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 2015 INTERIM RESULTS

RESULTS HIGHLIGHTS

	First half of 2015 *RMB'000*	First half of 2014 *RMB'000*	**Change**
Revenues	**29,927,658**	32,492,273	**-7.9%**
Profit/(Loss) attributable to equity holders of the Company	**1,896,668**	(2,276,732)	**183.3%**
Basic earnings/(loss) per share	**RMB0.1857**	RMB(0.2229)	**183.3%**

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2015. The unaudited interim financial information has been reviewed by the audit committee of the Company, comprising a majority of independent non-executive Directors.

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 10 as presented below are extracted from the unaudited condensed consolidated interim financial information of our Group for the six months ended 30 June 2015 (the "**unaudited Condensed Consolidated 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**").

FINANCIAL INFORMATION

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Note	Six months ended 30 June 2015 RMB'000	2014 RMB'000
Revenues	3	**29,927,658**	32,492,273
Cost of services and inventories sold		**(28,927,716)**	(30,915,704)
Gross profit		**999,942**	1,576,569
Other income/(expense) and subsidy, net	4	**3,708,286**	(403,287)
Selling, administrative and general expenses		**(1,844,755)**	(2,003,885)
Operating profit/(loss)	4	**2,863,473**	(830,603)
Finance income		**428,915**	539,861
Finance costs		**(1,357,171)**	(1,520,185)
Net related exchange gain/(loss)		**145,903**	(273,350)
Net finance costs	5	**(782,353)**	(1,253,674)
Share of profits less losses of			
- joint ventures		**380,365**	318,633
- associates		**345,322**	384,706
Profit/(loss) before income tax		**2,806,807**	(1,380,938)
Income tax expenses	6	**(252,096)**	(292,792)
Profit/(loss) for the period		**2,554,711**	(1,673,730)
Profit/(loss) attributable to:			
- Equity holders of the Company		**1,896,668**	(2,276,732)
- Non-controlling interests		**658,043**	603,002
		2,554,711	(1,673,730)
		RMB	*RMB*
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company			
- basic	8(a)	**0.1857**	(0.2229)
- diluted	8(b)	**0.1857**	(0.2229)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Profit/(loss) for the period	**2,554,711**	(1,673,730)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Fair value losses on available-for-sale financial assets, net of tax	**(21,516)**	(41,554)
Share of other comprehensive income/(loss) of joint ventures and associates	**4,630**	(13,871)
Currency translation differences	**(165,441)**	336,388
Item that may not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	**(80)**	—
Total other comprehensive (loss)/income	**(182,407)**	280,963
Total comprehensive income/(loss) for the period	**2,372,304**	(1,392,767)
Total comprehensive income/(loss) for the period attributable to:		
- Equity holders of the Company	**1,789,633**	(2,077,324)
- Non-controlling interests	**582,671**	684,557
Total comprehensive income/(loss) for the period	**2,372,304**	(1,392,767)

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2015

	Note	**As at 30 June 2015** *RMB'000*	As at 31 December 2014 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**81,273,404**	80,097,345
Investment properties		**481,552**	476,432
Leasehold land and land use rights		**1,996,831**	1,934,852
Intangible assets		**97,856**	107,078
Joint ventures		**5,943,577**	6,051,578
Associates		**6,152,765**	6,096,396
Loans to joint ventures and an associate		**619,378**	636,219
Available-for-sale financial assets		**1,618,380**	1,640,570
Deferred income tax assets		**108,539**	109,129
Restricted bank deposits		**4,400**	1,482
Other non-current assets		**707,917**	917,629
Total non-current assets		**99,004,599**	98,068,710
Current assets			
Inventories		**1,710,795**	1,926,723
Trade and other receivables	9	**8,904,877**	7,722,068
Derivative financial assets		**11,757**	—
Available-for-sale financial assets		**700,000**	500,000
Restricted bank deposits		**862,628**	865,429
Cash and bank balances		**43,941,066**	39,705,524
Total current assets		**56,131,123**	50,719,744
Total assets		**155,135,722**	148,788,454

	Note	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**10,216,274**	10,216,274
Reserves		**15,950,012**	14,162,888
		26,166,286	24,379,162
Non-controlling interests		**19,197,836**	18,578,796
Total equity		**45,364,122**	42,957,958
LIABILITIES			
Non-current liabilities			
Long-term borrowings		**70,257,251**	68,056,685
Provisions and other liabilities		**1,234,707**	1,271,566
Deferred income tax liabilities		**552,511**	527,062
Total non-current liabilities		**72,044,469**	69,855,313
Current liabilities			
Trade and other payables	10	**16,844,419**	15,377,316
Short-term borrowings		**1,222,974**	3,127,600
Current portion of long-term borrowings		**18,184,433**	15,758,769
Current portion of provisions and other liabilities		**290,773**	493,489
Tax payable		**1,184,532**	1,218,009
Total current liabilities		**37,727,131**	35,975,183
Total liabilities		**109,771,600**	105,830,496
Total equity and liabilities		**155,135,722**	148,788,454
Net current assets		**18,403,992**	14,744,561
Total assets less current liabilities		**117,408,591**	112,813,271

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED 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 and container leasing 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".

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 2015 (the "Interim Financial Information") was approved by the Board of Directors for issue on 27 August 2015.

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" and the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over the level of demand for the Group's services and the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

The Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2014 (the "2014 Annual Financial Statements") which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

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 2014 Annual Financial Statements.

