中 國 遠 洋 控 股 股 份 有 限 公 司
China COSCO Holdings Company Limited*

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

(Stock code : 1919)

ANNOUNCEMENT OF 2013 INTERIM RESULTS

RESULTS HIGHLIGHTS:

	First half of 2013 *RMB'000*	First half of 2012 *RMB'000* *(Restated)*	**Change**
Revenues	**31,064,287**	33,164,824	**-6.3%**
(Loss)/profit attributable to equity holders of the Company arising from:			
- Continuing operations	**(4,193,582)**	(5,292,444)	**20.8%**
- Discontinued operations	**3,203,578**	420,909	**661.1%**
	(990,004)	(4,871,535)	**79.7%**
Basic (loss)/earnings per share			
- From continuing operations	**(0.4105)**	(0.5180)	**20.8%**
- From discontinued operations	**0.3136**	0.0412	**661.2%**
	(0.0969)	(0.4768)	**79.7%**

Our Board announces the unaudited consolidated interim results of our Group for the six months ended 30 June 2013. The unaudited interim financial information has been reviewed by the audit committee of our Company, comprising a majority of independent non-executive directors of our Company.

The unaudited condensed consolidated interim income statement, the unaudited condensed consolidated interim statement of comprehensive income and the unaudited condensed consolidated interim balance sheet of our Group and its explanatory notes 1 to 12 as presented below are extracted from the unaudited interim financial information of our Group for the six months ended 30 June 2013 (the "**unaudited Interim Financial Information**"), which has been reviewed by the international auditor of the Company, PricewaterhouseCoopers, 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 (the "**HKICPA**"). Their report will be included in the interim report of our Group to be published later.

FINANCIAL INFORMATION

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	**Six months ended 30 June 2013** *RMB'000*	2012 *RMB'000* *(Restated)*
Continuing operations			
Revenues	3	**31,064,287**	33,164,824
Cost of services and inventories sold		**(32,480,524)**	(35,890,663)
Gross loss		**(1,416,237)**	(2,725,839)
Other income, net	4	**201,089**	667,941
Selling, administrative and general expenses		**(1,961,531)**	(2,007,707)
Operating loss	4	**(3,176,679)**	(4,065,605)
Finance income	5	**466,676**	408,463
Finance costs	5	**(1,614,044)**	(1,176,869)
Net related exchange gain/(loss)	5	**514,647**	(109,055)
Net finance costs	5	**(632,721)**	(877,461)
Share of profits less losses of			
- joint ventures		**244,622**	328,168
- associates		**259,238**	223,516
Loss before income tax		**(3,305,540)**	(4,391,382)
Income tax expenses	6	**(299,029)**	(296,664)
Loss for the period from continuing operations		**(3,604,569)**	(4,688,046)
Discontinued operations			
Profit for the period from discontinued operations		**4,711,064**	568,535
Profit/(loss) for the period		**1,106,495**	(4,119,511)
(Loss)/profit attributable to:			
Equity holders of the Company		**(990,004)**	(4,871,535)
Non-controlling interests		**2,096,499**	752,024
		1,106,495	(4,119,511)

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	Six months ended 30 June 2013 RMB'000	2012 RMB'000 (Restated)
(Loss)/profit attributable to equity holders of the Company arising from:			
— Continuing operations		**(4,193,582)**	(5,292,444)
— Discontinued operations		**3,203,578**	420,909
		(990,004)	(4,871,535)
		RMB	*RMB*
(Loss)/earnings per share attributable to equity holders of the Company:			
Basic (loss)/earnings per share			
— From continuing operations	8(a)	**(0.4105)**	(0.5180)
— From discontinued operations	8(a)	**0.3136**	0.0412
		(0.0969)	(0.4768)
Diluted (loss)/earnings per share			
— From continuing operations	8(b)	**(0.4105)**	(0.5180)
— From discontinued operations	8(b)	**0.3136**	0.0412
		(0.0969)	(0.4768)

	Note	Six months ended 30 June 2013 RMB'000	2012 RMB'000
Dividend	7	**—**	—

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Profit/(loss) for the period	**1,106,495**	(4,119,511)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Fair value (losses)/gains on available-for-sale financial assets, net of tax	**(48,897)**	34,800
Share of other comprehensive (loss)/income of joint ventures and associates	**(9,781)**	27,712
Cash flow hedge, net of tax	**(353)**	—
Release of reserves upon disposals of subsidiaries and an associate	**(375,977)**	—
Currency translation differences	**(619,530)**	122,967
Total items that may be reclassified subsequently to profit or loss and other comprehensive (loss)/income for the period, net of tax	**(1,054,538)**	185,479
Total comprehensive income/(loss) for the period	**51,957**	(3,934,032)
Total comprehensive income/(loss) for the period attributable to:		
Equity holders of the Company	**(1,651,957)**	(4,740,100)
Non-controlling interests	**1,703,914**	806,068
	51,957	(3,934,032)
Total comprehensive (loss)/income attributable to equity holders of the Company arising from:		
— Continuing operations	**(4,720,526)**	(5,178,202)
— Discontinued operations	**3,068,569**	438,102
	(1,651,957)	(4,740,100)

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2013

	Note	**As at 30 June 2013** *RMB'000*	As at 31 December 2012 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**81,189,382**	80,643,400
Investment properties		**448,822**	475,591
Leasehold land and land use rights		**2,398,380**	2,567,434
Intangible assets		**128,120**	202,497
Joint ventures		**4,872,984**	5,255,508
Associates		**5,533,486**	11,360,852
Available-for-sale financial assets		**329,967**	499,121
Deferred income tax assets		**201,609**	238,281
Restricted bank deposits		**5,739**	71,280
Loans to a joint venture and an associate		**220,221**	226,146
Other non-current assets		**559,320**	554,056
Total non-current assets		**95,888,030**	102,094,166
Current assets			
Inventories		**2,565,813**	2,731,404
Trade and other receivables	9	**13,136,903**	13,563,548
Derivative financial assets		**14,019**	53,823
Restricted bank deposits		**156,170**	428,175
Cash and cash equivalents		**55,393,514**	46,336,793
Total current assets		**71,266,419**	63,113,743
Total assets		**167,154,449**	165,207,909

