中海集裝箱運輸股份有限公司

China Shipping Container Lines Company Limited*

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

(Stock code: 02866)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS (UNDER HKFRS)

- Revenue amounted to RMB28,246,498,000
- Loss attributable to equity holders of the Company amounted to RMB2,743,469,000
- Basic loss per share amounted to RMB0.235
- Loaded container volume amounted to 7,438,002 TEU in the year 2011

The board of directors (the "**Board**") of China Shipping Container Lines Company Limited (the "**Company, CSCL**") is pleased to present the audited consolidated results prepared under Hong Kong Financial Reporting Standards ("**HKFRS**") of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2011, together with the audited comparative figures for the year ended 31 December 2010.

CHAIRMAN'S STATEMENT

In 2011, the global economic growth slowed down due to the European debt crisis as well as rising inflation in the emerging markets. Under such stagnant macroeconomic environment, growth in demand for container transportation slowed down and the global shipping market remained sluggish. Together with concentrated delivery of additional shipping capacity during the period, the shipping market contributed further to supply-demand imbalance. Furthermore, the shipping companies also faced increased operating costs due to persistently high fuel price. In face of the complicated market situation, the Group adopted an active approach by implementing various measures to counter the adverse effects brought about by market downturn and minimize its losses.

For the year 2011, the Group's revenue was RMB28,246,498,000, representing a decrease of 18.9% as compared with 2010. The Group's loaded container volume was 7,438,002TEU, representing an increase of 3.2% as compared with 2010. Loss attributable to equity holders of the Company was RMB2,743,469,000 and losses per share were RMB0.235.

OPERATION REVIEW

Against such a severe operating environment, the Group calmly coped with the situation by setting out clear corporate development strategies, deepening the implementation of refined management, while adhering to efficiency as well as reinforcing various cost control. The Group also introduced vigorous measures to different production and operation processes so as to continuously enhance and improve itself in the volatile market.

1. The Group rationally analyzed the market and optimized the vessel types, shipping capacity and overall trade lane arrangement based on efficiency and effectiveness. The Group accurately predicted the market trend and made timely and reasonable arrangements such as leasing and subleasing its surplus capacity, thereby minimizing losses and increasing vessel chartering income during the industry downturn. Meanwhile, fleet structure was optimized in order to accommodate market demand. Our advantage over large fleet size was enhanced and container management cost per container was lowered, thus further increased our comprehensive competitiveness and improved our global service network.

2. The Group deepened implementation of refined management and took various practical measures to reinforce cost control. In 2011, the Group actively promoted universal application of extra slow steaming and strictly controlled fuel cost by timely entering into deals to lock in the price of oil. Intensified effort was made to adjust fleet structure, arrange surrender of lease, expedite container turnaround, improve management and control ability and reduce management cost of container. Meanwhile, the Group also increased its bargaining power by leveraging on its competitive fleet size and container volume so as to strictly control port charges. Moreover, a pre-control system for shipping space allocation was implemented and transshipment route was optimized to increase the efficiency of cargo transit and cut down transshipment cost.

3. The Group relentlessly enhanced service standard and pursued service excellence by focusing on details. Last year, according to the consumer research conducted by Containerisation International, CSCL was ranked No.1 in terms of customer recognition, and received highest customer satisfaction rating by European users.

4. The Group expanded external cooperation by implementing the "Large Cooperation" strategy. By means of exchanging and buying shipping space and joint operation of trade lanes and other types of cooperation, the Group refined overall arrangement of trade lanes, increased direct routes, expanded service coverage and reduced operating risks.

5. The Group intensified marketing efforts to open up new markets and press ahead the implementation of high net-worth customer strategy so as to maximize efficiency of trade lanes. In view of the sluggish market, the Group took a more proactive approach to explore the market by focusing on customers' demand and rendering quality services to attract and maintain customers.

6. The Group fully executed corporate social responsibility and took good care of its staff. The Group lived up to the principles of low carbon operation and greatly promoted green voyage to realize its corporate social responsibilities. The Group also provided a promising career path for its employees to strengthen internal cohesion.

FUTURE PROSPECT

In 2012, the shipping transportation market will continue to be affected by the global economy and international trade as numerous uncertainties continue to exist. Euro zone countries will pick up slowly as risks from the sovereign debt crisis remain while the U.S. economy is expected to recover steadily and therefore stimulate trading demand. Moreover, stronger market demand will come from the Southern Hemisphere, which will serve as the driver for higher trading volume. Meanwhile, we will continue to see the pressure arising from oversupply over a longer period, as a result, the shipping companies will continue to cooperate with each other. The shipping transportation market will continue to move forward amid the challenges and opportunities.

The Group will continue to watch the market closely and adopt proactive measures in respect of profitability, cost control, brand service, human resource and information in a timely manner so as to enhance the overall competitiveness of the Group. In 2012, we will focus on the implementation of the following:

1. The Group will timely optimize fleet structure and enhance trade lane operation. The Group will continue to increase its overall competitiveness and strive to build the optimal fleet that is best for its own development and most adaptable to market needs, therefore completing its global service network.

