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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: 2866)

ANNOUNCEMENT OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2007

	1H2007 *(RMB)*	1H2006 *(RMB)*	**Change**
Turnover	**17,379,318,000**	13,973,202,000	24.4%
Operating profit	**1,586,367,000**	413,748,000	283.4%
Profit attributable to equity holders of the Company	**1,155,110,000**	81,194,000	1,322.7%
Basic earnings per share	**0.19**	0.01	1,322.7%
Gross profit margin	**10.2%**	4.3%	5.9%
Gearing ratio	**37.2%**	49.0%	-11.8%

BUSINESS HIGHLIGHTS

- Shipping volume of the Group reached 3,328,459TEU in the first half of year 2007, representing an increase of 25.8% over that of the same period in 2006.
- Operating capacity of the Group reached 427,107TEU as at 30 June, 2007, representing a net increase of 28,133TEU when compared with that as at the end of 2006.
- Due to the implementation of various cost control measures, the Group was able to contain its operating cost effectively, cost per TEU was thus reduced by 7.0% to RMB4,652.5 as compared with that of the same period in 2006.
- In view of the thriving PRC capital market, the Group intends to raise funds via the A-share market in the PRC in the second half of 2007 for the construction of container vessels, purchase of assets related to container transportation business, strengthening of the Company's working capital base as well as repayment of bank loans, which will open a new page in the Group's development.
- At a Board meeting held on 8 August, 2007, the directors proposed that part of the Group's distributable profits as at 30 June, 2007, amounting to RMB3,316,500,000, be distributed as bonus shares each at par value to existing shareholders on the basis of 5.5 bonus shares for every 10 existing shares owned by such shareholders, and also proposed that the shareholders at general meeting authorise the Board to specifically implement the relevant details of such distribution. The remaining distributable profits as at 30 June, 2007 will be distributed in the form of cash dividend, the detailed amount and distribution method of which shall be formulated and implemented by the Board as authorized by shareholders at general meeting.

The board of directors (the "Board") of China Shipping Container Lines Company Limited (the "Company") is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June, 2007 (the "Period"), which have been reviewed by the audit committee of the Company and, our auditor, PricewaterhouseCoopers.

During the Period, the Group recorded a turnover of RMB17,379,318,000, representing an increase of 24.4% over that of the same period in 2006. Profit attributable to equity holders of the Company for the Period amounted to RMB1,155,110,000, which represents an increase of 1,322.7% as compared with the same period last year. Basic earnings per share amounted to RMB0.19, representing an increase of 1,322.7% as compared with the same period in 2006.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited Six months ended 30 June,	
		2007	2006
	Note	***RMB'000***	*RMB'000*
Turnover	*5*	**17,379,318**	13,973,202
Operating costs		**(15,608,795)**	(13,370,061)
Gross profit		**1,770,523**	603,141
Other income	*6*	**187,896**	79,702
Administrative and general expenses		**(372,052)**	(269,095)
Operating profit	*7*	**1,586,367**	413,748
Finance costs	*8*	**(216,249)**	(246,302)
Share of profit of associated companies and jointly controlled entity		**2,715**	3,656
Profit before income tax		**1,372,833**	171,102
Income tax expense	*9*	**(213,007)**	(88,273)
Profit for the Period		**1,159,826**	82,829
Attributable to:			
Equity holders of the Company		**1,155,110**	81,194
Minority interests		**4,716**	1,635
		1,159,826	82,829
Dividends – special dividends	*10*	**3,316,500**	–
Basic earnings per share for profit attributable to the equity holders of the Company *(expressed in RMB per share)*	*11*	**0.19**	0.01