	Note	As at 30 June 2013 RMB'000	As at 31 December 2012 RMB'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**10,216,274**	10,216,274
Reserves		**13,268,570**	14,920,612
		23,484,844	25,136,886
Non-controlling interests		**17,773,154**	16,560,635
Total equity		**41,257,998**	41,697,521
LIABILITIES			
Non-current liabilities			
Long-term borrowings		**74,670,005**	79,085,828
Provisions and other liabilities		**1,152,160**	1,593,684
Deferred income tax liabilities		**2,360,262**	2,417,596
Total non-current liabilities		**78,182,427**	83,097,108
Current liabilities			
Trade and other payables	10	**18,284,679**	24,213,333
Derivative financial liabilities		**3,453**	—
Short-term borrowings		**3,265,734**	5,253,237
Current portion of long-term borrowings		**24,201,658**	8,865,186
Current portion of provisions and other liabilities		**921,861**	1,292,327
Tax payable		**1,036,639**	789,197
Total current liabilities		**47,714,024**	40,413,280
Total liabilities		**125,896,451**	123,510,388
Total equity and liabilities		**167,154,449**	165,207,909
Net current assets		**23,552,395**	22,700,463
Total assets less current liabilities		**119,440,425**	124,794,629

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 General information

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

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

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

On 27 March 2013, the Company entered into an equity transfer agreement with COSCO. Pursuant to the equity transfer agreement, the Company agreed to dispose of, and COSCO agreed to acquire the entire issued capital of COSCO Logistics Co., Ltd. ("COSCO Logistics"), at a cash consideration of RMB6,738,704,000. After the disposal, COSCO Logistics ceased to be a subsidiary of the Group.

On 20 May 2013, COSCO Pacific Limited ("COSCO Pacific"), a non-wholly owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of its 21.8% equity interest in China International Marine Containers (Group) Co., Ltd. ("CIMC"), a then associate of the Company listed in Shenzhen and Hong Kong, to Long Honour Investments Limited ("Long Honour"), a direct wholly owned subsidiary of COSCO (Hong Kong) Group Limited, a fellow subisidary, which in turn is a direct wholly owned subsidiary of COSCO, for a cash consideration of US$1,219,789,000 (approximately RMB7,536,710,000). COSCO Container Industries Limited ("COSCO Container"), a direct wholly owned subsidiary of COSCO Pacific whose major asset is the 21.8% equity interest in CIMC, was disposed of in the same transaction. Long Honour had acquired the entire issued share capital and sale loan of COSCO Container. After the disposal, CIMC ceased to be an associate of the Group.

The unaudited interim financial information is presented in Renminbi ("RMB'') and all values are rounded to the nearest thousand except when otherwise indicated. This unaudited interim financial information for the six months ended 30 June 2013 (the "Interim Financial Information") was approved by the Board of Directors for issue on 29 August 2013.

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

2 Basis of preparation and significant accounting policies

This Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2012 (the "2012 Annual Financial Statements") which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

The directors regard COSCO Logistics and CIMC as discontinued operations and presented in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" in this Interim Financial Information. The comparative information in this Interim Financial Information has been restated accordingly.

Except as described below, the significant accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with the 2012 Annual Financial Statements.

(a) New and revised standards and amendments to standards adopted by the Group

The new and revised standard and amendments to standards which are mandatory for the financial year beginning on 1 January 2013 are as follows:

HKAS 1 (Amendment)	"Presentation of Financial Statements"
HKAS 19 (Amendment)	"Employee Benefits"
HKAS 27 (revised 2011)	"Separate Financial Statements"
HKAS 28 (revised 2011)	"Associates and Joint Ventures"
HKFRS 1 (Amendment)	"Government Loans"
HKFRS 7 (Amendment)	"Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities"
HKFRS 10	"Consolidated Financial Statements"
HKFRS 11	"Joint Arrangements"
HKFRS 12	"Disclosure of Interests in Other Entities"
HKFRS 13	"Fair Value Measurement"
HKFRSs 10, 11 and 12 (Amendment)	"Transition Guidance"
HKFRS Amendments	"2011 Annual Improvements"
HK(IFRIC) - Int 20	"Stripping Costs in the Production Phase of A Surface Mine"

Except that the adoption of HKAS 19 (Amendment) which has resulted in changes in accounting policies as described below, the adoption of the above new and revised standards and amendments to standards did not have any significant impact on the Interim Financial Information or result in any significant changes in the Group's significant accounting policies.

HKAS 19 (Amendment) renames actuarial gains and losses as remeasurements and will be recognised immediately in other comprehensive income. Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; Remeasurements recognised in other comprehensive income will not be recycled through profit or loss in subsequent periods. Full retrospective application is required in accordance with the transition provisions of the standard.

The Group has assessed the accumulated actuarial gains and losses as at 31 December 2012. As the effect was insignificant to this Interim Financial Information, the change in the accounting policy in respect of the adoption of HKAS 19 (Amendment) had not been applied for retrospectively.

(b) **New and amended standards not effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group**

The HKICPA has issued certain new standard, amendments to standards and interpretations which are not yet effective for the year ending 31 December 2013.

The Group has not early adopted the new standard, amendments to standards and interpretations, which are not yet effective for the year ending 31 December 2013, in the Interim Financial Information, but has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

3 **Revenues and segment information**

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Container shipping	**22,311,368**	22,641,835
Dry bulk shipping	**5,943,839**	7,779,364
Container terminal operations	**1,231,356**	1,126,179
Container leasing	**626,504**	636,478
	30,113,067	32,183,856
Crew service income	**124,427**	180,025
Others	**826,793**	800,943
Total revenues from continuing operations	**31,064,287**	33,164,824
Discontinued operation		
Logistics	**4,986,050**	9,479,331
Total revenues from discontinued operation	**4,986,050**	9,479,331

Operating segments

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

- Container shipping and related business
- Dry bulk shipping and related business
- Logistics
- Container terminal operations and related business
- Container leasing, management, sale and related business
- Corporate and other operations that primarily comprise container manufacturing, investment holding, management services and financing.

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

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

Addition to non-current assets comprises additions to property, plant and equipment, leasehold land and land use rights, intangible assets, investments in joint ventures and associates and other non-current assets (excluding finance lease receivables), including additions resulting from acquisitions through business combinations.