2. The Group will further optimize the arrangement of its global trade lanes, intensify efforts in market exploration, identify market highlights and extend global coverage. The Group will promptly adjust the shipping space between the East and the West trade lanes as well as fleet structure by shifting the focus to the Southern Hemisphere while increasing input to domestic trade market.

3. The Group will intensify marketing effort by adhering to the "Large Clients, Large Corporation" strategy. We will practically respond to our customers' needs while aiming at nurturing and maintaining long-term and stable customer relationships and customer loyalty that lead to a win-win situation. Meanwhile, cooperation with peers will be strengthened in order to reduce costs through consolidation of resources as well as jointly promoting the orderly development of market and fair competition.

4. The Group will forge a logistic supply chain and strive to improve extended services. The Group will vigorously explore upward and downward logistic services including distribution and appropriation services to enhance synergy and provide customers with more convenient and better services at one stop.

5. The Group will thoroughly open up the container market in the Yangtze River valley as a shift of its service focus. The Group will step up sales network construction in Yangtze area, and gradually establish and improve upward and downward services in the Yangtze market so as to increase competitiveness of its sub-route transportation service.

6. The Group will expedite information construction and improve operation capability. Upgrading the information system is key to the Group in realizing business globalization and improve competitiveness. The Group will make great efforts in IT construction as well as the optimization of the information system so as to enhance its management and control ability.

7. The Group will continue to enhance team execution and caring for its staff. It will fulfill its corporate social responsibility and do an effective job in alleviating poverty.

2012 is a year full of challenges. The Group is dedicated to the pursuit of excellence and determined to seize every opportunity in the ever-changing market and continuously enhance and improve itself for long term development.

Li Shaode
Chairman

Shanghai, the People's Republic of China

28 March 2012

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	**As at 31 December** **2011** *RMB'000*	2010 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**37,049,240**	33,704,542
Leasehold land and land use rights		**95,388**	97,795
Intangible assets		**22,991**	26,416
Deferred income tax assets		**12,593**	15,606
Available-for-sale financial assets		**362,140**	362,140
Interests in associated companies		**257,309**	84,720
Interests in jointly controlled entities		**1,294,881**	1,207,344
		39,094,542	35,498,563
Current assets			
Inventories		**1,206,379**	883,275
Trade and notes receivables	*4*	**1,801,106**	1,791,791
Prepayments and other receivables		**237,190**	181,100
Loan to a jointly controlled entity		**–**	13,000
Cash and cash equivalents		**7,073,273**	10,648,396
		10,317,948	13,517,562
Total assets		**49,412,490**	49,016,125
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**11,683,125**	11,683,125
Other reserves		**17,061,062**	17,478,560
(Accumulated losses)/retained earnings		**(2,720,854)**	23,254
		26,023,333	29,184,939
Non-controlling interests		**877,356**	777,304
Total equity		**26,900,689**	29,962,243

	Note	As at 31 December 2011 RMB'000	2010 RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings		**10,808,547**	8,276,108
Domestic corporate bonds		**1,786,627**	1,784,176
Finance lease obligations		**124,648**	339,512
Deferred income tax liabilities		**31**	61
		12,719,853	10,399,857
Current liabilities			
Trade payables	*5*	**3,820,428**	4,339,287
Accrual and other payables		**663,417**	788,118
Short-term bank borrowings		**819,117**	529,816
Long-term bank borrowings – current portion		**4,230,182**	2,695,432
Finance lease obligations – current portion		**194,729**	210,574
Current income tax liabilities		**39,075**	59,439
Provisions		**25,000**	31,359
		9,791,948	8,654,025
Total liabilities		**22,511,801**	19,053,882
Total equity and liabilities		**49,412,490**	49,016,125
Net current assets		**526,000**	4,863,537
Total assets less current liabilities		**39,620,542**	40,362,100

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Year ended 31 December 2011 RMB'000	2010 RMB'000
Revenue	3	**28,246,498**	34,808,706
Costs of services	6	**(30,370,654)**	(29,792,886)
Gross (loss)/profit		**(2,124,156)**	5,015,820
Selling, administrative and general expenses	6	**(689,451)**	(840,388)
Other income	7	**182,699**	151,032
Other gains, net	8	**122,213**	139,834
Operating (loss)/profit		**(2,508,695)**	4,466,298
Finance costs	9	**(188,122)**	(214,147)
Share of results of associated companies		**27,943**	42,490
Share of results of jointly controlled entities		**42,615**	25,067
(Loss)/profit before income tax		**(2,626,259)**	4,319,708
Income tax expense	10	**(74,214)**	(86,467)
(Loss)/profit for the year		**(2,700,473)**	4,233,241
(Loss)/profit attributable to:			
Equity holders of the Company		**(2,743,469)**	4,203,134
Non-controlling interests		**42,996**	30,107
		(2,700,473)	4,233,241
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (Expressed in RMB per share) – Basic and diluted	11	**RMB(0.235)**	RMB0.360
Dividends	12	**–**	–

NOTES:

1 GENERAL INFORMATION

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

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

The Group are principally engaged in owning, chartering and operating container vessels for the provision of international and domestic container marine transportation services, and the operation of container terminals.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 28 March 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2011 have been prepared in accordance with HKFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of cash-settled share-based compensation plan.