(a) **Amendments and interpretation to standards adopted by the Group**

The amendments and interpretation to standards which are mandatory for the financial year beginning on 1 January 2015 are as follows:

HKAS 19 (Amendment)	"Employee Benefits: Defined Benefit Plans"
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

The adoption of above amendments and interpretation to standards in the current period did not have any significant effect on the Interim Financial Information or result in any significant changes in the Group's significant accounting policies.

(b) **New and amended standards not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group**

The HKICPA has issued certain new and amended standards, which are not yet effective for the year beginning on 1 January 2015.

The Group has not early adopted these new and amended standards, 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, 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	
	2015	2014
	RMB'000	*RMB'000*
Revenues		
Container shipping	**23,265,578**	23,609,609
Dry bulk shipping	**3,851,884**	5,903,126
Container terminal operations	**1,394,312**	1,457,212
Container leasing	**437,179**	607,345
	28,948,953	31,577,292
Crew service income	**174,592**	123,960
Others	**804,113**	791,021
Total revenues	**29,927,658**	32,492,273

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

- Container terminal operations and related business

- Container leasing, management, sale and related business

- Corporate and other operations that primarily comprise 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 these 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, investment properties, leasehold land and land use rights, intangible assets, investments in joint ventures and an associate and other non-current assets (excluding finance lease receivables).

	Six months ended 30 June 2015						
	Container shipping and related business(#) *RMB'000*	Dry bulk shipping and related business(#) *RMB'000*	Container terminal operations 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*
Income statement							
Total revenues	23,641,299	4,463,784	1,502,665	978,323	—	(658,413)	29,927,658
Inter-segment revenues	(2,998)	(5,918)	(108,353)	(541,144)	—	658,413	—
Revenues (from external customers)	23,638,301	4,457,866	1,394,312	437,179	—	—	29,927,658
Segment profit/(loss)(##)	1,627,527	688,491	494,046	373,845	(320,436)	—	2,863,473
Finance income							428,915
Finance costs							(1,357,171)
Net related exchange gain							145,903
Share of profits less losses of							
- joint ventures	11,958	15,839	352,568	—	—	—	380,365
- associates	5,796	8,805	209,271	—	121,450	—	345,322
Profit before income tax							2,806,807
Income tax expenses							(252,096)
Profit for the period							2,554,711
Loss/(gain) on disposals/demolition of property, plant and equipment(###)	232,409	94,163	(3,552)	—	—	—	323,020
Depreciation and amortisation	723,645	675,945	258,982	379,494	5,403	—	2,043,469
Provision/(reversal of provision) for impairment of trade and other receivables, net	175	9,995	(12,665)	—	—	—	(2,495)
Reversal of provision for litigation	—	(20,577)	—	—	—	—	(20,577)
Amortised amount of transaction costs on long-term borrowings	14,888	1,942	—	8,536	6,000	—	31,366
Additions to non-current assets	50,872	2,834,834	218,950	1,166,286	7,151	—	4,278,093

(#) Revenues for container shipping and related business and dry bulk shipping and related business including respective crew service income and other income.

(##) Segment profit included government subsidy of demolition of vessels

(###) It comprised the demolition of 28 aged vessels of the Group during the period, resulting in a net loss on disposal amounting to approximately RMB325,612,000 to restructure the shipping fleet of the Group.

	Six months ended 30 June 2014						
	Container shipping and related business(#)	Dry bulk shipping and related business(#)	Container terminal operations and related business	Container leasing, management, sale and related business	Corporate and other operations	Inter- segment elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Income statement							
Total revenues	24,010,095	6,425,832	1,584,483	1,129,771	—	(657,908)	32,492,273
Inter-segment revenues	(4,276)	(3,935)	(127,271)	(522,426)	—	657,908	—
Revenues (from external customers)	24,005,819	6,421,897	1,457,212	607,345	—	—	32,492,273
Segment (loss)/profit	(868,632)	(710,228)	477,547	398,787	(128,077)	—	(830,603)
Finance income							539,861
Finance costs							(1,520,185)
Net related exchange loss							(273,350)
Share of profits less losses of							
- joint ventures	(13,989)	20,077	312,545	—	—	—	318,633
- associates	5,318	(100)	189,068	—	190,420	—	384,706
Loss before income tax							(1,380,938)
Income tax expenses							(292,792)
Loss for the period							(1,673,730)
Loss/(gain) on disposals/demolition of property, plant and equipment(##)	863,349	23,821	(3,792)	—	—	—	883,378
Depreciation and amortisation	724,995	662,018	252,950	393,632	6,200	—	2,039,795
Provision/(reversal of provision) for impairment of trade and other receivables, net	12,655	(18,910)	—	(2,141)	—	—	(8,396)
Reversal of provision for litigation	—	(155,200)	—	—	—	—	(155,200)
Amortised amount of transaction costs on long-term borrowings	12,607	1,073	—	8,273	17,473	—	39,426
Additions to non-current assets	1,201,952	1,495,340	1,561,696	1,324,588	859	—	5,584,435

(#) Revenues for container shipping and related business and dry bulk shipping and related business including respective crew service income and other income.

(##) It comprised the demolition of 31 aged vessels of the Group during the period, resulting in a net loss on disposal amounting to approximately RMB909,139,000 to restructure the shipping fleet of the Group.