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	**Unaudited 30 June, 2007** *RMB'000*	Audited 31 December, 2006 *RMB'000*
ASSETS			
Non-current assets			
Fixed assets		**23,007,390**	23,463,851
Land use rights		**13,192**	13,356
Goodwill		**46,427**	46,427
Interest in associated companies		**59,798**	48,758
Interest in a jointly controlled entity		**30,880**	32,000
Total non-current assets		**23,157,687**	23,604,392
Current assets			
Bunkers		**707,184**	635,735
Trade and notes receivables	*12*	**4,367,653**	3,490,403
Prepayments and other receivables		**191,121**	97,984
Cash and cash equivalents		**3,866,026**	2,915,542
Total current assets		**9,131,984**	7,139,664
Total assets		**32,289,671**	30,744,056
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**6,030,000**	6,030,000
Other reserves		**5,855,902**	5,998,515
Retained earnings			
– Proposed final dividends	*10*	**–**	241,200
– Proposed special dividends	*10*	**3,316,500**	–
– Others		**2,102,136**	4,263,526
Total capital and reserves attributable to the Company's equity holder		**17,304,538**	16,533,241
Minority interests		**36,837**	42,964
Total equity		**17,341,375**	16,576,205

	Note	Unaudited 30 June, 2007 RMB'000	Audited 31 December, 2006 RMB'000
LIABILITIES			
Non-current liabilities			
Long-term bank loans		**4,335,270**	5,538,152
Domestic corporate bonds		**1,800,000**	–
Finance lease obligations		**2,783,430**	3,199,249
Deferred tax liabilities		**968,581**	837,249
Total non-current liabilities		**9,887,281**	9,574,650
Current liabilities			
Trade payables	*13*	**2,921,884**	2,205,055
Accrual and other payables		**507,394**	515,189
Short-term bank loans		**–**	400,000
Long-term bank loans – current portion		**913,491**	707,608
Finance lease obligations – current portion		**492,048**	695,724
Income tax payable		**80,724**	69,625
Dividend payable		**145,474**	–
Total current liabilities		**5,061,015**	4,593,201
Total liabilities		**14,948,296**	14,167,851
Total equity and liabilities		**32,289,671**	30,744,056
Net current assets		**4,070,969**	2,546,463
Total assets less current liabilities		**27,228,656**	26,150,855

NOTES

1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June, 2007 has been prepared in accordance with HKAS 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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, 2006.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December, 2006 except that the Group has adopted the following new standards, interpretations and amendments to standards (collectively the "new/revised HKFRS") which are relevant to the Group's operations and are mandatory for financial year ending 31 December, 2007.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the above new/revised HKFRSs in the current period did not have any significant effect on the interim condensed consolidated financial information or result in any significant change in the Group's accounting policies, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 required additional disclosures to be made in the annual consolidated financial statements.

The HKICPA has issued several new standards, interpretations and amendments which are not yet effective for the year ending 31 December, 2007. The Group has not early adopted of the above standards, interpretations and amendments in the condensed consolidated interim financial information but has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether any substantial changes to the Group's accounting policies and presentation of the financial statements will be resulted.

3 FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended 31 December, 2006.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions applied in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December, 2006.

5 TURNOVER AND SEGMENT INFORMATION

Turnover represents gross revenues from liner and chartering services, net of discounts allowed, where applicable.

	Unaudited Six months ended 30 June,	
	2007	2006
	RMB'000	*RMB'000*
Turnover		
Liner	**17,358,282**	13,925,613
Chartering	**21,036**	47,589
	17,379,318	13,973,202

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

The business segment reporting includes provisions of liner service and chartering of vessels. In respect of the geographical segment reporting, segment revenues from liner and chartering services cover the world's major trade lanes.

Primary reporting format – business segments

The Group's business is organised into two business segments: liner and chartering. The Group's business is dominated by the provision of liner services. The chartering business is of insufficient size to be reported separately.

Secondary reporting format – geographical segments

The Group's liner and chartering businesses are managed on a worldwide basis. The turnover generated from the world's major trade lanes includes Pacific, Asia/Europe, Asia Pacific, China Domestic and others.

The directors of the Company consider that the nature of the Group's business precludes a meaningful allocation of the Group's assets to specific geographical segments as defined under HKAS 14 "Segment Reporting". Accordingly, geographical segment information is only presented for turnover:

	Unaudited Six months ended 30 June,	
	2007	2006
	RMB'000	*RMB'000*
Pacific	**6,807,831**	6,395,445
Asia/Europe	**5,394,245**	4,134,834
Asia Pacific	**2,387,675**	1,624,981
China Domestic	**1,885,425**	982,129
Others	**904,142**	835,813
	17,379,318	13,973,202