2.1 BASIS OF PREPARATION

(a) New and amended standards adopted by the Group

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2011.

- HKFRS 7 "Financial instruments: Disclosures" clarifies seven disclosure requirements for financial instruments, with a particular focus on the qualitative disclosures and credit risk disclosures. The Group has applied this new accounting policy; however it has no impact on the financial statements.

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose:

  – The name of the government and the nature of their relationship; and

  – The nature and amount of any individually significant transactions; and

  – The extent of any collectively-significant transactions qualitatively or quantitatively.

  It also clarifies and simplifies the definition of a related party. The Group had early adopted this revised standard since 1 January 2010.

- Amendment to HKAS 34 "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures in the interim report.

(b) *New and amended standards and interpretations effective in 2011 but not currently relevant to the Group*

- Amendment to HKAS 32 "Classification of rights issues" is effective for annual periods beginning on or after 1 February 2010. This is not currently applicable to the Group, as it has not made any rights issue.

- HK(IFRIC) – Int 19 "Extinguishing financial liabilities with equity instruments" is effective for annual periods beginning on or after 1 July 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.

- Amendment to HKFRS 1 "Limited exemption from comparative HKFRS 7 disclosures for first-time adopters" is effective for annual periods beginning on or after 1 July 2010. This is not applicable to the Group, as it is not a first-time adopter of HKFRS.

- Amendment to HK(IFRIC) Int 14 "Prepayments of a minimum funding requirement" is effective for annual periods beginning on or after 1 January 2011. This is not currently applicable to the Group, as it does not have a minimum funding requirement.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 "Interim financial reporting" as disclosed in Note 2.1(a) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

(c) *New and amended standards that are relevant to the Group's operations and have been issued but not effective for the financial year beginning 1 January 2011 and have not been early adopted*

- HKFRS 7 (Amendment) "Disclosures – Transfers of financial assets" introduces new disclosure requirement on transfers of financial assets. The amendment is applicable to annual periods beginning on or after 1 July 2011 with early adoption permitted. The change in accounting policy only results in additional disclosure.

- HKAS 1 (Amendment) "Presentation of financial statements" changes the disclosure of items presented in other comprehensive income in the statement of comprehensive income. The amendment is applicable to annual periods beginning on or after 1 July 2012 with early adoption permitted. The change in accounting policy only impacts presentation aspects.

- HKFRS 9 "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 upon its effective date, which is for the accounting period on or after 1 January 2015.

- HKFRS 7 and HKFRS 9 (Amendments) "Mandatory effective date and transition disclosures" delay the effective date to annual periods beginning on or after 1 January 2015, and an amendment to HKFRS 7 that requires additional disclosures on transition from HKAS 39 to HKFRS 9. The Group is yet to assess HKFRS 7 and HKFRS 9's full impact and intends to apply the amendment from 1 January 2015.

- HKFRS 10 "Consolidated financial statements" replaces all of the guidance on control and consolidation in HKAS 27, "Consolidated and separate financial statements", and HK(SIC)-12, "Consolidation – special purpose entities".

- HKFRS 11 "Joint arrangements" changes the definitions to reduce the types of joint arrangements to two, joint operations and joint ventures.

- HKFRS 12 "Disclosure of interests in other entities", sets out the required disclosures for entities reporting under the two new standards, HKFRS 10, "Consolidated financial statements", and HKFRS 11, "Joint arrangements".

- HKFRS 13 "Fair value measurements" explains how to measure fair value and aims to enhance fair value disclosures.

- HKAS 19 (Amendment) "Employee benefits" makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.

- HKAS 27 (revised 2011) "Separate financial statements" includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

- HKAS 28 (revised 2011) "Associates and joint ventures" includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11.

  Unless specified, the Group is yet to assess HKAS 28's full impact and intends to apply the revised standard from 1 January 2013.