	As at 30 June 2015						
	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**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Balance sheet							
Segment assets	**56,663,027**	**41,261,109**	**17,319,620**	**13,448,098**	**29,889,577**	**(18,588,348)**	**139,993,083**
Joint ventures	**290,477**	**623,950**	**5,029,150**	**—**	**—**	**—**	**5,943,577**
Associates	**38,459**	**99,576**	**5,213,437**	**—**	**801,293**	**—**	**6,152,765**
Loans to joint ventures and an associate	**—**	**—**	**619,378**	**—**	**—**	**—**	**619,378**
Available-for-sale financial assets	**590,356**	**832,389**	**195,635**	**—**	**700,000**	**—**	**2,318,380**
Unallocated assets							**108,539**
Total assets							**155,135,722**
Segment liabilities	**50,136,108**	**35,824,587**	**10,471,067**	**6,343,186**	**23,847,957**	**(18,588,348)**	**108,034,557**
Unallocated liabilities							**1,737,043**
Total liabilities							**109,771,600**

	As at 31 December 2014						
	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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance sheet							
Segment assets	55,296,737	35,191,351	17,385,341	13,487,977	25,934,705	(13,541,549)	133,754,562
Joint ventures	293,824	612,342	5,145,412	—	—	—	6,051,578
Associates	43,585	90,791	5,055,499	—	906,521	—	6,096,396
Loans to joint ventures and an associate	—	—	636,219	—	—	—	636,219
Available-for-sale financial assets	600,687	825,718	214,165	—	500,000	—	2,140,570
Unallocated assets							109,129
Total assets							148,788,454
Segment liabilities	49,751,676	30,426,846	10,999,482	6,693,697	19,755,273	(13,541,549)	104,085,425
Unallocated liabilities							1,745,071
Total liabilities							105,830,496

(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	
	2015	2014
	RMB'000	*RMB'000*
Revenues		
Container shipping and related business		
- America	**8,352,224**	6,915,302
- Europe	**5,249,834**	5,644,078
- Asia Pacific	**4,022,474**	3,840,716
- China domestic	**4,500,439**	6,336,924
- Other international market	**1,513,330**	1,268,799
Dry bulk shipping and related business		
- International shipping	**3,641,644**	5,668,534
- PRC coastal shipping	**816,222**	753,363
Container terminal and related business, corporate and other operations		
- Europe	**448,370**	521,385
- China domestic	**945,942**	935,827
Unallocated	**437,179**	607,345
Total	**29,927,658**	32,492,273

(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 2015	As at 31 December 2014
	RMB'000	*RMB'000*
China domestic	**26,606,643**	26,992,510
Non-China domestic	**5,322,670**	5,461,323
Unallocated	**64,515,756**	63,010,765
Total	**96,445,069**	95,464,598

4 **Operating profit/(loss)**

Operating profit/(loss) is stated after crediting/charging the following:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Crediting:		
Gain on disposals of property, plant and equipment		
- containers	**2,395**	2,798
- others	**197**	22,963
Reversal of provision for impairment of trade and other receivables	**19,698**	25,466
Reversal of provision for litigation	**20,577**	155,200
Government subsidy for demolition of vessels and other subsidies included in other income, net (note i)	**4,049,661**	130,135
Dividend income from listed and unlisted investments	**36,599**	13,926
Investment income from available-for-sale financial assets	**20,693**	128,200
Net exchange gain	**—**	6,839

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
<u>Charging:</u>		
Loss on demolition of property, plant and equipment		
- dry bulk vessels	**91,739**	45,124
- container vessels	**233,873**	864,015
Cost of bunkers consumed	**4,569,210**	6,400,945
Operating lease rentals		
- container vessels	**2,576,115**	2,408,456
- dry bulk vessels	**1,364,920**	1,933,532
- containers	**127,830**	586,782
- land and buildings	**11,067**	121,381
- other property, plant and equipment	**124,468**	180,660
Provision for onerous contracts on dry bulk vessels		
- provision for current period	**120,516**	221,109
- provision made in prior periods	**(312,275)**	(454,363)
Provision for impairment of trade and other receivables	**17,203**	17,070
Cost of inventories sold		
- resaleable containers	**42,186**	147,102
- marine supplies and others	**6,762**	6,939
- merchandises	**252,289**	246,808
Net exchange loss	**117,933**	—

Note:

(i) In June 2015, the Company received a subsidy of approximately RMB3.9 billion from the Ministry of Finance("MoF") through COSCO in respect of the demolition of vessels in accordance with the "Implementation Plan for Early Retirement and Replacement of Obsolete and Worn-out Transportation Vessels And Single-hull Oil Tankers " (《老舊運輸船舶和單殼油輪提前報廢更新實施方案》) and "Administrative Measure For The Special Subsidies Given By The Central Finance To Encourage Retirement And Replacement Of Obsolete and Worn-out Transportation Vessels And Single-hull Oil Tankers" (《老舊運輸船舶和單殼油輪報廢更新中央財政補助專項資金管理辦法》) jointly promulgated by MoF, the Ministry of Transport, the Development and Reform Commission, and the Ministry of Industry and Information Technology of China.

5 Finance income and costs

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance income		
Interest income from:		
- deposits in COSCO Finance	**65,675**	112,020
- loans to joint ventures and an associate	**16,448**	16,237
- banks	**346,792**	411,604
	428,915	539,861
Finance costs		
Interest expenses on:		
- bank loans	**(822,394)**	(865,121)
- other loans wholly repayable within five years	**(26,326)**	(23,333)
- loans from COSCO Finance	**(4,039)**	(8,572)
- finance lease obligations	**—**	(2,988)
- notes	**(372,282)**	(497,419)
	(1,225,041)	(1,397,433)
Amortised amount of transaction costs on long-term borrowings	**(31,366)**	(39,426)
Amortised amount of discount on issue of notes	**(5,227)**	(5,127)
Other incidental borrowing costs and charges	**(112,878)**	(105,396)
Less: amount capitalised in construction in progress	**17,341**	27,197
	(1,357,171)	(1,520,185)
Net related exchange gain/(loss)	**145,903**	(273,350)
Net finance costs	**(782,353)**	(1,253,674)

6 Income tax expenses

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax (note a)		
- PRC enterprise income tax	**166,476**	113,399
- Hong Kong profits tax	**2,371**	1,845
- Overseas taxation	**57,241**	63,055
	226,088	178,299
Deferred income tax (note b)	**26,008**	114,493
	252,096	292,792

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%.