	Six months ended 30 June 2013									
	Continuing operations							Discontinued operations		
	Container shipping and related business	Dry bulk shipping and related business	Container terminal and related business	Container leasing, management, sale and related business	Corporate and other operations	Inter-segment elimination	Total	Logistics	Corporate and other operation#	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Income statement										
Total revenues	**22,752,541**	**6,463,160**	**1,356,192**	**1,124,949**	**—**	**(632,555)**	**31,064,287**	**4,986,050**	**—**	**4,986,050**
Inter-segment revenues	**(6,804)**	**(2,470)**	**(124,836)**	**(498,445)**	**—**	**632,555**	**—**	**—**	**—**	**—**
Revenues (from external customers)	**22,745,737**	**6,460,690**	**1,231,356**	**626,504**	**—**	**—**	**31,064,287**	**4,986,050**	**—**	**4,986,050**
Segment (loss)/profit	**(1,985,900)**	**(1,917,364)**	**399,457**	**552,868**	**(225,740)**	**—**	**(3,176,679)**	**271,229**	**—**	**271,229**
Finance income							**466,676**	**16,837**	**—**	**16,837**
Finance costs							**(1,614,044)**	**(10,090)**	**—**	**(10,090)**
Net related exchange gain							**514,647**	**5,477**	**—**	**5,477**
Share of profits less losses of										
— joint ventures	**(12,609)**	**14,506**	**242,725**	**—**	**—**	**—**	**244,622**	**19,845**	**—**	**19,845**
— associates	**2,710**	**(848)**	**204,852**	**—**	**52,524**	**—**	**259,238**	**36,938**	**143,925**	**180,863**
(Loss)/profit before income tax							**(3,305,540)**	**340,236**	**143,925**	**484,161**
Income tax expenses							**(299,029)**	**(74,332)**	**—**	**(74,332)**
(Loss)/profit for the period							**(3,604,569)**	**265,904**	**143,925**	**409,829**
Net gain on disposals of subsidiaries and an associate								**1,845,721**	**2,455,514**	**4,301,235**
Profit for the period from discontinued operations								**2,111,625**	**2,599,439**	**4,711,064**
Depreciation and amortisation	**701,111**	**644,605**	**220,522**	**328,595**	**9,093**		**1,903,926**	**75,662**	**—**	**75,662**
Provision/(reversal of provision) for impairment of trade and other receivables, net	**5,734**	**(36,551)**	**—**	**(4,341)**	**—**		**(35,158)**	**441**	**—**	**441**
Amortised amount of transaction costs on long-term borrowings	**21,869**	**7,556**	**—**	**9,319**	**7,271**		**46,015**	**—**	**—**	**—**
Additions to to non-current assets	**2,776,150**	**799,999**	**1,012,940**	**790,239**	**144**	**—**	**5,379,472**	**117,831**	**—**	**117,831**

It comprised the container manufacturing business of the Group.

(Restated)	Continuing operations: Container shipping and related business	Continuing operations: Dry bulk shipping and related business	Continuing operations: Container terminal and related business	Continuing operations: Container leasing, management, sale and related business	Continuing operations: Corporate and other operations	Continuing operations: Inter-segment elimination	Continuing operations: Total	Discontinued operations: Logistics	Discontinued operations: Corporate and other operations#	Discontinued operations: Total
Six months ended 30 June 2012										
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Income statement										
Total revenues	23,117,040	8,299,768	1,276,312	1,075,506	—	(603,802)	33,164,824	9,479,331	—	9,479,331
Inter-segment revenues	(10,520)	(4,121)	(150,133)	(439,028)	—	603,802	—	—	—	—
Revenues (from external customers)	23,106,520	8,295,647	1,126,179	636,478	—	—	33,164,824	9,479,331	—	9,479,331
Segment (loss)/profit	(1,311,707)	(3,424,471)	376,540	503,213	(209,180)	—	(4,065,605)	387,972	—	387,972
Finance income							408,463	28,359	—	28,359
Finance costs							(1,176,869)	(11,963)	—	(11,963)
Net related exchange loss							(109,055)	(1,258)	—	(1,258)
Share of profits less losses of										
— joint ventures	(10,823)	27,810	311,181	—	—	—	328,168	30,792	—	30,792
— associates	1,708	(313)	177,193	—	44,928	—	223,516	49,316	187,600	236,916
(Loss)/profit before income tax							(4,391,382)	483,218	187,600	670,818
Income tax expenses							(296,664)	(102,283)	—	(102,283)
(Loss)/profit for the period							(4,688,046)	380,935	187,600	568,535
Profit for the period from discontinued operations								380,935	187,600	568,535
Depreciation and amortisation	610,878	657,803	175,076	324,028	9,190	—	1,776,975	87,966	—	87,966
Provision/(reversal of provision) for impairment of trade and other receivables, net	10,008	139	9,275	(3,053)	—	—	16,369	1,851	—	1,851
Amortised amount of transaction costs on long-term borrowings	17,712	10,589	—	5,108	6,454	—	39,863	—	—	—
Additions to non-current assets	2,323,370	767,888	1,137,311	756,150	1,948	—	4,986,667	142,116	—	142,116

It comprised the container manufacturing business of the Group.

	As at 30 June 2013						
	Container shipping and related business *RMB'000*	**Dry bulk shipping and related business** *RMB'000*	**Container terminal and related business** *RMB'000*	**Container leasing, management, sale and related business** *RMB'000*	**Corporate and other operations** *RMB'000*	**Inter-segment elimination** *RMB'000*	**Total** *RMB'000*
Balance sheet							
Segment assets	**55,135,843**	**44,251,041**	**17,024,510**	**16,331,704**	**46,696,503**	**(23,443,419)**	**155,996,182**
Joint ventures	**403,928**	**594,454**	**3,874,602**	**—**	**—**	**—**	**4,872,984**
Associates	**35,801**	**103,402**	**4,672,139**	**—**	**722,144**	**—**	**5,533,486**
Loans to joint ventures and associates	**—**	**—**	**220,221**	**—**	**—**	**—**	**220,221**
Available-for-sale financial assets	**65,987**	**134,227**	**129,753**	**—**	**—**	**—**	**329,967**
Unallocated assets							**201,609**
Total assets							**167,154,449**
Segment liabilities	**55,270,683**	**36,939,744**	**10,946,981**	**6,568,398**	**36,217,163**	**(23,443,419)**	**122,499,550**
Unallocated liabilities							**3,396,901**
Total liabilities							**125,896,451**