3 REVENUE AND SEGMENT INFORMATION

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

The chief operating decision-maker considers from a business perspective and assesses the performance of container shipping and related business and container terminal and related business.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of operating (loss)/profit, which is reconciled to (loss)/profit 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 from the world major trade districts and lanes is set out below:

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Pacific	**8,783,838**	12,627,818
Europe/Mediterranean	**6,604,389**	10,491,167
Asia Pacific	**4,886,381**	4,753,985
China Domestic	**6,210,270**	5,342,060
Others	**1,761,620**	1,593,676
Turnover	**28,246,498**	34,808,706

The segment information for the year ended 31 December 2011 is as follows:

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Income statement				
Total segment revenue	**27,908,895**	**523,969**	**(186,366)**	**28,246,498**
Less: inter-segment revenue	**–**	**(186,366)**	**186,366**	**–**
Revenue of the Group, from external customers	**27,908,895**	**337,603**	**–**	**28,246,498**
Segment operating (loss)/profit	**(2,663,225)**	**154,530**	**–**	**(2,508,695)**
Finance costs	**(140,523)**	**(47,599)**	**–**	**(188,122)**
Share of results of				
– Associated companies	**2,461**	**200**	**–**	**2,661**
– Jointly controlled entities	**1,233**	**41,382**	**–**	**42,615**
Segment (loss)/profit before income tax	**(2,800,054)**	**148,513**	**–**	**(2,651,541)**
Unallocated share of results of				
– An associated company				**25,282**
Loss before income tax				**(2,626,259)**
Income tax expense				**(74,214)**
Loss for the year				**(2,700,473)**
Other items				
Depreciation and amortisation	**1,376,448**	**81,702**	**–**	**1,458,150**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**5,502,295**	**211,016**	**–**	**5,713,311**
Balance sheet				
Other segment assets	**43,613,488**	**4,115,331**	**(243,252)**	**47,485,567**
Jointly controlled entities	**41,000**	**1,253,881**	**–**	**1,294,881**
Associated companies	**66,433**	**10,200**	**–**	**76,633**
Available-for-sale financial assets	**–**	**362,140**	**–**	**362,140**
Total segment assets	**43,720,921**	**5,741,552**	**(243,252)**	**49,219,221**
Unallocated assets				
– An associated company				**180,676**
– Deferred income tax assets				**12,593**
Total assets				**49,412,490**
Segment liabilities	**20,261,181**	**2,454,766**	**(243,252)**	**22,472,695**
Unallocated liabilities				
– Deferred income tax liabilities				**31**
– Current income tax liabilities				**39,075**
Total liabilities				**22,511,801**

The segment information for the year ended 31 December 2010 is as follows:

	Container shipping and related business *RMB'000*	Container terminal and related business *RMB'000*	Inter-segment elimination *RMB'000*	Group *RMB'000*
Income statement				
Total segment revenue	34,498,808	458,313	(148,415)	34,808,706
Less: inter-segment revenue	–	(148,415)	148,415	–
Revenue of the Group, from external customers	34,498,808	309,898	–	34,808,706
Segment operating profit	4,240,988	225,310	–	4,466,298
Finance costs	(164,393)	(49,754)	–	(214,147)
Share of results of				
– An associated company	32,770	–	–	32,770
– Jointly controlled entities	1,017	24,050	–	25,067
Segment profit before income tax	4,110,382	199,606	–	4,309,988
Unallocated share of results of				
– An associated company				9,720
Profit before income tax				4,319,708
Income tax expense				(86,467)
Profit for the year				4,233,241
Other items				
Depreciation and amortisation	1,301,718	79,544	–	1,381,262
Additions to non-current assets (other than financial instruments and deferred income tax assets)	2,190,227	240,318	–	2,430,545
Balance sheet				
Other segment assets	43,400,800	4,021,881	(76,366)	47,346,315
Jointly controlled entities	39,819	1,167,525	–	1,207,344
Available-for-sale financial assets	–	362,140	–	362,140
Total segment assets	43,440,619	5,551,546	(76,366)	48,915,799
Unallocated assets				
– An associated company				84,720
– Deferred income tax assets				15,606
Total assets				49,016,125
Segment liabilities	16,627,438	2,443,310	(76,366)	18,994,382
Unallocated liabilities				
– Deferred income tax liabilities				61
– Current income tax liabilities				59,439
Total liabilities				19,053,882

4 TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2011	2010
	RMB'000	*RMB'000*
Trade receivables		
– Fellow subsidiaries	**172,495**	142,470
– Third parties	**1,285,898**	1,375,844
	1,458,393	1,518,314
Notes receivables	**342,713**	273,477
	1,801,106	1,791,791

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

	As at 31 December	
	2011	2010
	RMB'000	*RMB'000*
Within 3 months	**1,509,191**	1,618,516
4 to 6 months	**123,301**	55,084
7 to 9 months	**74,682**	71,393
10 to 12 months	**101,864**	97,103
Over 1 year	**41,036**	25,836
	1,850,074	1,867,932
Less: provision for impairment of receivables	**(48,968)**	(76,141)
	1,801,106	1,791,791

The carrying amounts of trade and notes receivables approximate their fair values as at the balance sheet dates.

Credit policy

Credit terms in the range within 3 months are granted to those customers with good payment history. There is no concentration of credit risk with respect to trade receivables, as the Group and the Company have a large number of customers, internationally dispersed.

