in trade lanes and the number of voyages. With the increase in the volume of loaded cargoes for international trade lanes, the Group's stevedore charges for loaded and empty containers amounted to RMB3,309,562,000 during the Period, representing an increase of 22.7% as compared to the same period last year. Due to the rapid increase in container prices, container management cost amounted to RMB1,200,733,000, representing an increase of 13.8% as compared to the same period last year.

Vessel and voyage costs for the Period amounted to RMB6,017,562,000, representing an increase of 25.1% as compared to the same period of 2009, mainly due to the increase in fuel costs. During the Period, fuel costs amounted to RMB3,717,540,000, representing an increase of 49.6% as compared to the same period of 2009. The increase in fuel costs was a direct result of the increase in international crude oil price. However, through a series of rigid cost control measures such as locking fuel price and applying ultra-slow voyage speed, the increase in the Group's fuel costs during the Period was lower than the increase in international fuel price (The average international crude oil price in 2010 increased by approximately 68% as compared to the same period of 2009.).

During the Period, sub-route and other costs amounted to RMB2,930,358,000, representing an increase of 11.1% as compared to the same period of 2009. The increase was mainly a result of the increase in door-to-door transportation services provided by the Group, which led to an increase in the volume of loaded cargoes for the sub-routes.

Prospects

The second half of the year is generally the traditional peak season of the shipping industry. For the period ended July and August, the cargo volume of each trade lane kept increasing. With such increase in cargo volume, the loading factor and freight rate of our trade lanes were hence, pressured by the utilization of idle shipping capacity and the delivery of additional shipping capacity lacking signs to support a further growth.

As the freight rates of trade lanes remained at a relatively high level since the beginning of the year, the shipping industry was therefore not yet under full operating difficulties.

However, the European debts crisis, the slow recovery of the U.S. economy, the declining PRC's GDP and other negative factors have brought the industry with uncertainties in the fourth quarter.

Facing such complicated business outlook, the Group remains confident about the industry and will continue to implement its prudent operating strategies:

1. Strengthen the cooperation among trade lanes, further optimize the trade lanes network and maximize the efficiency of trade lanes.

2. Continue to refine the specifics of cost control.

   (i) Fuel cost. The Group will continue to apply ultra-slow voyage speed of vessels and purchase fuel at lockin prices so as to reduce fuel cost.

   (ii) Container management cost. The Group will enhance container management, rationally arrange the reposition of empty containers, reduce the storage cost of empty containers and the expenses of reposition of empty containers for sub-routes and increase the turnover rate of containers.

   (iii) The Group will take various measures to stringently control port charges, transhipment cost and administration expenses etc.

3. Continue to increase efforts on developing the market of sea-to-rail intermodal transportation. The volume of our sea-to-rail intermodal transportation service for the Period grew by 33.7% as compared to the same period of last year, the economic benefits of which are becoming obvious. Sea-to-rail intermodal transportation service will remain one of the Group's focuses in the future. The Group will gradually expand the volume of sea-to-rail intermodal transportation service and leverage on the competitive edge and advantages of this service.

4. Enhance safety management, proactively proceed with information system construction, and pursue a reasonable assessment mechanism and continue to implement the philosophy of refined management.

5. Plan ahead and get prepared for the traditional low season by taking a proactive approach, and try to minimize future risks through the rational deployment of shipping capacity and market expansion.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's principal source of liquidity is cash flow from operations and short-term bank loans. The Group's cash has mainly been used in paying for operating costs, repayments of loans and construction of new vessels and containers. During the Period, the Group generated a net operating cash inflow of RMB1,439,279,000 and the Group had a bank balance and cash of RMB8,784,385,000 as at 30 June, 2010.

As at 30 June, 2010, the Group's total bank borrowings were RMB12,370,268,000. The maturity profile is spread over a period between 2010 and 2021 with RMB2,207,238,000 repayable within one year, RMB1,933,319,000 repayable within the second year, RMB6,353,841,000 repayable within the third to fifth year, and RMB1,875,870,000 repayable after the fifth year. The Group's long-term bank borrowings are mainly used to fund the construction of vessels and terminals.

As at 30 June, 2010, the Group's long-term bank borrowings were secured by mortgages over certain containers, container vessels, and vessels under construction with a net book value of RMB2,163,590,000 (as at 31 December, 2009: RMB2,254,348,000).