	As at 31 December 2012							
	Container shipping and related business *RMB'000*	**Dry bulk shipping and related business** *RMB'000*	**Logistics** *RMB'000*	**Container terminal and related business** *RMB'000*	**Container leasing, management, sale and related business** *RMB'000*	**Corporate and other operations** *RMB'000*	**Inter-segment elimination** *RMB'000*	**Total** *RMB'000*
Balance sheet								
Segment assets	51,066,355	44,594,159	11,416,717	15,587,183	13,003,500	34,429,181	(22,469,094)	147,628,001
Joint ventures	438,751	622,840	425,699	3,768,218	—	—	—	5,255,508
Associates	31,870	104,622	524,679	4,816,188	—	5,883,493	—	11,360,852
Loans to joint ventures and associates	—	—	—	226,146	—	—	—	226,146
Available-for-sale financial assets	70,321	108,876	162,786	157,138	—	—	—	499,121
Unallocated assets								238,281
Total assets								165,207,909
Segment liabilities	49,037,519	35,263,409	6,323,066	9,901,177	7,142,566	35,104,952	(22,469,094)	120,303,595
Unallocated liabilities								3,206,793
Total liabilities								123,510,388

Geographical information

(a) Revenues

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

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

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

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

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

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Continuing operations		*(Restated)*
Container shipping and related business		
— America	**6,751,018**	6,973,226
— Europe	**5,077,059**	6,097,544
— Asia Pacific	**3,439,380**	3,656,263
— China domestic	**6,402,346**	5,641,423
— Other international market	**1,075,934**	738,064
Dry bulk shipping and related business		
— International shipping	**5,737,467**	7,399,497
— PRC coastal shipping	**723,223**	896,150
Container terminal and related business, corporate and other operations		
— Europe	**430,090**	409,262
— China domestic	**801,266**	716,917
Unallocated	**626,504**	636,478
Total	**31,064,287**	33,164,824
Discontinued operation		
Logistics		
— Europe	**24,060**	47,098
— Asia Pacific	**75,388**	92,584
— China domestic	**4,886,602**	9,339,649
Total	**4,986,050**	9,479,331

(b) Non-current assets

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

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

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

	As at 30 June 2013 *RMB'000*	As at 31 December 2012 *RMB'000*
China domestic	**27,227,246**	34,555,873
Non-China domestic	**3,923,593**	3,792,008
Unallocated	**63,896,805**	62,621,528
Total	**95,047,644**	100,969,409

4 **Operating loss**

Operating loss is stated after crediting/charging the following:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Crediting:		
Gain on disposals of property, plant and equipment		
— container vessels	**—**	55,817
— dry bulk vessels	**70,869**	12,661
— containers	**1,704**	—
— others	**15,739**	2,477
Reversal of provision for impairment of trade and other receivables	**73,482**	7,810
Government subsidies, included in other income, net	**155,604**	607,723
Dividend income from listed and unlisted investments	**13,000**	12,561
Charging:		
Loss on disposals of property, plant and equipment		
— containers	**—**	372
Cost of bunkers consumed	**7,791,855**	9,262,074
Operating lease rentals		
— container vessels	**2,186,540**	2,060,593
— dry bulk vessels	**2,698,925**	4,446,090
— containers	**659,165**	642,001
— land and buildings	**88,201**	85,596
— other property, plant and equipment	**143,399**	124,423
Provision for onerous contracts on dry bulk vessels		
— provision for current period	**403,229**	1,249,869
— provision made in prior periods	**(1,071,994)**	(1,116,121)
Provision for impairment of trade and other receivables	**38,324**	24,179
Cost of inventories sold		
— resaleable containers	**67,790**	69,912
— marine supplies and others	**24,660**	25,120
— merchandises	**312,915**	296,533
Net exchange (loss)/gain	**(81,619)**	16,322

5 **Finance income and costs**

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Finance income		
Interest income from:		
— deposits with COSCO Finance	**141,397**	149,126
— loans to joint ventures and associates	**4,829**	5,322
— banks	**320,450**	254,015
	466,676	408,463
Finance costs		
Interest expenses on:		
— bank loans	**(955,879)**	(714,475)
— other loans wholly repayable within five years	**(28,133)**	(20,505)
— loans with COSCO Finance	**(8,019)**	(1,678)
— finance lease obligations	**(3,583)**	(4,124)
— notes	**(593,365)**	(435,102)
Fair value loss on derivative financial instruments	**(39,285)**	(23,159)
Fair value adjustment of notes attributable to interest rate risk	**51,056**	16,621
	11,771	(6,538)
	(1,577,208)	(1,182,422)
Amortised amount of transaction costs on long-term borrowings	**(46,015)**	(39,863)
Amortised amount of discount on issue of notes	**(5,345)**	(479)
Other incidental borrowing costs and charges	**(84,140)**	(17,722)
Less: amount capitalised in construction in progress	**98,664**	63,617
	(1,614,044)	(1,176,869)
Net related exchange gain/(loss)	**514,647**	(109,055)
Net finance costs	**(632,721)**	(877,461)

6 Income tax expenses

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Current income tax (note a)		
— PRC enterprise income tax	**81,062**	129,823
— Hong Kong profits tax	**2,208**	1,765
— Overseas taxation	**58,764**	41,961
— (Over)/under provision in prior periods	**(350)**	7,255
	141,684	180,804
Deferred income tax (note b)	**157,345**	115,860
	299,029	296,664

Notes:

(a) Current income tax

Taxation has been provided at the appropriate rate of taxation prevailing in the countries in which the Group operates. These rates range from 12.5% to 46% (2012: 12.5%to 46%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 12.5% to 15% (2012: 12.5% to 15%).

(b) Deferred income tax

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

As at 30 June 2013, the unrecognised deferred income tax liabilities were RMB2,015,694,000 (31 December 2012: RMB1,814,277,000), relating to income tax and withholding tax that would be payable for undistributed profits of certain overseas subsidiaries, as the Directors considered that the timing for the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these overseas subsidiaries as at 30 June 2013 amounted to RMB8,909,084,000 (31 December 2012: RMB8,100,926,000).

As at 30 June 2013, the Group had tax losses of RMB33,282,764,000 (31 December 2012: RMB31,238,716,000), which were not recognised for deferred tax assets as the Directors considered that the utilisation of these tax losses in the foreseeable future is not probable, of which an amount of RMB33,044,432,000 (31 December 2012: RMB30,995,854,000) will expire within five years.

7 **Dividend**

The Board of Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (2012: Nil).