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 25% .

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits derived from or arising in Hong Kong for the year.

(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 2015, the unrecognised deferred income tax liabilities were RMB 3,617,789,000 (31 December 2014: RMB3,459,539,000), 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 2015 amounted to RMB 15,651,432,000 (31 December 2014: RMB14,976,851,000).

As at 30 June 2015, the Group had tax losses of RMB26,760,467,000 (31 December 2014: RMB29,575,239,000), 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 RMB26,258,793,000 (31 December 2014: RMB29,146,712,000) 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 2015 (2014: Nil).

8 **Earnings/(loss) per share**

(a) **Basic**

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

	Six months ended 30 June	
	2015	2014
Profit/(loss) attributable to equity holders of the Company (RMB)	**1,896,668,000**	(2,276,732,000)
Number of ordinary shares in issue	**10,216,274,357**	10,216,274,357
Basic earnings/(loss) per share (RMB)	**0.1857**	(0.2229)

(b) **Diluted**

The outstanding share options granted by a subsidiary of the Company did not have any dilutive effect on the earnings per share for the six months ended 30 June 2015 and 2014, and the diluted earnings per share is equal to the basic earnings per share for the six months ended 30 June 2015 and 2014 respectively.

Diluted earnings/(loss) per share is calculated based on the profit/(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	
	2015	2014
Profit/(loss) attributable to equity holders of the Company (RMB)	**1,896,668,000**	(2,276,732,000)
Number of ordinary shares in issue	**10,216,274,357**	10,216,274,357
Diluted earnings/(loss) per share (RMB)	**0.1857**	(0.2229)

9 **Trade and other receivables**

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
Trade receivables (notes a and b)		
- third parties	**4,100,697**	3,384,336
- fellow subsidiaries	**117,251**	98,982
- joint ventures	**52,309**	46,251
- associates	**3,387**	754
- other related companies	**60,536**	63,071
	4,334,180	3,593,394
Bills receivable (note b)	**132,147**	165,741
	4,466,327	3,759,135
Prepayments, deposits and other receivables		
- third parties	**2,991,829**	2,912,923
- fellow subsidiaries (note c)	**330,533**	690,110
- joint ventures (note c)	**672,416**	152,521
- associates (note c)	**196,802**	17,058
- other related companies (note c)	**212,921**	156,846
	4,404,501	3,929,458
Current portion of finance lease receivables	**34,049**	33,475
Total	**8,904,877**	7,722,068

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 receivables. As at 30 June 2015, the ageing analysis of trade and bills receivables was as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
1-3 months	**4,231,208**	3,514,997
4-6 months	**119,085**	144,907
7-12 months	**94,424**	117,543
Over 1 year	**201,302**	155,342
Trade and bills receivables, gross	**4,646,019**	3,932,789
Provision for impairment	**(179,692)**	(173,654)
	4,466,327	3,759,135

(c) 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 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Trade payables (note a)		
- third parties	**3,543,220**	3,471,235
- fellow subsidiaries	**823,695**	871,024
- joint ventures	**118,219**	96,830
- associates	**15**	5,937
- other related companies	**448,981**	384,839
	4,934,130	4,829,865
Bills payables (note a)	**62,446**	71,420
	4,996,576	4,901,285
Advance from customers	**416,158**	492,500
Other payables and accruals	**10,457,039**	8,992,782
Due to related companies (note b)		
- COSCO		
- fellow subsidiaries	**232,885**	252,949
- joint ventures	**214,898**	238,054
- associates	**48,691**	13,307
- other related companies	**478,172**	486,439
	974,646	990,749
Total	**16,844,419**	15,377,316

Notes:

(a) As at 30 June 2015, the ageing analysis of trade and bills payables was as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
1-6 months	**4,814,648**	4,515,959
7-12 months	**64,454**	149,320
1-2 years	**62,626**	158,800
2-3 years	**21,577**	37,711
Over 3 years	**33,271**	39,495
	4,996,576	4,901,285

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, except for advances of US$8,292,000 (equivalent to approximately RMB 50,694,000) (31 December 2014: US$8,292,000 (equivalent to approximately RMB50,739,000)) from non-controlling shareholders of subsidiaries that bear interest at 0.6% above 1-year US dollar LIBOR per annum, are unsecured, interest free and have no fixed terms of repayment.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014 PREPARED UNDER THE HONG KONG FINANCIAL REPORTING STANDARDS

	For the six months ended 30 June 2015 *RMB'000*	For the six months ended 30 June 2014 *RMB'000*	Changes
Revenue	**29,927,658**	32,492,273	-7.9%
Operating profit	**2,863,473**	-830,603	444.8%
Profit before income tax	**2,806,807**	-1,380,938	303.3%
Profit attributable to equity holders of the Company	**1,896,668**	-2,276,732	183.3%
Basic earnings/(loss) per share	**RMB0.1857**	RMB(0.2229)	183.3%

Directors' Report

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

   In the first half of 2015, the global economic growth slowed down, the overall demand in the shipping market weakened, the oversupply in shipping capacity continued, the imbalance between supply and demand in the international shipping market was not substantially improved, and the freight rates in the shipping market showed a downward trend. The China Containerized Freight Composite Index ("CCFI") averaged at 970 points in the first half of the year, down 12% as compared with 1,102 points last year. The Baltic Dry Bulk Freight Rate Index ("BDI") averaged at 623 points in the first half of the year, down 47% as compared to the same period last year, hitting its lowest level since the financial crisis. Although the decline in the international oil price helped to improve the operating conditions, the shipping companies were still subject to tremendous operating pressure due to depressed freight rate in the shipping market.