6 OTHER INCOME

	Unaudited Six months ended 30 June,	
	2007	2006
	RMB'000	*RMB'000*
Information technology services fees	**12,789**	42,213
Interest income	**41,690**	37,489
Gain on de-recognition of container assets under finance lease and finance lease liabilities	**127,383**	–
Foreign exchange gains	**6,034**	–
	187,896	79,702

7 OPERATING PROFIT

Operating profit is stated after charging the followings:

	Unaudited Six months ended 30 June, 2007 RMB'000	2006 RMB'000
Cost of bunkers consumed	**3,383,427**	2,956,950
Depreciation:		
– Owned container vessels chartered-out under operating leases	**6,621**	7,231
– Other owned assets	**356,582**	319,136
– Containers under finance leases	**154,241**	228,732
	517,444	555,099
Operating lease rental:		
– Container vessels	**1,413,066**	1,245,606
– Containers	**425,010**	282,366
– Buildings	**22,714**	20,348
	1,860,790	1,548,320
Employee benefit expenses	**481,031**	330,811
Provision for impairment of receivables	**14,533**	17,509
Foreign exchange losses	**–**	23,450

8 FINANCE COSTS

	Unaudited Six months ended 30 June, 2007 RMB'000	2006 RMB'000
Interest expenses:		
– bank loans	**173,263**	168,476
– finance lease obligations	**99,133**	138,913
Total interest expenses	**272,396**	307,389
Less: amount capitalised in vessels under construction	**(56,147)**	(61,087)
	216,249	246,302

9 TAXATION

	Unaudited Six months ended 30 June, 2007 RMB'000	2006 RMB'000
Current income tax		
– Hong Kong profits tax *(note (i))*	**–**	159
– PRC enterprise income tax *(note (ii))*	**15,096**	7,334
Deferred taxation *(note (iii))*	**197,911**	80,780
	213,007	88,273

(i) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for six months ended 30 June, 2007.

(ii) PRC enterprise income tax ("EIT")

According to the relevant laws and regulations, the EIT rate applicable to the Company is 15%. The Company's other subsidiaries incorporated in the PRC are subject to EIT at rates ranging from 0% to 33% for the six months ended 30 June, 2007 (2006: 0% – 33%).

Pursuant to the relevant EIT regulations, the profits derived by the Company's overseas subsidiaries are subject to EIT. The Company has obtained approval from the tax bureau in the PRC to adopt a fixed rate of 16.5% on the profits of the overseas subsidiaries for EIT purposes.

(iii) Deferred taxation

Deferred taxation mainly relates to deferred tax liabilities provided at a fixed rate of 16.5% on the profit of the overseas subsidiaries of the Company which are subject to PRC EIT and payable upon profit remittance to the Company.

10 DIVIDENDS

(i) The directors do not recommend the payment of an interim dividend for the six months ended 30 June, 2007 (2006: Nil).

(ii) At a Board meeting held on 8 August 2007, the directors proposed that part of the Group's distributable profits as at 30 June 2007, amounting to RMB3,316,500,000, be distributed as bonus shares each at par value to existing shareholders on the basis of 5.5 bonus shares for every 10 existing shares owned by such shareholders. The remaining distributable profits as at 30 June 2007 will be distributed in the form of cash dividend, the detailed amount and distribution method of which shall be formulated and implemented by the Board as authorized by shareholders at general meeting. Such proposed special bonus shares are not reflected as dividend payables or share capital in the Company's financial statements for the Period.

11 EARNINGS PER SHARE

Basic earnings per share is based on the profit attributable to equity holders of the Company of RMB1,155,110,000 (2006: RMB81,194,000) and 6,030,000,000 (2006: 6,030,000,000) shares in issue during the Period.

Diluted earnings per share has not been presented as the Company has no potential dilutive ordinary shares during the Period.