8 **Loss per share**

(a) **Basic**

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

	Six months ended 30 June	
	2013	2012
		(Restated)
Loss from continuing operations attributable to equity holders of the Company (RMB)	**(4,193,582,000)**	(5,292,444,000)
Profit from discontinued operations attributable to equity holders of the Company (RMB)	**3,203,578,000**	420,909,000
	(990,004,000)	(4,871,535,000)
Number of ordinary shares in issue	**10,216,274,357**	10,216,274,357
Basic (loss)/earnings per share (RMB)		
From continuing operations	**(0.4105)**	(0.5180)
From discontinued operations	**0.3136**	0.0412
	(0.0969)	(0.4768)

(b) **Diluted**

Diluted loss per share is calculated based on the loss attributable to equity holders of the Company after adjusting the effect for assumed issuance of shares on exercise of share options of a subsidiary and the number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2013	2012 *(Restated)*
Loss from continuing operations attributable to equity holders of the Company (RMB)	**(4,193,582,000)**	(5,292,444,000)
Adjustment of continuing operations on the effect of dilution	**(45,000)**	(41,000)
	(4,193,627,000)	(5,292,485,000)
Profit from discontinued operations attributable to equity holders of the Company (RMB)	**3,203,578,000**	420,909,000
Adjustment of discontinued operations on the effect of dilution	**(131,000)**	(8,000)
	3,203,447,000	420,901,000
	(990,180,000)	(4,871,584,000)
Number of ordinary shares in issue	**10,216,274,357**	10,216,274,357
Diluted (loss)/earnings per share (RMB)		
From continuing operations	**(0.4105)**	(0.5180)
From discontinued operations	**0.3136**	0.0412
	(0.0969)	(0.4768)

9 **Trade and other receivables**

	As at 30 June 2013 *RMB'000*	As at 31 December 2012 *RMB'000*
Trade receivables (notes a and b)		
— third parties	**4,703,759**	8,469,497
— fellow subsidiaries	**182,632**	135,775
— joint ventures	**16,506**	24,081
— associates	**1,973**	9,858
— other related companies	**64,677**	51,196
	4,969,547	8,690,407
Bills receivable (notes a and b)	**183,425**	260,372
	5,152,972	8,950,779
Consideration receivable from a fellow subsidiary for disposal of an associate (note c)	**3,767,708**	—
Prepayments, deposits and other receivables		
— third parties	**3,068,426**	3,780,505
— fellow subsidiaries (note d)	**620,893**	325,705
— joint ventures (note d)	**225,780**	250,071
— associates (note d)	**71,670**	105,834
— other related companies (note d)	**215,759**	137,356
	4,202,528	4,599,471
Current portion of finance lease receivables	**13,695**	13,298
Total	**13,136,903**	13,563,548

Notes:

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

(b) The normal credit period granted to trade receivables of the Group is generally within 90 days. Trade receivables primarily consist of voyage-related and logistics related receivables. As at 30 June 2013, the ageing analysis of trade and bills receivables was as follows:

	As at 30 June 2013	As at 31 December 2012
	RMB'000	*RMB'000*
1-3 months	**4,885,328**	8,642,215
4-6 months	**204,924**	358,783
7-12 months	**88,290**	86,723
Over 1 year	**133,399**	158,431
Trade and bills receivables, gross	**5,311,941**	9,246,152
Provision for impairment	**(158,969)**	(295,373)
	5,152,972	8,950,779

(c) The balance represents the remaining portion of the cash consideration receivable from a fellow subsidiary for the disposal of 21.8% equity interest in CIMC. The balance is unsecured, interest free and will be receivable on or before 27 September 2013 pursuant to the sale and purchase agreement.

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

10 Trade and other payables

	As at 30 June 2013 *RMB'000*	As at 31 December 2012 *RMB'000*
Trade payables (note a)		
— third parties	**4,336,956**	6,632,112
— fellow subsidiaries	**1,566,268**	1,320,173
— joint ventures	**111,170**	177,520
— associates	**541**	3,587
— other related companies	**222,171**	13,751
	6,237,106	8,147,143
Bills payables (note a)	**39,043**	1,741,482
	6,276,149	9,888,625
Advance from customers	**824,478**	2,011,647
Other payables and accruals	**10,285,108**	11,106,742
Construction costs payable to fellow subsidiaries	**—**	89,357
Due to related companies (note b)		
— COSCO	**1,225**	—
— fellow subsidiaries	**118,959**	181,843
— joint ventures	**155,909**	217,636
— associates	**17,583**	22,828
— other related companies	**605,268**	694,655
	898,944	1,116,962
Total	**18,284,679**	24,213,333

Notes:

(a) As at 30 June 2013, the ageing analysis of trade and bills payables was as follows:

	As at 30 June 2013	As at 31 December 2012
	RMB'000	*RMB'000*
1-6 months	**5,833,502**	9,317,094
7-12 months	**154,381**	190,083
1-2 years	**101,246**	201,247
2-3 years	**102,994**	69,723
Over 3 years	**84,026**	110,478
	6,276,149	9,888,625

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

(b) Other payables due to related parties are unsecured, interest free and have no fixed terms of repayment.

11 **Discontinued operations**

(a) Disposal of 100% equity interest in COSCO Logistics

The disposal of 100% equity interests in COSCO Logistics was completed by the end of April 2013 ("Completion Date"). Given that COSCO Logistics represented a separate major line of business with separately identifiable operations and cash flows before the disposal, it had been classified as discontinued operation in the Interim Financial Information. The disposal resulted in a net gain of RMB1,845,721,000, while the profit after tax of COSCO Logistics for the period from 1 January 2013 to Completion Date was RMB265,904,000.

(b) Disposal of 21.8% equity interest in CIMC

On 13 June 2013, the disposal of 21.8% equity interests in CIMC was approved by the independent shareholders of COSCO Pacific. Given that the container manufacturing and related businesses was identified as a separate operating business of the Group by management before the disposal, CIMC had been classified as discontinued operation in the Interim Financial Information. The disposal was completed on 27 June 2013 and resulted in a net gain of US$393,411,000 (approximately RMB2,455,514,000), while the share of profit of CIMC for the period was US$23,059,000 (approximately RMB143,925,000).

12 **Significant subsequent events**

On 29 August 2013, Qingdao Ocean Shipping Co., Ltd ("COSCO Qingdao") (a wholly-owned subsidiary of the Company) as vendor and Yuehon Investments Limited ("Yuehon") as purchaser entered into the COSCO (Qingdao) Assets Management Co., Ltd ("Qingdao Management") equity transfer agreement, pursuant to which COSCO Qingdao agreed to sell, and Yuehon agreed to purchase, the 81% equity interest in Qingdao Management; and COSCO Container Lines Co., Ltd. ("COSCON") (a wholly-owned subsidiary of the Company) as vendor, and Ling Hui Investments Limited ("Ling Hui") as purchaser entered into the Shanghai Tianhongli Asset Management Co. Ltd ("Shanghai Tianhongli") equity transfer agreement, pursuant to which COSCON agreed to sell, and Ling Hui agreed to purchase, the 81% equity interest in Shanghai Tianhongli. Yuehon and Ling Hui are wholly-owned subsidiaries of COSCO (Hong Kong) Group Limited, the Company's fellow subsidiary and a wholly-owned subsidiary of COSCO. These two equity transfer agreements are subject to the independent shareholders' approval in the Extraordinary General Meeting of the Company.