   During the period, the Group strived to mitigate the market fluctuation risks, reduce the shipping route cost, optimize the structure of client base and cargo sources and enhance our anti-risk ability. Net profit attributable to equity holders of the Company amounted to RMB1,896,668,000, as compared to a loss of

RMB2,276,732,000 for the same period of last year.

During the reporting period, COSCON responded quickly to market changes by adjusting its allocation of global shipping capacity and improving its regional shipping route network, constantly optimizing its routes and supplier structure and taking actions to promote a rebound of freight rates, and realized increases in the container shipping volume and the overall revenue in the first half of the year as compared to last year. COSCO Bulk implemented its operating principle of "being customer-centric and market-oriented" by actively promoting its marketing system reforms, gradually realized the strategic transformation of its dry bulk business, optimized its customer structure, strived to obtain more basic cargo sources and expand cargo from spot market; and it made efforts to establish lean operation, create benefits and save costs, achieving a remarkable improvement in operation results. On 19 May 2015, China Ore Shipping, a joint venture of COSCO Bulk and China Shipping Development, entered into a long-term transportation agreement with Vale International S.A., bringing steady returns for the Company. COSCO Pacific fully implemented its principle of "Four Areas of Strategic Focus" to promote the globalized distribution of terminals and cautiously responded the market demands, so its terminals and container leasing businesses maintained a steady growth.

Looking forward to the second half of the year, according to the latest the World Economic Outlook report published in July by the International Monetary Fund (the "IMF"), the projected global growth for 2015 is decreased to 3.3% from the previous 3.5%, and is slightly below the growth rate of 3.4% of 2014, indicating that the situation of global economy entering a "new normal state" remain unchanged. It's projected that the international shipping demand will maintain a moderate growth for a period, the shipping capacity will maintain high and the international shipping market will continue to face tremendous pressure.

In the respect of container shipping business , according to the forecast by Drewry, the global demand for container shipping throughout 2015 will only maintain a growth rate of 3.8%, which is lower than the growth rate of 5.5% for 2014 (of which, the demand during the second half of 2015 will grow by 4.0% as compared to last year, which is slightly higher than the growth rate of 3.7% for the first half of the year but is lower than the growth rate of 5.3% for the same period of 2014). According to the forecast by Alphaliner, the shipping capacity for 2015 will grow by 8.8% as compared to last year, which is higher than the growth rate of 6.3% for 2014 (the accumulated delivery capacity is projected to be 1.906 million TEUs, representing an increase of 30% as compared to last year, of which the delivery capacity of large vessels of more than 10,000 TEUs will account for 52%), the capacity oversupply situation of main routes, such as the Asia-Europe routes, will be still severe. With the formation of the four shipping alliances in the container shipping market (including 2M, G6, Ocean3 and CKYHE) since this year, the competitive landscape in the future container shipping industry will gradually evolve into competition among alliances. It's expected that the situation of slow growth in the demand, continued oversupply of shipping capacity and competition among alliances in the container shipping industry is hard to change in the near future.

In the respect of dry bulk shipping business, in the second half of the year, with the increase in the trade volume of international dry bulk cargo such as iron ores and grains, the international shipping demand for dry bulk cargo is expected to recover. According to the forecast by Clarkson, the trade volume of international dry bulk freight will increase by 3.2% as compared to that of the first half of the year, representing an increase of 1.7% as compared to last year. As for the shipping capacity, as the level of newly delivered vessels will maintain low and the decommissioning or disassembly of old vessels will be implemented at a certain rate, the supply for global dry bulk shipping capacity for the second half of the year will increase by about 2%, which is lower than the growth rate of 2.7% for the first half year, it's projected that the overall international dry bulk shipping market for the second half of the year will be better than the first half. But as the existing shipping capacity in the market will still remain at high levels and a full recovery still takes some time.

Under the severe market situation, in the second half of 2015, China COSCO will continue focus on the four strategic aspects of profitability, anti-cyclical effect, globalization and increase in scale. China COSCO will set to capture a series of opportunities arising from the "One Belt and One Road" initiatives, Beijing — Tianjin — Hebei collaborative development and the development of Yangtze River Economic Zone under the mega background of China's economic reforms and innovations to comprehensively implement and practice strategies, and deepen reform and innovation with tenacious endeavors.

In the container shipping business, based on cooperation with alliance members, COSCON will continually optimize route layout and fleet structure, enhance alliance cooperation and efficiency, globally expand the alliance route network and comprehensively improve the competitiveness of product. By further leveraging the economies of scale, COSCON will provide customers better quality service, and present China COSCO's customized brand and service. Through matching with opportunities from "One Belt and One Road" and the

Yangtze River Economic Zone, widening the routes pipelines calling in Piraeus Port in Greece, building up hub node of water transportation along the Yangtze river, construction of infrastructures such as onshore terminals and warehouses, COSCON will be able to strengthen our ability of resources control and management, continually increase the competitiveness of full trip transportation and improve the quality of differentiated service, strive to develop into a full trip container transportation chain solutions provider. By placing emphasis on "internet + container shipping", COSCON continue to enhance the development of new business model, to improve customer experience and provide convenient and efficient solutions for customers.