12 TRADE AND NOTES RECEIVABLES

	Unaudited 30 June, 2007	Audited 31 December, 2,006
	RMB'000	*RMB'000*
Trade receivables		
– Fellow subsidiaries	**2,456,293**	1,932,592
– Others	**1,679,958**	1,431,516
	4,136,251	3,364,108
Notes receivables	**231,402**	126,295
	4,367,653	3,490,403

The ageing analysis of trade and notes receivables is as follows:

	Unaudited 30 June, 2007 *RMB'000*	Audited 31 December, 2006 *RMB'000*
1 to 3 months	**4,191,327**	2,914,493
4 to 6 months	**197,931**	561,926
7 to 9 months	**94,378**	114,784
10 to 12 months	**4,768**	–
Over one year	**7,732**	13,150
	4,496,136	3,604,353
Less: provision for impairment of receivables	**(128,483)**	(113,950)
	4,367,653	3,490,403

Credit policy

The Group grants credit terms in the range between 30 to 50 days to those customers with good payment history. Invoices to other customers are due for payment upon presentation.

13 TRADE PAYABLES

	Unaudited 30 June, 2007 *RMB'000*	Audited 31 December, 2006 *RMB'000*
Trade payables		
– Fellow subsidiaries	**255,549**	259,834
– Others	**2,666,335**	1,945,221
	2,921,884	2,205,055

The ageing analysis of trade payables is as follows:

	Unaudited 30 June, 2007 *RMB'000*	Audited 31 December, 2006 *RMB'000*
1 to 3 months	**2,893,724**	2,132,189
4 to 6 months	**24,776**	45,774
7 to 9 months	**3,384**	27,092
	2,921,884	2,205,055

MANAGEMENT DISCUSSION AND ANALYSIS

Operating environment

In 2007, the world economy and world trade followed the growth trend of 2006. It is forecasted by the International Monetary Fund (IMF) that the growth rate of the global economy and world trade will reach approximately 5.2% and 7.1% respectively in 2007, while the PRC economy will maintain favourable growth.

The total amount of imports and exports in the PRC for the first half of 2007 amounted to US$980.9 billion, achieving an increase of 23.3% compared with the same period last year. There is stable growth in foreign trade development in the PRC and its trade surplus continues to enlarge. On the other hand, there has been no substantial change in the distribution of global manufacturing, thereby providing a favorable operating environment for container transportation.

The growth rate of global shipping capacity is estimated to be at around 15.0% in 2007. However, various factors offset the actual growth, such as:

I. the trade imbalance between East and West;

II. the widely applied economical speed and increased number of long trade routes, thus slowing down the capacity cycle;

III. saturation of port and inland facilities; and

IV. emerging new markets, which absorb most of the new additional shipping capacity.

Therefore, the growth of shipping capacity and the growth in market demand are generally balanced.

In 2007, the global container transportation market remained relatively dynamic. From January to June in the PRC container shipping market, the container throughput in large scale ports (i.e. container throughput per year over 1,000,000TEU) reached 52.53 million TEU, achieving an increase of about 24.1% as compared with the same period last year, amongst which, the container throughputs in the coastal ports and river ports increased by 23.7% and 30.4% respectively (information source: PRC Ministry of Communications).

Performance analysis

For the Period, the Group recorded a turnover of RMB17,379,318,000, representing an increase of RMB3,406,116,000 or 24.4 % over that of the same period in 2006. Profit attributable to equity holders of the Company in the Period amounted to RMB1,155,110,000, representing an increase of RMB1,073,916,000 or 1,322.7% as compared with the same period last year. During the Period, basic earnings per share amounted to RMB0.19, representing an increase of RMB0.18 or 1,322.7% as compared with the same period last year.

Analysis of loaded container volume by trade lanes

Principal Market	1H2007 (TEU)	1H2006 (TEU)	Change
Pacific Ocean	**771,330**	670,558	15.0%
Asia/Europe	**716,308**	680,530	5.3%
Asia Pacific	**627,868**	432,623	45.1%
China domestic	**1,109,773**	811,649	36.7%
Others	**103,180**	50,008	106.3%
Total	**3,328,459**	2,645,368	25.8%

Operational revenue by trade lanes

Principal Market	1H2007 (TEU)	1H2006 (TEU)	Change
Pacific Ocean	**6,807,831**	6,395,445	6.4%
Asia/Europe	**5,394,245**	4,134,834	30.5%
Asia Pacific	**2,387,675**	1,624,981	46.9%
China domestic	**1,885,425**	982,129	92.0%
Others	**904,142**	835,813	8.2%
Total	**17,379,318**	13,973,202	24.4%

Starting from the second half of last year, the Group changed its operational concept, adjusted its operating strategy and implemented fine management and such measures have after thorough implementation, gradually started to reap positive results. Significant improvement was seen in our results for the Period as compared with the same period last year which was largely due to the following reasons:

I. In the first half of 2007, in continuation of the recovery trend in the second half of 2006, the freight rates for the Group's international trade routes, represented by the Far East/Europe trade route, have successively strengthened and achieved stable and strong growth, whilst domestic costal trade routes have gained swifter and greater growth.