Reference is made to another announcement of the Company dated 29 August 2013 which provides details of the transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' REPORT

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

   During the reporting period, the Group continued to record a loss as there was no substantial improvement in the imbalance between supply and demand in the international shipping market, the container and dry bulk shipping markets remained weak and freight rates had also dropped as compared to the same period of last year and remained at low level. However, by selling the equity interests in COSCO Logistics and COSCO Container Industries Limited as well as reducing the size of dry bulk vessel charters and expenses, the Company has reduced the net loss significantly as compared to the same period of last year.

   In the first half of 2013, the operating revenue of the Group amounted to RMB31,064,287,000, representing a decrease of 6.3% as compared to the same period of last year. The net loss attributable to the owners of the parent company amounted to RMB990,004,000, as compared with RMB4,871,535,000 of the same period of last year.

   The amounts set out in the following financial analysis and descriptions are denominated in Renminbi ("RMB") unless otherwise specified.

(i) **Analysis of major businesses**

1. Table of movement analysis for the related items in the Financial Information

Unit: Yuan
Currency: RMB'000

Items	**Current period**	Same period of last year *(Restated)*	**Changes (%)**
Revenues	**31,064,287**	33,164,824	**-6.3**
Cost of services and inventories sold	**(32,480,524)**	(35,890,663)	**-9.5**
Selling, administrative and general expenses	**(1,961,531)**	(2,007,707)	**-2.3**
Finance income	**466,676**	408,463	**14.3**
Finance costs	**(1,614,044)**	(1,176,869)	**37.1**
Net related exchange gain/(loss)	**514,647**	(109,055)	**571.9**
Net cash used in operating activities	**(3,382,807)**	(3,170,447)	**-6.7**
Net cash generated from/(used in) investing activities	**1,831,763**	(3,604,150)	**150.8**
Net cash generated from financing activities	**11,075,396**	562,799	**1,867.9**
Research and development expenses	**(2,872)**	(5,656)	**-49.2**

Reasons for the change of the operating revenue:

In the first half of 2013, the operating revenue of the Group amounted to RMB31,064,287,000, representing a decrease of RMB2,100,537,000 or 6.3% as compared to RMB33,164,824,000 of the same period of last year, of which:

Container Shipping Business

Revenue from container shipping and related business amounted to RMB22,745,737,000, representing a decrease of RMB360,783,000 or 1.6% as compared to the same period of last year. In the first half of 2013, container shipping volume amounted to 4,112,308 TEUs, representing an increase of 8.7% as compared to the same period of last year. As the demand recovered slowly in the first half of the year, the oversupply situation continued, and market freight rates of the Asia-Europe route declined to historic lows, average container freight rate decreased by 10.6% to RMB4,526 per TEU as compared to the same period of last year. Meanwhile, the Group focused on adjusting the route structure and vigorously developed emerging markets and the China domestic market so as to reduce reliance on major European and American routes. Changes in routes and the cargo source structure also led to a decline in the average container freight rate but had a positive impact on the overall result.

As at 30 June 2013, 8 new container vessels were delivered for operation by the Group with an aggregate capacity of 52,290 TEUs. As at 30 June 2013, the Group operated 187 container vessels with a total capacity of 838,089 TEUs. Excluding the chartered-out capacity, the shipping capacity operated by the Group increased by 6.9% as compared to the same period of last year. There was no new vessel order placed in the first half of 2013.

As at 30 June 2013, the Group had 10 container vessel orders, representing a total of 97,100 TEUs.

Dry Bulk Shipping Business

Revenue from the dry bulk shipping and related business amounted to RMB6,460,690,000, representing a decrease of RMB1,834,957,000 or 22.1% as compared to the same period of last year. In the first half of 2013, the average level of the BDI was merely 842 points, representing a drop of 10.7% as compared to 943 points in 2012. The decline of freight rates and the decrease in shipping capacity has resulted in a corresponding decrease in the revenue from dry bulk shipping and related business of the Group.

During the year under review, the shipping volume of the dry bulk shipping business reached 108,256,700 tons, representing a decrease of 3.5% as compared to the same period of last year. Dry bulk shipment turnover was 506,969 billion ton-nautical miles, representing a decrease of 11.9% as compared to the same period of last year, of which the shipping volume of coal, metal ore and other cargoes amounted to

43,697,400 tons, 44,195,100 tons and 20,364,200 tons respectively, representing an increase of 12.1%, a decrease of 14.1% and a decrease of 6.3% respectively as compared to the same period of last year.

As at 30 June 2013, the Group operated 332 dry bulk vessels (As at the end of 2012: 380) with a total of 29,059,200 DWT. As at 30 June 2013, the Group had 15 dry bulk vessel orders, representing a total of 1,444,000 DWT.

		Six months ended 30 June		
		2013	2012	**Changes (%)**
Shipping volume by routes (tons)	International shipping	**91,412,871**	97,584,425	**-6.3**
	PRC coastal shipping	**16,843,872**	14,574,308	**15.6**
Shipping volume by cargo type (tons)	Coal	**43,697,358**	38,983,262	**12.1**
	Metal ore	**44,195,148**	51,446,271	**-14.1**
	Food	**10,390,967**	12,137,746	**-14.4**
	Others	**9,973,270**	9,591,454	**4.0**
Shipment turnover (thousand ton-nautical miles)		**506,969,333**	575,158,597	**-11.9**

Terminal and related business

In the first half of 2013, the Group's total container throughput increased by 9.7% to 29,494,353 TEUs, maintaining stable growth. Terminal companies in Mainland China handled a total of 24,377,866 TEUs, representing an increase of 9.3%. The growth momentum mainly came from Qingdao Qianwan Container Terminal, Dalian Port Container Terminal and Xiamen Ocean Gate Container Terminal which was officially put into operation in May 2012.

Increased annual operation capacity during the period included Piraeus Terminal (700,000 TEUs), Ningbo Yuan Dong Terminals (1,200,000 TEUs) and Xiamen Ocean Gate Container Terminal (4,000,000 tons).