5 TRADE PAYABLES

	As at 31 December	
	2011	2010
	RMB'000	*RMB'000*
Trade payables		
– Fellow subsidiaries	**1,083,587**	1,671,588
– Third parties	**2,736,841**	2,667,699
	3,820,428	4,339,287

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

	As at 31 December	
	2011	2010
	RMB'000	*RMB'000*
Within 3 months	**3,522,619**	4,243,731
4 to 6 months	**106,086**	6,940
7 to 9 months	**68,627**	8,229
10 to 12 months	**123,069**	17,662
1 to 2 years	**27**	62,725
	3,820,428	4,339,287

The carrying amounts of the trade payables approximate their fair values as at the balance sheet date.

6 COSTS AND EXPENSES BY NATURE

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

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Costs of services		
Container repositioning and management	**7,583,310**	8,839,475
Bunkers consumed	**9,367,069**	7,990,518
Operating lease rentals	**3,772,534**	3,434,219
Port charges	**1,824,843**	1,964,859
Depreciation	**1,423,229**	1,340,517
Employee benefit expenses	**1,128,050**	1,020,117
Utilisation of onerous contracts	**(6,359)**	(60,734)
Sub-route costs and others	**5,277,978**	5,263,915
	30,370,654	29,792,886

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Selling, administrative and general expenses		
Employee benefit expenses	**366,856**	481,007
Rental expenses	**59,118**	72,402
Telecommunication and utilities expenses	**39,038**	41,101
Depreciation	**28,166**	34,235
Repair and maintenance expenses	**4,573**	4,092
Auditors' remuneration	**13,740**	13,740
Amortisation	**6,755**	6,510
(Reversal of)/provision for impairment of trade receivables	**(27,173)**	33,523
Office expenses and others	**198,378**	153,778
	689,451	840,388
	31,060,105	30,633,274

7 OTHER INCOME

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Interest income	**103,870**	84,324
Government grant related to income	**51,690**	36,255
Dividends income from available-for-sale financial assets	**10,729**	10,161
Interest income from loan to a jointly controlled entity	**395**	232
Information technology services fees	**16,015**	20,060
	182,699	151,032

8 OTHER GAINS, NET

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Gains on disposal of property, plant and equipment	**51,210**	75,384
Net foreign exchange gains/(losses)	**71,003**	(27,822)
Gains on disposal of investment in a jointly controlled entity	**–**	92,272
	122,213	139,834

9 FINANCE COSTS

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Interest expenses:		
– borrowings and domestic corporate bonds	**342,146**	313,900
– finance lease obligations	**29,522**	50,820
Total interest expenses	**371,668**	364,720
Less: amount capitalised in vessels under construction and construction in progress	**(183,546)**	(150,573)
	188,122	214,147

10 INCOME TAX EXPENSE

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Current income tax		
– Hong Kong profits tax *(Note (a))*	**3,557**	6,725
– PRC corporate income tax *(Note (b))*	**67,674**	75,671
Deferred income tax	**2,983**	4,071
	74,214	86,467

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax is provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits of the Group's companies operated in Hong Kong for the year ended 31 December 2011.

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

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"),which was effective from 1 January 2008.

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 2011 is 24%. 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 have 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 (LOSS)/EARNINGS PER SHARE

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

	For the year ended 31 December	
	2011	2010
(Loss)/profit attributable to equity holders of the Company *(RMB'000)*	**(2,743,469)**	4,203,134
Weighted average number of ordinary shares in issue *(thousands)*	**11,683,125**	11,683,125
Basic (loss)/earnings per share *(RMB)*	**(0.235)**	0.360

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Company does not have any potential dilutive ordinary shares during the year ended 31 December 2011 (2010:Nil).

12 DIVIDENDS

The directors do not recommend a dividend in respective of the year ended 31 December 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW ON OVERALL OPERATIONAL PERFORMANCE

For the year ended 31 December 2011, the Group recorded a revenue of RMB28,246,498,000, representing a decrease of 18.9% as compared with 2010; loss before income tax was RMB2,626,259,000; net loss attributable to equity holders of the Company amounted to RMB2,743,469,000. Loaded cargo volume for the whole year amounted to 7,438,002TEU, representing an increase of 3.2% as compared with 2010. For the year ended 31 December 2011, the average freight rate per TEU for international trade lanes of the Group amounted to RMB5,352, representing a decrease of 24.7% as compared with 2010. It was primarily due to the slowdown in the speed of the world economic growth in 2011, as well as the deepening of the sovereign debt crisis in Europe and downturn of the U.S. economy, leading to substantial decline in demand from European and U.S. markets. Meanwhile, overly rapid increase in shipping capacity had further caused imbalance of supply and demand in two major international trade lanes of North America and Europe/Mediterranean, and intensified the competitive relationship. Average freight rate for domestic lanes was RMB1,652, representing an increase of 4.9% as compared with 2010.