In the dry bulk freight shipping, COSCO Bulk will adhere to system thinking, system innovation, system implementation. Mainly by innovative marketing concepts and approaches and implementation of "value-based marketing", COSCO Bulk realize the transformation of marketing approaches from "shipping capacity marketing" to "market promotion", the transformation of overseas freight solicitation network from "single point distribution" to "network distribution", and by customer and market demand differentiation, COSCO Bulk realize the transformation from "professional service" to "accurate service". Therefore, COSCO Bulk can capture the opportunities arising from national strategies, maintain healthy operation and stable growth, and build up a first class group for dry bulk freight shipping service.

In the terminal business, COSCO Pacific will adhere to the principle of "Four Areas of Strategic Focuses", focus on seizing development opportunities in hub ports in line with the trend towards mega-vessels, focus on enhancing COSCO Pacific's brand value by optimizing the operational model of the terminal subsidiaries, and align the direction and strategy for its terminals business with global development strategies for COSCO's fleet and its shipping route network, with a view to propel a global hub network. In the container leasing business, COSCO Pacific will continue to address market needs in a prudent manner, further enhance its managerial effectiveness and strictly control operational risk so as to ensure the stable and healthy development.

With the support of all the shareholders, it is believed that the Board and Management of China COSCO will surely lead all of our staff, onshore and offshore, devote every effort to continually improve performance, striving for the sustainable development of China COSCO, provision of more quality services to customers and generation of ongoing returns to shareholders.

Unless otherwise specified, amounts contained in the information of the following financial analysis and explanations are denominated in RMB.

(i) ***Analysis of principal businesses***

1. **Table of movement analysis for the related items in the financial information**

Unit: RMB'000

Items	**Current period**	Same period of last year	Changes (%)
Revenue	*29,927,658*	32,492,273	-7.9
Cost of services and inventories sold	(28,927,716)	(30,915,704)	-6.4
Selling, administrative and general expenses	(1,844,755)	(2,003,885)	-7.9
Finance income	428,915	539,861	-20.6
Finance costs	(1,357,171)	(1,520,185)	-10.7
Net related exchange (loss)/gain	145,903	(273,350)	153.4
Net cash generated from operating activities	5,886,901	1,403,679	319.4
Net cash used in investing activities	(3,490,223)	(558,544)	-524.9
Net cash generated from/(used in) financing activities	1,945,234	(11,417,975)	117.0
Research and development expenses	3,654	5,153	-29.1

Reasons for the change of the operating revenue

In the first half of 2015, the revenue of the Group amounted to RMB29,927,658,000, representing a decrease of RMB2,564,615,000 or 7.9% as compared to RMB32,492,273,000 for the same period of last year, of which:

Container shipping business

Revenue from container shipping and related business amounted to RMB23,638,301,000, as compared to RMB24,005,819,000 for the same period of last year. In the first half of 2015, the volume of container shipping amounted to 4,793,946 TEUs, representing an increase of 6.8% as compared to the same period of last year. The average unit income was RMB4,339/TEU, representing a decrease of 1.7% as compared to the same period of last year. During the reporting period, the Group emphasized on adjusting the distribution of shipping capacity and improved the intra-regional feeder service network. Continuous optimization in the shipping lines and cargo sources led to increases in cargo volume. Meanwhile, since the market environment remained weak, the oversupply condition continued, while the average unit income decreased slightly.

In the first half of 2015, there was no new shipping capacity delivered of the Group. As at 30 June 2015, the shipping capacity operated by the Group comprised a fleet of 185 container vessels with 879,070 TEUs (excluding the chartered-out capacity of three vessels with 3,676 TEUs). The shipping capacity operated by the Group increased by 10.7% as compared to the same period of last year.

As at 30 June 2015, the Group had ten orders for container vessel, amounting to a total of 117,960 TEUs.

Dry bulk shipping business

Revenue from the dry bulk shipping and related business amounted to RMB4,457,866,000, representing a decrease of RMB1,964,031,000 or 30.6% as compared to the same period of last year. During the reporting period, the average level of the BDI was 623 points, representing a decrease of 556 points or 47.2% as compared to the same period of last year. Facing with a severe downturn of the market environment, the Group carried out the operating principal of "Customer-centered and market-oriented" to refine operating scheduling and focus on shipping route arrangement, charter negotiation and process control of effective execution through measures of optimizing customer structure, striving to obtain more basic cargo sources and expand cargo from spot market, realized the TCE level of ocean fleet significantly higher than the market level.

During the period under review, due to the reduction in the shipping capacity, the shipping volume of the Group's dry bulk shipping business reached 78.89 million tons, representing a decrease of 12.4% as compared to the same period of last year. Dry bulk shipment turnover amounted to 357.6 billion ton-nautical miles, representing a decrease of 14.5% as compared to the same period of last year, of which the shipping volume of coal was 27.41 million tons, representing a decrease of 21.9% as compared to the same period of last year. Shipping volume of metallic ore amounted to 36.48 million tons, representing an increase of 3.2% as compared to the same period of last year. Shipping volume of other cargoes was 15 million tons, representing a decrease of 23.4% as compared to the same period of last year.

As at 30 June 2015, the Group owned a fleet of 220 dry bulk vessels with 22.145 million DWT.

		January to June 2015	January to June 2014	Change %
Shipping volume by routes (tons)	International shipping	**65,558,079**	73,962,854	-11.4
	PRC coastal shipping	**13,328,780**	16,091,964	-17.2
Shipping volume by cargo type (tons)	Coal	**27,414,347**	35,099,780	-21.9
	Metal ore	**36,480,474**	35,356,255	3.2
	Food	**7,466,561**	11,002,052	-32.1
	Others	**7,525,477**	8,596,731	-12.5
Shipment turnover (thousand ton-nautical miles)		**357,634,769**	418,342,766	-14.5

Meanwhile, the Group had an order book of 40 dry bulk cargo vessels with 3,474,200 DWTs.

