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中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
 (Stock Code: 1919)

ANNOUNCEMENT OF 2023 INTERIM RESULTS

RESULTS HIGHLIGHTS

	Six months ended 30 June		
	2023	2022	Difference
	<i>RMB'000</i>	<i>RMB'000</i> (Restated)	<i>RMB'000</i>
Revenues	91,842,797	210,791,920	(118,949,123)
Profit attributable to equity holders of the Company	16,560,637	64,820,236	(48,259,599)
	<i>RMB</i>	<i>RMB</i> (Restated)	<i>RMB</i>
Basic earnings per share (RMB)	1.03	4.05	(3.02)

The board of directors proposed an interim dividend of RMB0.51 per ordinary share (tax inclusive).

The board of directors (the “**Board**”) of COSCO SHIPPING Holdings Co., Ltd.* (the “**Company**” or “**COSCO SHIPPING Holdings**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (the “**Reporting Period**”). The Group’s interim financial information for the six months ended 30 June 2023 has been reviewed by the Audit Committee, comprising all independent non-executive Directors.

The following financial information, including the Group’s unaudited interim condensed consolidated balance sheet, unaudited interim condensed consolidated income statement, unaudited interim condensed consolidated statement of comprehensive income and explanatory notes 1 to 13 as presented below are extracted from the interim financial information, which has been reviewed by the Company’s independent auditor, 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.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000 (Restated)
Revenues	4	91,842,797	210,791,920
Cost of services		(72,061,762)	(112,751,635)
Gross profit		19,781,035	98,040,285
Other income	5	2,303,223	1,091,984
Other expenses	5	(49,560)	(204,130)
Reversal of/(provision for) impairment losses on financial assets, net		181,670	(449,258)
Selling, administrative and general expenses		(4,086,896)	(6,522,973)
Operating profit		18,129,472	91,955,908
Finance income	6	4,178,631	2,255,555
Finance costs	6	(1,826,653)	(1,833,100)
Net finance income	6	2,351,978	422,455
		20,481,450	92,378,363
Share of profits less losses of			
– joint ventures		306,241	335,279
– associates		2,145,060	839,548
Profit before income tax		22,932,751	93,553,190
Income tax expenses	7	(3,256,970)	(16,768,600)
Profit for the period		19,675,781	76,784,590
Profit attributable to:			
– Equity holders of the Company		16,560,637	64,820,236
– Non-controlling interests		3,115,144	11,964,354
		19,675,781	76,784,590
Earnings per share attributable to equity holders of the Company:			
Basic earnings per share (in RMB)	9	1.03	4.05
Diluted earnings per share (in RMB)	9	1.02	4.03

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
		(Restated)
Profit for the period	19,675,781	76,784,590
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss</i>		
Share of other comprehensive loss of joint ventures and associates	(243,371)	(27,582)
Cash flow hedges, net of tax	(3,631)	32,377
Release of reserve upon disposal of a subsidiary and an associate	–	(51,360)
Currency translation differences	3,645,180	2,648,757
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	42,598	54,047
Remeasurements of post-employment benefit obligations	(6,567)	5,985
Share of other comprehensive loss of an associate	(10,425)	(65,391)
Currency translation differences	1,077,621	1,234,802
Other comprehensive income for the period, net of tax	4,501,405	3,831,635
Total comprehensive income for the period	24,177,186	80,616,225
Total comprehensive income for the period attributable to:		
– Equity holders of the Company	20,075,155	67,428,487
– Non-controlling interests	4,102,031	13,187,738
	24,177,186	80,616,225