Revenue from the terminal and related business amounted to RMB1,231,356,000, representing an increase of RMB105,177,000, or 9.3%, as compared to the same period of last year. The increase in revenue derived mainly from Xiamen Ocean Gate Container Terminal, Piraeus Terminal in Greece and Guangzhou South China Oceangate Container Terminal.

Breakdown of terminal throughputs

Terminal throughputs (TEUs)	Six months ended 30 June 2013	2012	Changes (%)
Bohai Rim Region	**12,009,347**	10,673,045	**12.5**
Yangtze River Delta	**4,323,744**	3,928,777	**10.1**
Pearl River Delta and Southeast Coastal regions	**9,432,023**	8,574,737	**10.0**
Overseas	**3,729,239**	3,700,301	**0.8**
Total throughputs	**29,494,353**	26,876,860	**9.7**

Container leasing business

As of 30 June 2013, the scale of COSCO Pacific's container fleet reached 1,874,826 TEUs, representing an increase of 4.3% as compared to 30 June 2012. Revenue from container leasing business amounted to RMB626,504,000, representing a year-on-year decrease of RMB9,974,000, or 1.6%.

Operational cost analysis

In the first half of 2013, the Group incurred operating costs of RMB32,480,524,000, representing a decrease of RMB3,410,139,000, or 9.5%, as compared to the same period of last year, in which:

The total operating costs of container shipping and related business amounted to RMB23,144,142,000, representing an increase of RMB139,073,000, or 0.6%, as compared to the same period of last year. During the period, cargo and container charges increased in line with the increase in shipping volume, resulting in a slight increase in costs. Of which, bunker costs decreased by RMB801,684,000 or 12.9% to RMB5,411,043,000 as compared to the same period of last year due to a decrease in international fuel price and a decrease of 4.5% in fuel consumption.

The total operating costs of dry bulk shipping and related business amounted to RMB7,885,347,000, representing a decrease of RMB3,576,953,000, or 31.2%, as compared to the same period of last year. During the period, total charter cost decreased by RMB1,747,165,000, or 39.3% to RMB2,698,925,000 as compared to the same period of last year due to the decrease in charter-in shipping capacity. Due to a decrease in international fuel price and a decrease of 15.9% in fuel consumption, bunker costs decreased by RMB668,535,000 or 21.9% to RMB2,380,812,000 during the period as compared to the same period of last year. In addition, the reversal of provisions for onerous contracts amounted to RMB1,071,994,000 (six months ended 30 June 2012: RMB1,116,121,000). Meanwhile, provision for onerous contracts of RMB403,229,000 (six months ended 30 June 2012: RMB1,249,869,000) were recognised on the discrepancy arising from the unavoidable costs to be incurred in performing contracts in excess of the expected inflow of economic benefits for chartered-in dry bulk vessel contracts that satisfied the recognition conditions of onerous contracts based on the average expectation of 1,000 points of the BDI over the next year at the end of the period. Of which, provisions for onerous contracts of RMB307,325,000 were made for chartered-in vessel contracts in respect of which chartered-out vessel contracts have been concluded (i.e., covered contracts); provisions for onerous contracts of RMB95,904,000 were made for open-ended charter-in vessel contracts expiring on or before 30 June 2014.

The operating costs of terminal and related business amounted to RMB884,380,000, representing an increase of RMB92,743,000, or 11.7%, as compared to the same period of last year. The increase was primarily attributable to the increase in business volume of terminals with controlling interest and the commencement of operation of Xiamen Ocean Gate Container Terminal in May last year, with its business costs fully reflected in the first half of 2013.

The operating costs of container leasing business amounted to RMB506,628,000, representing an increase of RMB23,308,000, or 4.8%, as compared to the same period of last year. The expansion of container fleets brought about a corresponding increase in depreciation costs and a rise in other operating costs.

Selling, administrative and general expenses

In the first half of 2013, the selling, administrative and general expenses of the Group amounted to RMB1,961,531,000, representing a decrease of 46,176,000 or 2.3%, as compared to the same period of last year. Both staff costs and office expenses decreased as compared to the same period of last year, while there was a relatively sharp increase in professional fees due to certain capital operation projects.

Finance cost

In the first half of 2013, the finance cost of the Group amounted to RMB1,614,044,000, representing an increase of RMB437,175,000 or 37.2% as compared to RMB1,176,869,000 in the same period of last year. The increase was mainly due to a further increase in average total borrowings.

Cash flow

As at 30 June 2013, the cash and cash equivalents of the Group amounted to RMB55,393,514,000, representing an increase of RMB9,056,721,000 or 19.6% as compared to RMB46,336,793,000 as at 31 December 2012. In which:

The net cash outflow from operating activities amounted to RMB3,382,807,000, representing an increase of RMB212,360,000 or 6.7% as compared to net cash outflow of RMB3,170,447,000 in the first half of 2012, which was mainly due to the year-on-year decrease in the cash from operating revenue.

The net cash inflow from investing activities amounted to RMB1,831,763,000, representing an increase of RMB5,435,913,000 or 150.8% as compared to the net cash outflow of RMB3,604,150,000 in the first half of 2012. During the period, the Company received consideration in cash at the amount of RMB6,738,704,000 as a result of the disposal of its 100% equity interest in COSCO Logistics. Cash and cash equivalents decreased by RMB3,576,751,000 due to COSCO Logistics no longer being consolidated as at the end of the period. In addition, COSCO Pacific, a subsidiary of the Company, disposed of its 100% equity interest in COSCO Container Industries Limited and received an amount of RMB3,807,376,000 according to the payment schedule agreed in the contract.

The net cash inflow from financing activities amounted to RMB11,075,396,000, representing an increase of RMB10,512,597,000 as compared to net cash inflow of RMB562,799,000 in the first half of 2012. The increase was mainly due to the year-on-year increase in new loans obtained by the subsidiaries of the Company and the year-on-year decrease in their repayment of borrowings.

Discontinued operations

At the end of April 2013, the Company disposed of its 100% equity interest in COSCO Logistics to COSCO, the controlling Shareholder of the Company. At the end of June 2013, COSCO Pacific, a subsidiary of the Company, disposed of its 100% equity interest in COSCO Container Industries Limited to Long Honour Investments Limited, a direct wholly owned subsidiary of COSCO (Hong Kong) Group Limited, a fellow subsidiary of the Group. COSCO Container Industries Limited's major asset is the 21.8% equity interest in CIMC. Profit from these discontinued operations for the six month ended 30 June 2013 was RMB4,711,064,000 (six months ended 30 June 2012: RMB568,535,000).