As at 31 December 2011, the total shipping capacity of the Group amounted to 603,456TEU, representing an increase of 19.3% as compared with 2010.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by RMB6,562,208,000, from RMB34,808,706,000 in 2010 to RMB28,246,498,000 in 2011, representing a decrease of 18.9%. The decrease in revenue was primarily due to:

- ***Slightly increase in volume of loaded cargoes***

The volume of loaded cargoes in 2011 amounted to 7,438,002TEU, representing an increase of 3.2% as compared with 2010. There were different degrees of decrease in the volume of loaded cargoes for international lanes, particularly for the North America and Europe/Mediterranean long trade lanes. It was primarily due to lowered demand for import of Europe and America suffering the debt crisis and decreased shipping capacity after adjustment made by the Company. As a result of increased shipping capacity deployed in domestic trade lanes by the Company, the volume of loaded cargoes for these trade lanes presented certain increase as compared with 2010.

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

Principal Markets	**2011** ***(TEU)***	2010 *(TEU)*	**Changes** *(%)*
Pacific trade lanes	**1,238,811**	1,422,957	-12.9%
Europe/Mediterranean trade lanes	**1,177,546**	1,183,421	-0.5%
Asia Pacific trade lanes	**1,398,536**	1,327,892	5.3%
China Domestic trade lanes	**3,544,064**	3,187,152	11.2%
Others	**79,045**	86,633	-8.8%
Total	**7,438,002**	7,208,055	3.2%

Decrease in freight rate

The Group's average freight rate per TEU in 2011 amounted to RMB3,589, representing a decrease of 23.0% as compared with 2010. Among which, the average freight rate per TEU for international trade lanes amounted to RMB5,352, representing a decrease of approximately 24.7% as compared with 2010. The actual economy of America grew at a slow speed in 2011 and the actual annual growth rate of GDP was only 1.7%, representing a decrease of 1.2% from 2.9% in 2010. As the largest import and export destinations of China, EU countries had been affected by European debt crisis which significantly reduced the cargo volume due to lower consumer confidence level. On the other hand, driven by the optimistic sentiment towards the container shipping market in 2010, a concentrated delivery of additional shipping capacity was seen and most of which were super large container vessels. Therefore, supply/demand imbalance in international trade lanes, especially in Europe/Mediterranean trade lanes, was the main reason that freight rate declined sharply in 2011. Average freight rate for domestic lanes increased by RMB78 to RMB1,652 as compared with 2010, mainly attributable to the sound development in domestic economy.

Costs of services

For the year ended 31 December 2011, total costs of services amounted to RMB30,370,654,000, representing an increase of 1.9% as compared with 2010. Due to the effective control of costs by the Group, costs of services per TEU amounted to RMB4,083, representing a decrease of 1.2% as compared with 2010.

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

- Container and cargo costs amounted to RMB10,049,046,000, representing a decrease of 12.2% as compared with RMB11,450,918,000 for the same period of 2010, mainly due to the decrease in the volume of loaded cargoes for long trade lanes. The port costs amounted to RMB1,824,843,000, representing a decrease of 7.1% as compared with the corresponding period of 2010 as a result of the decrease in international trade lanes and the number of voyages by adjustment. Due to a decrease in the volume of loaded cargoes for international trade lanes, the Group's stevedore charges for loaded and empty containers amounted to RMB6,050,429,000, representing a decrease of 11.3% as compared with the corresponding period of 2010. Due to a decrease in loaded cargo volume for foreign trade lanes, charges for repositioning empty containers and rental fees of containers, the container management cost amounted to RMB2,173,774,000, representing a decrease of 18.5% as compared with the corresponding period of 2010.

- Vessel and voyage costs for the year ended 31 December 2011 amounted to RMB14,437,290,000, representing an increase of 12.9% as compared with the corresponding period of 2010, mainly due to the increase in fuel costs. For the year ended 31 December 2011, fuel costs amounted to RMB9,367,069,000, representing an increase of 17.2% as compared with the corresponding period of 2010. The increase in fuel costs was mainly due to the continuous increase in international crude oil price. In 2011, the "fuel price lock-in" policy of the Group offset part of effects from the increase in oil price.

- For the year ended 31 December 2011, sub-route and other costs amounted to RMB5,884,318,000, representing an increase of 5.8% as compared with the corresponding period of 2010. The increase was mainly due to the increase in door-to-door transportation services provided by the Group, which led to an increase in the sub-route shipping volume.

Gross loss

Due to the above reasons, the Group recorded a gross loss of RMB2,124,156,000 in 2011 (2010: gross profit of RMB5,015,820,000).

Income tax expense

For the year ended 31 December 2011, the CIT rate applicable to the Company was 24%. 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 have been changed to 25% since 1 January 2008.