II. The Group has captured the opportunities which have emerged from regional markets in a timely manner to expand its services through container resource allocation, addition of new trade routes and optimization of existing trade routes, etc.. By doing so, it also enabled the Group to focus on those trade routes with greater profitability, thus enhancing the profit margin of the Group's trade routes.

III. During the Period, the Group was delivered a total of three vessels each with a capacity of 9600TEU, further strengthening its fleet structure. To date, the total shipping capacity of the Group has reached 427,107TEU, among which large container vessels with capacity of 4000TEU account for more than 80% of its total shipping capacity. By adding these modernized large container vessels, the unit operating cost per TEU is effectively lowered and the Group is able to provide better services to its customers.

IV. During the Period, to satisfy the requirement of "sales network and integrative services", the Group formed a beneficial cargo owner service team to provide standardised and integrated services for its global beneficial cargo owners. In the meantime, the Group has made progress in identifying source of goods, high net worth customers and long-term customers etc., especially on Tran-Pacific trade routes and domestic trade routes.

V. The Group further promoted fine management and detailed cost control measures. For container management, the Group has enhanced container turnaround, revitalized reefer container resources and effectively contained average handling cost per TEU. For port charges and stevedore charges, cost was restricted to a certain range by minimizing port calls of certain trade routes and reinforcing business bargaining power etc.. Besides, by locking in fuel prices and navigating at economical speed, the Group's pressure from increasing fuel prices was greatly reduced. For transshipment, transshipment cost was reduced by cutting the number of transshipment ports and rationalizing the distribution of sub-routes etc.

Moreover, the Group was able to enhance its profit by thorough development of the shipping market along the Yangtze River, expanding sea-rail combined transportation, increasing investment in emerging markets such as Vietnam to broaden its services and capture more business opportunities.

Cost analysis

In the Period, the Group's operating costs have increased by a certain extent as compared with the same period last year. The total operating costs for the Period were RMB15,608,795,000, representing an increase of about 16.7% as compared with the same period last year. This is mainly due to the deployment of new shipping capacity by the Group (i.e. the new vessels and time chartered vessels successively delivered and put into operation brought an increase of shipping capacity by about 15.0% as compared with the same period last year) and due to an increase in fuel costs. However, due to the Group's successive implementation of various cost control measures, cost per TEU was thus reduced by 7.0% to RMB4,652.5 as compared with that of the same period in 2006.

In the Period, fuel prices have slightly dropped as compared with the same period of last year, but due to the deployment of new vessels into operation and the increase in shipping volume, the Group's fuel costs increased by about RMB426,477,000. However, the Group continued to take measures, including locking in a portion of fuel prices, precisely controlling fuel inventory, selecting refueling ports and suppliers with relatively lower fuel prices and requiring our ships to navigate at economical speed while meeting schedules, etc., to control fuel costs and fuel consumption.

Container management costs increased by 37.9% as compared with the same period last year, as a result of an increase of 15.0% in the number of containers and an increase of 21.0% in acquisition price of new additional containers as compared with the same period last year.

Port charges and stevedore charges increased by 2.0% as compared with the same period last year as a result of the increase in the Company's shipping volume by 25.8% as compared with the same period last year (among which, shipping volume of foreign trade lanes increased by 21.0% as compared with the same period last year). However, calculated on an average cost per TEU basis, such charges decreased by 18.9% as compared with the same period last year.

The Group's fixed costs increased by 8.3% as compared with the same period last year, which is below the increase in shipping capacity.

Future plans and prospects

From the second half of 2007, the world economy is expected to follow the fast growing trend of the first half of this year. The PRC, as a world manufacturing centre as well as one of the driving sources of the world economy, is expected to continue growing fast, which will provide a favorable market and operating environment for container transportation.