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 30 JUNE 2023**

	<i>Note</i>	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i> (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		126,543,126	119,518,590
Right-of-use assets		50,302,624	54,918,414
Investment properties		4,054,048	2,701,063
Intangible assets		4,875,956	4,769,242
Goodwill		6,350,430	6,104,494
Investments in joint ventures		8,398,958	8,358,662
Investments in associates		56,827,547	49,707,918
Financial assets at fair value through other comprehensive income		1,963,712	1,908,361
Financial assets at fair value through profit or loss		401,356	371,477
Financial assets at amortized cost		382,579	368,886
Derivative financial assets		–	16,324
Restricted bank deposits		13,066	11,126
Deferred income tax assets		1,035,626	1,036,109
Loans to associates		870,469	664,991
Pension and retirement assets		101,038	70,294
Other non-current assets		211,302	261,123
Total non-current assets		262,331,837	250,787,074
Current assets			
Inventories		6,291,177	7,017,037
Trade and other receivables and contract assets	10	14,648,453	16,762,308
Financial assets at fair value through profit or loss		102,816	93,107
Financial assets at amortized cost		79,316	254,856
Derivative financial assets		39,630	25,980
Taxes recoverable		115,400	124,228
Restricted bank deposits		1,092,043	1,251,564
Cash and cash equivalents		198,226,267	235,613,923
Total current assets		220,595,102	261,143,003
Total assets		482,926,939	511,930,077

	<i>Note</i>	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i> (Restated)
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		16,170,254	16,094,862
Reserves		<u>182,509,459</u>	<u>184,495,805</u>
		198,679,713	200,590,667
Non-controlling interests		<u>49,746,273</u>	<u>53,202,427</u>
Total equity		<u>248,425,986</u>	<u>253,793,094</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings		35,799,381	34,759,086
Lease liabilities		35,585,435	38,030,000
Provisions and other liabilities	12	7,059,553	6,655,007
Put option liability		1,752,263	1,664,811
Pension and retirement liabilities		333,209	310,214
Deferred income tax liabilities		<u>17,816,520</u>	<u>17,253,858</u>
Total non-current liabilities		<u>98,346,361</u>	<u>98,672,976</u>
Current liabilities			
Trade and other payables and contract liabilities	11	113,665,392	129,762,356
Short-term borrowings		1,511,282	2,241,818
Current portion of long-term borrowings		5,569,227	5,806,773
Current portion of lease liabilities		11,322,947	12,887,982
Current portion of provisions and other liabilities	12	21,023	39,142
Taxes payable		<u>4,064,721</u>	<u>8,725,936</u>
Total current liabilities		<u>136,154,592</u>	<u>159,464,007</u>
Total liabilities		<u>234,500,953</u>	<u>258,136,983</u>
Total equity and liabilities		<u>482,926,939</u>	<u>511,930,077</u>
Net current assets		<u>84,440,510</u>	<u>101,678,996</u>
Total assets less current liabilities		<u>346,772,347</u>	<u>352,466,070</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 General information

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 Center, Central Boulevard and East Seven Road Junction, Tianjin Port Free Trade Zone. 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") mainly include the provisions of a range of container shipping, managing and operating container terminals services on a worldwide basis.

In the second half of 2022, the Group completed the following acquisitions:

- (a) The Group acquired 81% shares in Shanghai Tianhongli Asset Management Limited at a total consideration of RMB2.283 billion from LING HUI INVESTMENTS LIMITED;
- (b) The Group acquired all shares of Shanghai Haizhenlan Real Estate Co., Ltd. at a total consideration of RMB1.191 billion from COSCO SHIPPING Property Co., Ltd.

As both LING HUI INVESTMENTS LIMITED and COSCO SHIPPING Property Co., Ltd. are controlled by China COSCO SHIPPING Corporation Limited, the aforesaid transactions were regarded as business combinations under common control. The comparative information in this interim financial information has been restated accordingly under merger accounting.

The Interim Financial Information was approved for issue by the Directors on 29 August 2023.

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

2 Basis of preparation

The 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 consolidated financial statements have been prepared on a going concern basis and under the historical cost convention except for certain financial assets and liabilities (including derivative instruments) which have been stated at fair value. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except where otherwise indicated.

The Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2022 (the "2022 Annual Financial Statements") which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

3 Changes in accounting policies

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earning, the material accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with the 2022 Annual Financial Statements.