Terminal and related business

Revenue from the terminal and related business amounted to RMB1,394,312,000, representing a decrease of RMB62,900,000 or 4.3% as compared to the same period of last year. This was mainly attributed to the depreciation of euro and a decrease in revenue from Piraeus Terminal, a subsidiary of COSCO Pacific.

Breakdown of terminal throughput

Terminal throughput (TEUs)	**First half of 2015**	First half of 2014	Changes %
Bohai Rim Region	**12,760,512**	12,546,426	1.7
Yangtze River Delta	**5,193,524**	4,931,807	5.3
Pearl River Delta	**9,132,295**	8,622,636	5.9
Southeast Coast and others	**1,956,226**	1,809,505	8.1
Overseas	**4,789,277**	4,571,194	4.8
Total throughput	**33,831,834**	32,481,568	4.2

Container leasing, management and sales business

Revenue from container leasing, management and sales business amounted to RMB437,179,000, representing a decrease of RMB170,166,000 or 28.0% as compared to the same period of last year. During the reporting period, 10,108 TEUs were disposed of upon expiry of relevant leases (first half of 2014: 32,418 TEUs). Revenue from the disposal of containers upon expiry of relevant leases decreased by RMB131,815,000. A decline in rental rates led to a decrease of approximately RMB19,993,000 in revenue from container leasing.

Operating cost analysis

In the first half of 2015, the Group incurred operating costs of RMB28,927,716,000, representing a decrease of RMB1,987,988,000 or 6.4% as compared to the same period of last year, of which:

The total operating costs of container shipping and related business amounted to RMB21,765,571,000, representing a decrease of RMB680,948,000 or 3.0%. In particular, with a year-on-year increase in shipping volume, freight charges, empty container allocation fee and transshipment charges respesented a year-on-year increase. While international fuel prices dropped, fuel costs declined by 28.1% as compared to the same period of last year.

The total operating costs of dry bulk shipping and related business amounted to RMB5,627,154,000, representing a decrease of RMB1,132,972,000, or 16.8%, as compared to the same period of last year. During the reporting period, total operating lease rentals decreased by RMB640,767,000, or 33.1%, to RMB1,292,765,000 as compared to the same period of last year due to decrease in charter-in shipping capacity and lower charter hire rate. Due to a reduction in the scale of shipping capacity, a decrease in international fuel prices, as well as effective use of initiatives such as refinement in slowing down ship speed to save fuel and evading market downside risk through tendering or fixed-price, bunker costs decreased by 29.9% during the period as compared to the same period of last year; In addition, the reversal of provision for onerous contracts to reduce the costs amounted to RMB312,275,000 for the reporting period decreased by RMB142,088,000 from RMB454,363,000 for the same period of last year.

The operating costs of terminal and related business amounted to RMB938,063,000, representing a decrease of RMB70,722,000, or 7.0%, as compared to the same period of last year. The decrease was primarily attributable to the depreciation of euro and the year-on-year decline in the operating costs of Piraeus Terminal.

The operating costs of container leasing, management and sales business amounted to RMB560,835,000, representing a decrease of RMB99,275,000 or 15.0% on a year-on-year basis, mainly attributable to a decrease in returned containers sold upon expiry of lease, leading to a decline in the operating cost.

Other income/(expenses) and subsidy, net

In the first half of 2015, the Group's net other income, amounted to RMB3,708,286,000, representing an increase of RMB4,111,573,000 as compared to a net other expenses of RMB403,287,000 for the same period of last year. This was primarily attributed to the subsidy for the demolition and decommissioning of vessels.

Selling, administrative and general expenses

In the first half of 2015, the selling, administrative and general expenses of the Group amounted to RMB1,844,755,000, representing a decrease of RMB159,130,000, or 7.9%, as compared to the same period of last year. During the period, the Group further strengthened expense control, staff expense was reduced as compared to the same period of last year .

Finance costs

In the first half of 2015, the finance costs of the Group amounted to RMB1,357,171,000, representing a decrease of RMB163,014,000, or 10.7% as compared to RMB1,520,185,000 in the same period of last year. The decrease was mainly due to a decrease in interest expense of bills as compared to the same period last year.

Net related exchange (loss)/gain

In the first half of 2015, the Group's net related exchange gain amounted to RMB145,903,000, as compared to the net related exchange loss of RMB273,350,000 for the same period of last year, this was due to the depreciation of the US dollar against RMB.

Working capital, financial resources and capital structure

Cash flow

As at 30 June 2015, the cash and cash equivalents of the Group amounted to RMB43,941,066,000, representing an increase of RMB4,235,542,000 or 10.7%, as compared to RMB39,705,524,000 as at 31 December 2014.

The net cash inflow from operating activities amounted to RMB5,886,901,000 as compared to net cash inflow of RMB1,403,679,000 in the first half of 2014. During the reporting period, cash flow of operating activities saw significant improvement, driven by the increase in revenue from container shipping and related business, a further reduction in bunker costs and subsidy for the demolition and decommissioning of vessels received.

The net cash outflow from investing activities amounted to RMB3,490,223,000 as compared to the net cash outflow of RMB558,544,000 in the first half of 2014, which was offset by an amount of RMB3,501,000,000 recovered from wealth management product.