The second half of the year is the traditional peak season of the shipping industry with all lanes entering their busiest period in the year. However, liner shipping companies will still be expected to face pressure from rising fuel prices and inland transportation cost etc.. Therefore, cost control will continue to be our main focus in the future.

Since it was established ten years ago, the Group has been adhering to the principle of "seizing every opportunity to achieve rapid development" and growing fast in the shipping industry. Today, the Group has positioned itself on a new starting point to achieve further rapid development. Looking into the future, the Group will focus on the following aspects:

I. The Group will continue to reinforce and expand its fleet. The Group will order 8 large container vessels, each with a capacity of 13,296TEU, to further improve its fleet structure and modernize and expand its fleet size so as to become a first-rate liner shipping company.

II. The Group will continue to optimize overall arrangement of trade lanes, enhance cooperation with other liner shipping companies and strategically increase investment in the east coast of the Mediterranean Sea, the Red Sea, East Africa and the west coast of South America etc.. The Group will also increase its trade route coverage and frequency to provide better service to its customers and meet customers' requests.

III. The Group will continue to maintain its domestic quality trade lanes, which have achieved outstanding performance since their launch in the second half of 2006. In the future, the Group will continue to enhance investment in the domestic market so as to foster its leading position therein.

IV. The Group has also set higher standard for all trade lanes, including changing supply configuration of cargo, soliciting quality clients and increasing the proportion of long-term clients etc.. With the implementation of such measures, in future, the Group will endeavour to perform well in stabilizing revenue, increasing profits and saving costs of trade lanes etc.

V. In view of the thriving PRC capital market, the Group intends to raise funds via the A-share market in the PRC in the second half of 2007 for the construction of container vessels, purchase of assets related to container transportation business, strengthening of the Company's working capital base as well as repayment of bank loans, which will open a new page in the Group's development.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's principal source of liquidity is cash flow from operations. The Group's cash has mainly been used as operating costs, loan repayments and used in construction of new vessels and containers. For the Period, the Group generated a net operating cash inflow of RMB1,622,135,000 and the Group had a cash balance of RMB3,866,026,000 as at 30 June, 2007.

As at 30 June, 2007, the Group's total bank loans were RMB5,248,761,000. The maturity profile is spread over a period between 2007 and 2018, with RMB913,491,000 being payable within one year, RMB1,103,211,000 within the second year, RMB2,633,232,000 within the third to fifth year, and RMB598,827,000 after the fifth year. The Group's long-term bank loans are mainly used to fund the purchase of new vessels.

As at 30 June, 2007, several containers, container vessels and vessels under construction valued in an aggregate amount of RMB7,000,403,000 (as at 31 December, 2006: RMB7,009,915,000) have been pledged against long term bank loans of the Group.

As at 30 June, 2007, the Group's 10-year bond payables were RMB1.8 billion, all proceeds were used in the construction of new vessels. The bond was guaranteed by the Bank of China, Shanghai branch.

As at 30 June, 2007, the Group's obligations under finance leases amount to RMB3,275,478,000, with the maturity profile ranging from 2007 to 2015. The amount repayable within one year is RMB492,048,000, the amount repayable within the second year is RMB520,965,000, the amount repayable within the third to fifth year is RMB1,503,420,000 and the amount repayable after the fifth year is RMB759,045,000. All finance lease obligations are arranged for the lease of new containers.

Prior to 1 January, 2007, the Group entered into certain long-term container lease agreements with its fellow subsidiaries. The transactions under such agreements shall constitute financial leases. In 2007, the Group entered into supplementary agreements with its fellow subsidiaries, under which the long-term leases under the original container lease agreements were amended to one-year short-term leases. Accordingly, the net assets of the containers under the said finance leases and liabilities in relation to the said lease agreements, amounting to RMB830,301,000 and RMB957,684,000 respectively, were confirmed to be terminated on 1 January, 2007, and the resultant earnings amounting to RMB127,383,000 have been generated and recorded in the accounts in the Period.

As at 30 June, 2007, the gearing ratio of the Group (i.e. the ratio of net debt over equity holders' equity) was 37.2%, which is lower than the rate of 46.0% as at 31 December, 2006.