(a) *New standards, amendments and interpretation to existing standards which are effective in 2023 and adopted by the Group*

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendment)	Definition of Accounting Estimates
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendment)	International Tax Reform – Pillar Two Model Rules
HKFRS 17 and HKFRS 17 (Amendment)	Insurance Contracts

The effect of the adoption of HKAS 12 (Amendment) is disclosed in Note 3(b). The adoption of other new standards, amendments and interpretation to existing HKFRS does not have a material impact on the consolidated financial statements of the Group.

(b) *Adoption of HKAS 12 (Amendment) – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments to HKAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees, and will require the recognition of additional deferred tax assets and liabilities. The related deferred tax assets and liabilities are presented on a net basis in the consolidated statement of financial position as they qualify for offsetting under HKAS 12.

The Group recognizes deferred tax assets and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities.

The comparative information in this interim financial information has been restated accordingly on the adoption of HKAS12 (Amendment).

(c) *New standards, amendments, interpretation and improvements to existing standards which have not been adopted*

The HKICPA has issued certain new standards, amendments, interpretation and improvements which are not yet effective for the six months ended 30 June 2023 and have not been early adopted by the Group. The Group will apply these standards, amendments, interpretation and improvements to existing standards as and when they become effective. These new standards, amendments, interpretation and improvements are not expected to have a material impact on the consolidated financial statements of the Group.

4 Revenues and segment information

Operating segments

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

- Container shipping business
- Terminal 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 investments in joint ventures, investments in associates, loans to associates, financial assets at fair value through other comprehensive income ("FVOCI"), financial assets at fair value through profit or loss ("FVPL"), financial assets at amortized cost and assets classified as held for sale not related to the segment. Segment liabilities are these operating liabilities that result from the operating activities of a segment.

Addition to non-current assets comprises additions to property, plant and equipment, investment properties, intangible assets and right-of-use assets.

	Six months ended 30 June 2023				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Income statement					
Total revenues	88,287,136	4,850,964	–	(1,295,303)	91,842,797
Comprising:					
– Inter-segment revenues	43,878	1,251,425	–	(1,295,303)	–
– Revenues (from external customers)	<u>88,243,258</u>	<u>3,599,539</u>	<u>–</u>	<u>–</u>	<u>91,842,797</u>
Revenues from contracts with customers:					
Over time	<u>88,287,136</u>	<u>4,850,964</u>	<u>–</u>	<u>(1,295,303)</u>	<u>91,842,797</u>
Segment profit	17,262,537	932,562	(65,627)	–	18,129,472
Finance income	3,423,927	12,317	751,907	(9,520)	4,178,631
Finance costs	(1,088,430)	(566,741)	(181,002)	9,520	(1,826,653)
Share of profits less losses of					
– joint ventures	84,454	221,787	–	–	306,241
– associates	41,821	848,883	1,335,363	(81,007)	<u>2,145,060</u>
Profit before income tax	19,724,309	1,448,808	1,840,641	(81,007)	22,932,751
Income tax expenses	(2,944,688)	(201,987)	(110,295)	–	<u>(3,256,970)</u>
Profit for the period	16,779,621	1,246,821	1,730,346	(81,007)	<u>19,675,781</u>
Gain/(loss) on disposals of property, plant and equipment, net	29,737	(474)	–	–	29,263
Depreciation and amortization	9,019,297	878,617	576	–	9,898,490
Additions to non-current assets	<u>5,945,041</u>	<u>2,506,740</u>	<u>490</u>	<u>–</u>	<u>8,452,271</u>

4 Revenues and segment information (Continued)

Operating segments (Continued)