As at 30 June, 2010, the Group's ten-year period fully repayable bonds amounted to RMB1,782,950,000, all proceeds were used in the construction of vessels. The bonds are guaranteed by the Bank of China, Shanghai branch.

As at 30 June, 2010, the Group's obligations under finance leases amounted to RMB676,477,000, with the maturity profile ranging from 2010 to 2017. The amount repayable within one year is RMB219,193,000, the amount repayable within the second year is RMB218,158,000, the amount repayable within the third to fifth year is RMB219,546,000 and the amount repayable after the fifth year is RMB19,580,000. The Group's finance lease obligations are substantially arranged for the lease of containers, while the remaining small portion is arranged for the construction of terminals and port facilities.

As at 30 June, 2010, 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 22.3%, which is lower than that of 24.8% as at 31 December, 2009.

As at 30 June, 2010, the Group had RMB borrowings in the amount of RMB2,356,000,000 at interest rate of 5.5% per annum, and USD borrowings in the amount of USD1,474,660,000 (equivalent to RMB10,014,268,000) at floating interest rates ranging from London Inter-bank Offered Rate plus 0.1% to 1.0% per annum. The Group's borrowings are settled in RMB and 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 directors of the Company will review the operating cash flow of the Group from time to time. It is the intention of the Group to maintain an appropriate composition of equity and debt to constantly achieve an effective capital structure.

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 negative impact on the net operating revenue due to RMB appreciation since July 2005 can be offset by each other to a certain extent. During the Period, the Group devoted much effort to improve the currency structure of assets in order to control the exchange loss for the Period. The Group recorded an exchange loss of approximately RMB47,783,000 which was recorded in the income statement, and the exchange difference which directly charged to equity amounted to approximately RMB37,558,000 during the Period. The Group continues to monitor the RMB exchange rate fluctuation, and convert net cash inflow from operating activities into RMB in a timely manner so as to minimise the losses brought by foreign exchange fluctuations. The Group will continue to implement the policy of timely conversion of foreign monetary assets, reduce the monetary net assets denominated in foreign currency, and consider appropriate measures, including hedging instruments (e.g. forward exchange contracts) when necessary and appropriate, based on the Group's operating needs to minimise its currency exposure.

CAPITAL COMMITMENT

As at 30 June, 2010, the Group's capital commitments which had been contracted but not provided for, in relation to vessels and containers under construction amounted to RMB8,000,821,000 and in relation to investments was RMB200,000,000. Furthermore, the operating lease commitments of the Group relating to land and buildings, and vessels and containers, are RMB129,718,000 and RMB13,148,843,000, respectively.

CONTINGENT LIABILITIES

As at 30 June, 2010, the Group had a provision of RMB52,389,000 for onerous contracts and legal claims.

SHARE CAPITAL

As at 30 June, 2010, the share capital of the Company was as follows:

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Period.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2009: nil).

EMPLOYEES, TRAINING AND DEVELOPMENT

As at 30 June, 2010, the Group had 4,306 employees. Total staff expenses during the Period were approximately RMB683,451,000. In addition, the Group had entered into contracts with a number of subsidiaries of China Shipping (Group) Company, pursuant to which these subsidiaries provided the Group with approximately 2,901 crew members in total who mainly work on the Group's self-owned or bareboat chartered vessels.

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

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

AUDIT COMMITTEE

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

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is pleased to confirm that, none of the Directors are aware of any information that will reasonably indicate that the Company was not, at any time during the Period, in compliance with all code provisions of the "Code on Corporate Governance Practices" set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS

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

INTERIM REPORT

An interim report for the Period containing all the information required by "Disclosure of Financial Information" as set out in Appendix 16 to the Listing Rules will be dispatched by the Company to its shareholders and published on the websites of the Stock Exchange and the Company (http://www.cscl.com.cn) in due course.

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

Shanghai, the PRC
25 August 2010

The Board as at the date of this announcement comprises of Mr. Li Shaode, Mr. Zhang Guofa, Mr. Huang Xiaowen and Mr. Zhao Hongzhou, being executive Directors; Mr. Ma Zehua, Mr. Zhang Jianhua, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Yan Zhichong and Mr. Xu Hui, being non-executive Directors; and Mr. Jim Poon (also known as Pan Zhanyuan), Mr. Wu Daqi, Mr. Shen Kangchen, Mr. Shen Zhongying and Ms. Zhang Nan, being independent non-executive Directors.

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