2. Others

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

During the period, net loss attributable to equity holders of the Company amounted to RMB990,004,000, representing a decrease in loss of RMB3,881,531,000 or 79.7% as compared to RMB4,871,535,000 in the same period of last year. As at the end of April 2013, China COSCO disposed of its 100% equity interest in COSCO Logistics and recorded an investment gain of RMB1,845,721,000. As at the end of June 2013, COSCO Pacific, a subsidiary of the Group, disposed of its 100% equity interest in COSCO Container Industries Limited and recorded an investment gain of RMB2,455,514,000.

The scale of chartered-in vessels and expenses for dry bulk business decreased year-on-year, resulting in a decrease of RMB1,507,107,000 in operating loss over the same period of last year.

(2) Details of the progress of prior fund-raising activities and major assets restructuring events of the Company

Not applicable.

(3) Details of the progress of operation plan

In the first half of 2013, the shipping volume of the Group's container shipping business was 4,112,308 TEUs, and its dry bulk shipment turnover was 506,969 billion ton-nautical miles. Its container throughput was 29,494,353 TEUs.

AUDIT COMMITTEE

The Company has an audit committee established in compliance with Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review the financial reporting process and the systems of internal controls of the Group (including the adequacy of resources, qualification and experience of staff with accounting and financial reporting function, effectiveness of internal audit, corporate governance and control, and their training programme and budget), the completeness and accuracy of its accounts and to liaise on behalf of the Directors with external auditors. The audit committee consists of two independent non-executive Directors, Mr. Kwong Che Keung, Gordon (chairman of the audit committee) and Mr. Teo Siong Seng, and one non-executive Director, Ms. Sun Yueying, who will meet regularly with management of the Company and the Company's external auditors, review external auditors' review and audit reports (as applicable) and the interim and annual financial statements, as the case may be, of the Group. It has reviewed the unaudited interim financial information for the six months ended 30 June 2013, and recommended its adoption by the Board.

CORPORATE GOVERNANCE

The Company is committed to maintaining relatively high standards of corporate governance by the Group. The Board considers that effective corporate governance is essential and makes an important contribution to the corporate success and to enhancing shareholder value.

The Company adopted the Company's Corporate Governance Code which incorporates all the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and a majority of the recommended best practices in Appendix 14 to the Listing Rules.

None of the Directors is aware of any information that would reasonably indicate that the Company did not meet the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules or the Company's Corporate Governance Code for any part of the period for the six months ended 30 June 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct ("**Code of Conduct**") regarding securities transactions of the Directors and Supervisors effective on 9 June 2005, on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors and supervisors of the Company, they have confirmed that they complied with the required standard set out in the Model Code and the Code of Conduct for the six months ended 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its listed shares during the six months ended 30 June 2013. Neither the Company nor any of its subsidiaries have purchased or sold any of its listed shares during the six months ended 30 June 2013.

INTERIM DIVIDEND

The Board did not recommend distribution of an interim dividend for the six months ended 30 June 2013.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained within this interim results announcement are historical in nature, and past performance does not guarantee the future results of the Group. Any forward-looking statements and opinions contained within this interim results announcement are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this interim results announcement; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this announcement has been published on the website of the Stock Exchange (http://www.hkexnews.hk). An interim report for the six months ended 30 June 2013 containing all the relevant information required by Appendix 16 to the Listing Rules will be despatched to our shareholders and published on the website of the Stock Exchange in due course. In addition, the Company has published the A Share Interim Report prepared under the PRC Accounting Standards on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) for reference by investors.

DEFINITIONS

In this announcement, the following expressions have the following meaning unless the context requires otherwise:

"A-Shares"	PRC listed domestic shares of the Company, with a nominal value of RMB 1.00 each, which are subscribed and traded in RMB and listed on the Shanghai Stock Exchange
"BDI"	Baltic Exchange Dry Index
"Board"	the board of Directors
"CIMC"	China International Marine Containers (Group) Co., Ltd., a joint stock limited company established under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange, and an associate of the Company
"Company" or "China COSCO"	China COSCO Holdings Company Limited, a joint stock limited company established under the laws of the PRC with limited liability, of which its H-Shares are listed on the Stock Exchange and its A-Shares are listed on the Shanghai Stock Exchange
"COSCO"	中國遠洋運輸(集團)總公司 (China Ocean Shipping (Group) Company), a Chinese State-owned enterprise, the controlling Shareholder of the Company

"COSCO Group"	COSCO and its subsidiaries (excluding the Group)
"COSCO Logistics"	中國遠洋物流有限公司(COSCO Logistics Co., Ltd.), a sino-foreign joint venture company established under the laws of the PRC and a subsidiary of the Company before 26 April 2013
"COSCO Pacific"	COSCO Pacific Limited, a limited liability company incorporated in Bermuda whose shares are listed on the Stock Exchange and an indirect subsidiary of the Company
"Directors"	the directors of the Company
"DWT"	deadweight tons
"Group"	the Company and its subsidiaries
"H-Shares"	Hong Kong listed foreign shares of the Company, with a nominal value of RMB 1.00 each
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	Model Code for the Securities Transactions by Directors of Listed Issuers
"Share(s)"	A-Share(s) and/or H-Share(s), being the ordinary share(s) in the registered capital of the Company, with a nominal value of RMB 1.00 each

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEU(s)"	Twenty-foot equivalent unit(s), a standard unit of measurement of the volume of a container with a length of 20 feet, height of 8 feet and 6 inches and width of 8 feet

By Order of the Board
China COSCO Holdings Company Limited
Guo Huawei
Joint Company Secretary

Beijing, the People's Republic of China
29 August 2013

As at the date of this announcement, the directors of the Company are Mr. MA Zehua[2] (Chairman), Mr. Li Yunpeng[1] (Vice Chairman), Ms. SUN Yueying[2], Mr. SUN Jiakang[1], Mr. XU Minjie[1], Mr. YE Weilong[2], Mr. JIANG Lijun[1] (President), Mr. TEO Siong Seng[3], Dr. FAN HSU Lai Tai, Rita[3], Mr. KWONG Che Keung, Gordon[3] and Mr. Peter Guy BOWIE[3].

1 *Executive director*

2 *Non-executive director*

3 *Independent non-executive director*

* *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 "中國遠洋控股股份有限公司" and its English name "China COSCO Holdings Company Limited".*