	Six months ended 30 June 2022 (Restated)				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Income statement					
Total revenues	207,183,291	4,616,086	–	(1,007,457)	210,791,920
Comprising:					
– Inter-segment revenues	5,018	1,002,439	–	(1,007,457)	–
– Revenues (from external customers)	<u>207,178,273</u>	<u>3,613,647</u>	<u>–</u>	<u>–</u>	<u>210,791,920</u>
Revenues from contracts with customers:					
Over time	<u>207,183,291</u>	<u>4,616,086</u>	<u>–</u>	<u>(1,007,457)</u>	<u>210,791,920</u>
Segment profit	90,990,180	603,362	362,366	–	91,955,908
Finance income	1,095,699	315,434	856,819	(12,397)	2,255,555
Finance costs	(956,968)	(376,978)	(511,551)	12,397	(1,833,100)
Share of profits less losses of					
– joint ventures	83,285	251,994	–	–	335,279
– associates	9,086	787,387	43,075	–	<u>839,548</u>
Profit before income tax	91,221,282	1,581,199	750,709	–	93,553,190
Income tax expenses	(13,431,359)	(198,858)	(3,138,383)	–	<u>(16,768,600)</u>
Profit/(loss) for the period	77,789,923	1,382,341	(2,387,674)	–	<u>76,784,590</u>
Gain on disposals of property, plant and equipment, net	425,072	6,526	–	–	431,598
Depreciation and amortization	8,644,795	821,381	548	–	9,466,724
Additions to non-current assets	<u>10,233,209</u>	<u>957,686</u>	<u>41</u>	<u>–</u>	<u>11,190,936</u>

4 Revenues and segment information (Continued)

Operating segments (Continued)

	As at 30 June 2023				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Balance sheet					
Segment operating assets	332,005,813	49,101,567	110,426,275	(77,633,469)	413,900,186
Investments in joint ventures	1,151,236	7,247,722	–	–	8,398,958
Investments in associates	3,523,715	23,092,317	30,403,561	(192,046)	56,827,547
Loans to associates	–	870,469	–	–	870,469
Financial assets at FVOCI	170,842	1,004,409	788,461	–	1,963,712
Financial assets at FVPL	102,816	401,356	–	–	504,172
Financial assets at amortized cost	461,895	–	–	–	461,895
Total assets	337,416,317	81,717,840	141,618,297	(77,825,515)	482,926,939
Segment operating liabilities & total liabilities	179,453,735	34,722,015	20,532,895	(207,692)	234,500,953
	As at 31 December 2022 (Restated)				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Balance sheet					
Segment operating assets	365,957,327	46,709,323	122,745,049	(85,209,880)	450,201,819
Investments in joint ventures	1,133,728	7,224,934	–	–	8,358,662
Investments in associates	3,457,491	22,745,161	23,574,821	(69,555)	49,707,918
Loans to associates	–	664,991	–	–	664,991
Financial assets at FVOCI	167,470	971,957	768,934	–	1,908,361
Financial assets at FVPL	93,110	371,474	–	–	464,584
Financial assets at amortized cost	623,742	–	–	–	623,742
Total assets	371,432,868	78,687,840	147,088,804	(85,279,435)	511,930,077
Segment operating liabilities & total liabilities	213,133,328	32,644,622	22,369,628	(10,010,595)	258,136,983

4 Revenues and segment information (Continued)

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, within Mainland China, other international region (including the Atlantic) which are reported as follows:

Geographical	Trade lanes
America	Trans-Pacific
Europe	Asia-Europe (including Mediterranean)
Asia Pacific	Intra-Asia (including Australia)
Mainland China	Within Mainland China
Other international market	Other international region (including the Atlantic)

For the geographical information, freight revenues from container shipping are analyzed based on trade lanes for container shipping operations.

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

	Six months ended 30 June 2023		
	Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
Container shipping business			
– America	20,731,694	–	20,731,694
– Europe	19,761,546	–	19,761,546
– Asia Pacific	23,602,837	–	23,602,837
– Mainland China	10,111,897	(43,878)	10,068,019
– Other international market	14,079,162	–	14,079,162
	88,287,136	(43,878)	88,243,258
Terminal business			
– Europe	2,258,669	(630,791)	1,627,878
– Asia Pacific	223,010	–	223,010
– Mainland China	2,351,795	(620,634)	1,731,161
– Other international market	17,490	–	17,490
	4,850,964	(1,251,425)	3,599,539
Total	<u>93,138,100</u>	<u>(1,295,303)</u>	<u>91,842,797</u>