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

Selling, administrative and general expense

For the year ended 31 December 2011, the Group's selling, administrative and general expenses were RMB689,451,000, representing a decrease of 18.0% as compared with 2010. The decrease was mainly due to relatively significant decrease in employees' salaries and benefit expenses.

Loss attributable to equity holders of the Company

Due to the above reasons, the loss attributable to the equity holders of the Company for the year 2011 was RMB2,743,469,000, representing a decrease of RMB6,946,603,000 as compared with the profit attributable to the equity holders of the Company of RMB4,203,134,000 in 2010.

Liquidity, financial sources and capital structure

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

As at 31 December 2011, the Group's total bank borrowings were RMB15,857,846,000. The maturity profile is spread over a period between 2012 and 2021 with RMB5,049,299,000 repayable within one year, RMB2,938,735,000 repayable within the second year, RMB4,446,634,000 repayable within the third to the fifth year, and RMB3,423,178,000 repayable after the fifth year. The Group's long-term bank borrowings are mainly used to finance the construction of vessels and ports.

As at 31 December 2011, the Group's long-term bank borrowings were secured by mortgages over certain containers, container vessels, and port and depot infrastructure with a book value of RMB4,930,645,000 (as at 31 December 2010: RMB2,074,524,000).

As at 31 December 2011, the Group's bonds payable in ten-year period amounted to RMB1,786,627,000, all proceeds from the bonds were used in the construction of vessels. The issue of bonds are guaranteed by the Bank of China, Shanghai branch.

As at 31 December 2011, the Group's RMB borrowings at fixed interest rates amounted to RMB2,132,840,000, with annual interest rates ranging from 5.3% to 6.3%. USD borrowings at fixed interest rates amounted to RMB528,646,000, with annual interest rate of 4.9% and USD borrowings at floating interest rates amounted to RMB13,196,360,000, with annual interest rates adjusted based on London Interbank Offered Rate. The Group's borrowings are denominated in RMB or USD, and cash and cash equivalents are mainly denominated in these two currencies.

As at 31 December 2011, the Group's obligations under finance leases amounted to RMB319,377,000, with the maturity profile ranging from 2012 to 2017. The amount repayable within one year is RMB194,729,000; the amount repayable within the second year is RMB95,507,000; the amount repayable within the third to the fifth year is RMB23,113,000 and the amount repayable after the fifth year is RMB6,028,000. The Group's obligations under the finance leases are substantially used in the lease of new containers, while the remaining small portion is used in the construction of ports and depot infrastructure.

Net current assets

As at 31 December 2011, the Group's net current assets amounted to RMB526,000,000. Current assets are mainly comprised of inventories of RMB1,206,379,000, trade and notes receivables of RMB1,801,106,000, prepayments and other receivables of RMB237,190,000 and cash and bank deposits of RMB7,073,273,000. Current liabilities are mainly comprised of trade payables of RMB3,820,428,000, accrual and other payables of RMB663,417,000, current income tax liabilities of RMB39,075,000, long-term bank borrowings due in one year of RMB4,230,182,000, short-term bank borrowings of RMB819,117,000, finance lease obligations payable in one year of RMB194,729,000 and provisions of RMB25,000,000.

Cash flows

For the year 2011, the Group's net cash outflow used in operating activities was RMB2,394,295,000, denominated principally in RMB and USD, representing a decrease of RMB7,832,679,000 from net cash inflow of RMB5,438,384,000 in 2010. Cash and cash equivalents balances at the end of 2011 decreased by RMB3,575,123,000 as compared with 31 December 2010, mainly reflecting a lower inflow of net cash from financing activities than the net cash outflow used in operating activities and investing activities. The cash inflow from financing activities of the Group during year 2011 is mainly from bank borrowings, the above-mentioned capital for the purposes of short-term business and purchase and construction of vessels, containers and port infrastructure.

The following table provides the information regarding the Group's cash flow for the year ended 31 December 2011 and 2010:

Unit: RMB

	2011	2010
Net cash (used in)/generated from operating activities	**(2,394,295,000)**	5,438,384,000
Net cash used in investing activities	**(5,387,526,000)**	(1,999,449,000)
Net cash generated from financing activities	**4,346,749,000**	408,750,000
Exchange losses on cash and cash equivalents	**(140,051,000)**	(135,997,000)
Net (decrease)/increase in cash and cash equivalents	**(3,575,123,000)**	3,711,688,000

Net cash used in operating activities

For the year ended 31 December 2011, the net cash outflow from operating activities was RMB2,394,295,000, representing a decrease of RMB7,832,679,000 from the net cash inflow of RMB5,438,384,000 in 2010. The decrease in the net cash generated from operating activities of the Group was attributable to the significant decrease in the Group's revenue and the operating profit margin in 2011.