The net cash inflow from financing activities amounted to RMB1,945,234,000 as compared to net cash outflow of RMB11,417,975,000 in the first half of 2014. During the reporting period, the proceeds from borrowings obtained amounted to RMB17,963,193,000, representing an increase of RMB6,003,074,000 as compared to the same period of last year. The cash used for borrowing repayment amounted to RMB15,072,637,000, representing a decrease of RMB6,755,780,000 as compared to the same period of last year.

As at 30 June 2015, the total outstanding borrowings of the Group were RMB89,664,658,000. After deducting the cash and cash equivalents of RMB43,941,066,000, the net amount was RMB45,723,592,000.

The working capital and capital resources of the Group have been and will continue to be generated from cash flows of operating activities, proceeds from new share issuance and loan facilities from banks. Cash of the Group has been and is expected to be utilized for various purposes such as payment of operating costs, purchases of container vessels, dry bulk vessels and containers, investments in terminals and repayment of loans.

As at 30 June 2015, the net debt to equity ratio of the Group was 100.8%, as compared to 110.0% as at 30 June 2014.

Debt analysis

By category	**As at 30 June 2015** *RMB'000*	As at 31 December 2014 *RMB'000*
Short-term borrowings	**1,222,974**	3,127,600
Long-term borrowings		
Within one year	**18,184,413**	15,758,769
In the second year	**15,251,497**	22,713,238
In the third to fifth years	**31,977,300**	21,849,275
After the fifth year	**23,028,474**	23,494,172
Subtotal	**88,441,684**	83,815,454
Total	**89,664,658**	86,943,054

Breakdown of borrowings by category:

The secured borrowings of the Group amounted to RMB20,380,060,000 while unsecured borrowings amounted to RMB69,284,598,000, representing 22.7% and 77.3% of the total borrowings, respectively. Most of the Group's borrowings bear interest at floating rate.

Breakdown of borrowings by currency:

The Group had borrowings denominated in US dollars equivalent to RMB68,082,410,000 and borrowings denominated in RMB amounted to RMB17,481,939,000, representing 75.9% and 19.5% of the total borrowings, respectively.

Corporate guarantees and contingent liabilities

As at 30 June 2015 the Group had provided a guarantee on a banking facility granted to an associate in the amount of RMB56,826,000 (31 December 2014: RMB83,298,000). As at 30 June 2015 the Group had no significant contingent liabilities.

Foreign exchange risk

The Group operates internationally and exposes to various foreign exchange risks arising from non-functional currencies. Foreign exchange risks derived from future business transactions and recognized assets and liabilities. The actual foreign exchange risks faced by the Group therefore are primarily with respect to non-functional currency bank balances, receivable and payable balances and bank borrowings. Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure with derivative financial instruments should the need arise.

2. **Others**

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

During the reporting period, net profit attributable to equity holders of the Company amounted to RMB1,896,668,000, representing a decrease in loss of RMB4,173,400,000 as compared to the same period of last year. Of this, revenues from container shipping business increased with the rise in cargo volume. The bunker costs decreased as compared to the same period of last year. Gross profit of RMB1,230,866,000 were recorded as compared to RMB915,159,000 for the same period of last year. BDI fell as compared to the same period of last year. Freight volume decreased and the gross loss of dry bulk shipping and related business were RMB1,019,044,000, as compared to RMB103,552,000 for the same period of last year. In addition, the subsidy for vessel retirement and replacement transferred from controlling shareholders amounted to RMB3.963 billion during the reporting period, giving a positive effect on the operating results for current period.

(The above gross profit figures are expressed by A Shares)

(2) *Analysis and explanation of the progress in the implementation of various types of financing and major asset reorganization by the Company in the previous period*

Not applicable.

(3) *Explanation of the progress in the operation plan*

In the first half of 2015, the Group recorded the volume of 4,793,946 TEUs in the container shipping business and the shipment turnover of 357.6 billion ton-nautical miles in the dry bulk shipping business. Total container throughputs amounted to 33,831,834 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. Yang, Liang Yee Philip, 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 2015, and recommended its adoption by the Board.

CORPORATE GOVERNANCE

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

The Company adopted the Company's corporate governance code (the "**Code**") which incorporates all the code provisions in the Corporate Governance Code and a majority of the recommended best practices therein.

Having made all reasonable enquiries, 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 or the Code for any part of the period for the six months ended 30 June 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct ("**Code of Conduct**") regarding securities transactions of the Directors and supervisors of the Company 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 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its listed Shares during the six months ended 30 June 2015. Neither the Company nor any of its subsidiaries have purchased or sold any of its listed Shares during the six months ended 30 June 2015.

INTERIM DIVIDEND

The Board did not recommend distribution of an interim dividend for the six months ended 30 June 2015.

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 materialize or turn out to be incorrect.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

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 2015 containing all the relevant information required by Appendix 16 to the Listing Rules will be despatched to the 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 of the investors.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meaning in this announcement:

"Board"	the board of Directors
"Company" or "China COSCO"	China COSCO Holdings Company Limited (中國遠洋控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for the Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Share(s)"	ordinary share(s) (including A share(s) and H share(s) of the Company) of RMB1.00 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Beijing, the People's Republic of China
27 August 2015

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. YE Weilong[1], Mr. WANG Yuhang[2], Mr. WAN Min[2], Mr. JIANG Lijun[1] (President), Dr. FAN HSU Lai Tai, Rita[3], Mr. KWONG Che Keung, Gordon[3], Mr. Peter Guy BOWIE[3] and Mr. YANG, Liang Yee Philip[3].

[1] *Executive director*

[2] *Non-executive director*

[3] *Independent non-executive director*

* *For identification purpose only*