4 Revenues and segment information (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

	Six months ended 30 June 2022 (Restated)		
	Total revenues <i>RMB'000</i>	Inter-segment revenues <i>RMB'000</i>	External revenues <i>RMB'000</i>
Container shipping business			
– America	64,489,542	–	64,489,542
– Europe	55,902,161	–	55,902,161
– Asia Pacific	49,169,378	–	49,169,378
– Mainland China	12,169,852	(5,018)	12,164,834
– Other international market	25,452,358	–	25,452,358
	207,183,291	(5,018)	207,178,273
Terminal business			
– Europe	2,233,954	(466,492)	1,767,462
– Asia Pacific	105,325	–	105,325
– Mainland China	2,276,807	(535,947)	1,740,860
	4,616,086	(1,002,439)	3,613,647
Total	<u>211,799,377</u>	<u>(1,007,457)</u>	<u>210,791,920</u>

4 Revenues and segment information (Continued)

Geographical information (Continued)

(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, intangible assets, right-of-use assets, investments in joint ventures, investments in associates and other non-current assets.

The container vessels and containers (included in property, plant and equipment and right-of-use assets) are primarily utilized across geographical markets for shipment of cargoes throughout the world. Accordingly, it is impractical to present the locations of the container vessels and containers by geographical areas and thus the container 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 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
Unallocated	139,706,187	138,098,642
Remaining assets		
– Mainland China	81,373,804	74,825,546
– Outside mainland China	36,484,000	33,415,318

5 Other income and other expenses

	Six months ended 30 June	
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Dividend income from investments at FVOCI	25,670	17,648
Gain on disposal of property, plant and equipment	33,214	431,598
Gain on disposal of subsidiaries	–	115,177
Income from portfolio investments at FVPL		
– Fair value gain (realized and unrealized)	32,120	–
– Interest income	–	4,556
– Distribution	949	789
– Dividend income	3,944	341
Interest income from investments at amortized cost	11,028	15,008
Government grants and other subsidies	273,713	352,631
Exchange gain	1,914,851	128,954
Others	7,734	25,282
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Other income	2,303,223	1,091,984
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Loss on disposal of property, plant and equipment	(3,951)	(23,506)
Loss on deemed disposal of an associate	–	(20,854)
Fair value loss on portfolio investments at FVPL (realized and unrealized)	–	(29,001)
Others	(45,609)	(130,769)
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Other expenses	(49,560)	(204,130)
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6 Finance income and costs

	Six months ended 30 June	
	2023	2022
	RMB'000	<i>RMB'000</i>
		(Restated)
Finance income		
Interest income from:		
– deposits in related parties	1,278,757	584,838
– loans to joint ventures and associates	18,204	6,595
– other financial institutions	2,700,404	1,036,302
Net exchange gain	181,266	627,820
	<hr/>	<hr/>
Total finance income	4,178,631	2,255,555
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Finance costs		
Interest expenses on:		
– loans from third parties	(998,808)	(631,072)
– loans from related parties	(54,132)	(78,228)
– loans from non-controlling shareholders of subsidiaries	(8,362)	(3,380)
– lease liabilities	(908,184)	(869,777)
– notes/bonds	(17,145)	(233,091)
Transaction costs arising from borrowings	(58,781)	(70,228)
	<hr/>	<hr/>
	(2,045,412)	(1,885,776)
Less: amount capitalized in construction in progress	218,759	52,676
	<hr/>	<hr/>
Total finance costs	(1,826,653)	(1,833,100)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net finance income	2,351,978	422,455
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

7 Income tax expenses

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000 (Restated)
Current income tax (note):		
– PRC enterprise income tax	2,548,689	13,236,700
– Hong Kong profits tax	19,169	19,613
– Overseas taxation	226,552	616,328
(Over)/under provision in prior year	(63,818)	597
	<u>2,730,592</u>	<u>13,873,238</u>
Deferred income tax	526,378	2,895,362
	<u>3,256,970</u>	<u>16,768,600</u>

Note:

Current income tax

Taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates. These rates range from 2.5% to 34.2% (six months ended 30 June 2022: 2.5% to 34.2%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 5% to 20% (six months ended 30 June 2022: 5% to 20%).