Net cash used in investing activities

For the year ended 31 December 2011, net cash used in investing activities was RMB5,387,526,000, representing an increase of RMB3,388,077,000 from investing activities for the year 2010 of RMB1,999,449,000. The increase was mainly due to the Group's larger capital expenditure on vessels, containers and other construction in progress and capital expenditure on external investment as compared with 2010.

Net cash generated from financing activities

For the year ended 31 December 2011, net cash generated from financing activities was RMB4,346,749,000, representing an increase of RMB3,937,999,000 as compared with the net cash generated from financing activities of RMB408,750,000 in 2010. In 2011, Group's bank borrowings amounted to RMB7,736,196,000, repayment of bank borrowings amounted to RMB2,899,536,000 and repayment of principal of finance leases amounted to RMB212,959,000.

Average turnover days of trade and notes receivables

As at 31 December 2011, the gross balance of trade and notes receivables of the Group amounted to RMB1,850,074,000, representing a decrease of RMB17,858,000 as compared with 31 December 2010, and the balance of trade receivables from related parties amounted to RMB178,813,000, representing an increase of RMB9,083,000 as compared with 31 December 2010. The average turnover days of trade receivables increased slightly and it was due to a decrease of 18.9% in the Group's revenue in 2011 as compared with 2010.

Gearing ratio

As at 31 December 2011, the Group's gearing ratio (i.e. net debts over shareholders' equity) was 40.5%, which was greater than 10.6% in 2010. The increase in gearing ratio was mainly due to an increase in the bank borrowings for expenditures on purchase of container vessels; and the Group's loss in 2011 decreased its net assets and both factors resulted in the increase in the gearing ratio.

Foreign exchange risk and hedging

Most of the revenue of the Group are settled in USD. The Group recorded a net exchange gains of approximately RMB71,003,000, which was mainly due to fluctuations of US and EU currency exchange rates and the exchange difference which was charged to shareholders' equity amounted to RMB411,806,000. The Group will continue to watch closely the exchange rate fluctuation between RMB and major international currencies, convert net foreign cash inflows from operating activities into RMB in a timely manner so as to minimize the losses brought by foreign exchange fluctuations, and take appropriate measures where necessary to reduce its foreign exchange risk.

Capital expenditure

During the year ended 31 December 2011, expenditures on the purchase of container vessels and vessels under construction amounted to RMB5,070,391,000, expenditures on purchase of containers amounted to RMB193,903,000, expenditures on other production infrastructure, office equipment and motor vehicles amounted to RMB200,896,000, and equity investments amounted to RMB235,493,000.

Commitments

As at 31 December 2011, capital commitments of the Group which had been contracted but not provided for in relation to vessels under construction were RMB6,334,295,000; investment commitments were RMB152,000,000. Furthermore, the operating lease commitments of the Group relating to land and buildings, and vessels and containers are RMB112,238,000 and RMB11,855,744,000, respectively.

Contingent liabilities

As at 31 December 2011, the Group had provisions of RMB25,000,000 credited as legal claim. Except for this, the Group had no other contingent liabilities

Employees, training and benefits

As at 31 December 2011, the Group had 4,509 employees. Total expenses were approximately RMB1,591,004,000. In addition, the Group had entered into contracts with a number of subsidiaries of China Shipping Group, pursuant to which these subsidiaries provided the Group with approximately 2,610 crew members in total who mainly worked on the Group's self-owned or bare boat chartered vessels.

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

Details of such performance-linked bonus scheme vary among the employees of the Group. The Group sets out certain performance indicators for each of its subsidiaries to achieve and formulate detailed performance-based remuneration policies according to its own circumstances.

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

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2011.

AUDIT COMMITTEE

The audit committee of the Company is comprised of two independent non-executive Directors, namely Mr. Wu Daqi and Mr. Shen Kangchen, and one non-executive Director, namely Mr. Wang Daxiong. The Group's final results for the year ended 31 December 2011 have been reviewed by the audit committee of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board confirms that, the Company has complied with all code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on Hong Kong Stock Exchange during the year ended 31 December 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

DISCLOSURE OF INFORMATION

This announcement is published on the website of Hong Kong Stock Exchange at http://www.hkexnews.hk and the Company's website at http://www.cscl.com.cn. The annual report for the year ended 31 December 2011 containing all the information as required by Disclosure of Financial Information as set out in Appendix 16 to the Listing Rules will be dispatched by the Company to its shareholders and published on the aforesaid websites of Hong Kong Stock Exchange and the Company in due course.

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

Shanghai, the People's Republic of China

28 March 2012

The Board as at the date of this announcement comprises of Mr. Li Shaode, Mr. Xu Lirong, Mr. Zhang Guofa, Mr. Huang Xiaowen and Mr. Zhao Hongzhou, being executive Directors, Mr. Zhang Jianhua, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Rongbiao and Mr. Xu Hui, being non-executive Directors, and Mr. Shen Kangchen, Mr. Jim Poon (also known as Pan Zhanyuan), Mr. Shen Zhongying, Mr. Wu Daqi 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".*