As at 30 June, 2007, the Group had RMB loans in the amount of RMB2,883,940,000, with annual interest rate ranging from 5.4% to 6.1%, and USD loans in the amount of USD309,240,000 (equivalent to approximately RMB2,364,821,000), with annual interest rate ranging from 4.9% to 5.9%. The borrowings are settled in RMB and US dollars while their 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. The directors will review the operating cash flow of the Group from time to time and will consider repaying certain bank loans by cash as and when appropriate. 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. With the RMB appreciation, during the Period, the Group's revenues generated by currency exchange in the Period amounted to approximately RMB6,034,000, and the shareholders' interests of the Group affected by the currency exchange amounted to approximately RMB142,613,000. The Group has paid close attention to the fluctuation of the RMB exchange rate, settled foreign incomes from operating activities into RMB in a timely manner to minimize the losses brought by foreign exchange fluctuations. The Group will continue to implement the policy of timely conversion of foreign currency assets, reduce the net currency assets denominated in foreign currency, and adopt proper measures including hedging instruments (e.g. forward exchange contracts) as and when necessary and appropriate in accordance with the Group's practical requirements to minimize foreign exchange risks.

COMMITMENT

As at 30 June, 2007, the capital commitment for vessels under construction that had been contracted but not provided to the Group amounted to RMB3,896,455,000. The Group's commitment for fuel that had been contracted but not provided to the Group amounted to RMB624,243,000. Furthermore, the Group's lease commitments relating to buildings, and vessels and containers, are RMB96,506,000 and RMB13,102,261,000, respectively.

CONTINGENT LIABILITIES

As at 30 June, 2007, the Group did not have any material contingent liabilities.

SHARE CAPITAL

As at 30 June, 2007, the share capital of the Company was as follows:

Types of shares	Number of shares in issue	Percentage (%)
Domestic shares	3,610,000,000	59.87
H shares	2,420,000,000	40.13
Total	6,030,000,000	100.00

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Period, the Company had not redeemed any of its issued shares. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's issued shares in the Period.

DIVIDENDS

(i) The directors do not recommend the payment of an interim dividend for the six months ended 30 June, 2007 (2006: Nil).

(ii) At a Board meeting held on 8 August, 2007, the directors proposed that part of the Group's distributable profits as at 30 June, 2007, amounting to RMB3,316,500,000, be distributed as bonus shares each at par value to existing shareholders on the basis of 5.5 bonus shares for every 10 existing shares owned by such shareholders. The remaining distributable profits as at 30 June, 2007 will be distributed in the form of cash dividend, the detailed amount and distribution method of which shall be formulated and implemented by the Board as authorized by shareholders at general meeting.

EMPLOYEES, TRAINING AND DEVELOPMENT

As at 30 June, 2007, the Group had 3,649 employees, representing an increase of 123 employees as compared with 31 December, 2006. During the Period, the total staff expenses were about RMB481,031,000. 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 3,083 crew members in total who mainly work on the Group's self-owned or bareboat chartered vessels.

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

Details of such performance discretionary incentive scheme varied 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. Shen Kangchen and Mr. Wang Zongxi, and one non-executive director, namely Mr. Wang Daxiong. The audit committee of the Company had reviewed the Company's interim results for the Period and agrees with the accounting treatment adopted by the Company.

COMPLIANCE WITH THE "CODE ON CORPORATE GOVERNANCE PRACTICES" (THE "CG CODE") IN APPENDIX 14 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "LISTING RULES")

The Board confirmed that, none of the directors are aware of any information that would reasonably indicate that the Group was not, at any time during the Period, in compliance with the applicable code provisions of the CG Code.

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 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 Appendix 16 to the Listing Rules will be dispatched to 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 People's Republic of China

8 August, 2007

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. Wang Daxiong, Mr. Yao Zuozhi and Mr. Xu Hui, being non-executive Directors, and Mr. Hu Hanxiang, Mr. Jim Poon (also known as Pan Zhanyuan), Mr. Wang Zongxi and Mr. Shen Kangchen, being independent non-executive Directors.

The exchange rate adopted in this announcement for illustration purposes only is US$1.00 = HK$7.65.

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