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2022: 16.5%) on the estimated assessable profits derived from or arising in Hong Kong for the period.

8 Dividend

On 29 August 2023, at the 27th meeting of the sixth session of the Board of the Company, the board of directors proposed an interim dividend in respect of 2023 of RMB0.51 per ordinary share (tax inclusive), with the total amount of RMB8,247 million (tax inclusive), calculated according to the Company's share numbers of 16,170,253,938 as at 30 June 2023, which accounting for 50% of the consolidated profit attributable to equity holders of the Company approximately. If there is a change in the number of shares between the beginning of July 2023 and the registration date of dividend distribution, the dividend per share shall remain unchanged, with a corresponding adjustment to the total amount of distribution. The Interim Profit Distribution Plan is subject to approval by the meeting of Shareholders of the Company.

9 Earnings per share

(a) Basic

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

	Six months ended 30 June	
	2023	2022 (Restated)
Profit attributable to equity holders of the Company (RMB)	<u>16,560,637,000</u>	<u>64,820,236,000</u>
Weighted average number of ordinary shares	<u>16,105,939,186</u>	<u>16,014,346,641</u>
Basic earnings per share (RMB)	<u>1.03</u>	<u>4.05</u>

(b) Diluted

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares during the period, after adjusting for the number of dilutive potential ordinary shares deemed to be issued at no considerations as if all outstanding dilutive share options granted by the Company had been exercised.

	Six months ended 30 June	
	2023	2022 (Restated)
Profit attributable to equity holders of the Company (RMB)	<u>16,560,637,000</u>	<u>64,820,236,000</u>
Weighted average number of ordinary shares	16,105,939,186	16,014,346,641
Adjustments for assumed issuance of shares on exercise of dilutive share options	<u>70,933,588</u>	<u>81,150,152</u>
	<u>16,176,872,774</u>	<u>16,095,496,793</u>
Diluted earnings per share (RMB)	<u>1.02</u>	<u>4.03</u>

For the six months ended 30 June 2023 and 2022, the outstanding share options granted by COSCO SHIPPING Ports did not have dilutive effect on the Company's diluted earnings per share.

10 Trade and other receivables and contract assets

	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
Trade receivables (note a)		
– third parties	7,896,438	10,254,689
– fellow subsidiaries	288,595	105,940
– joint ventures	32,271	7,698
– other related companies	146,297	132,577
	<u>8,363,601</u>	<u>10,500,904</u>
Bills receivables (note a)	57,459	321,734
Contract assets (note a)	155,654	292,917
	<u>8,576,714</u>	<u>11,115,555</u>
Prepayments, deposits and other receivables		
– third parties	4,555,204	4,627,272
– fellow subsidiaries (note b)	410,297	409,586
– joint ventures (note b)	552,840	428,846
– associates (note b)	522,087	81,333
– other related companies (note b)	31,311	99,716
	<u>6,071,739</u>	<u>5,646,753</u>
Total	<u>14,648,453</u>	<u>16,762,308</u>

Notes:

- (a) Trade receivables with related parties are unsecured and have similar credit period as third party customers. The normal credit period granted to the trade receivables of the Group is generally within 90 days. Trade and bills receivables and contract assets primarily consisted of voyage-related receivables. As at 30 June 2023, the aging analysis of trade and bills receivables and contract assets on the basis of the date of relevant invoice or demand note is as follows:

	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
1-3 months	8,476,386	11,126,893
4-6 months	223,107	260,969
7-12 months	91,065	117,538
Over 1 year	218,683	203,728
	<u>9,009,241</u>	<u>11,709,128</u>
Trade, bills receivables and contract assets, gross		
Less: provision for impairment	(432,527)	(593,573)
	<u>8,576,714</u>	<u>11,115,555</u>

- (b) Prepayments, deposits and other receivables due from related companies are unsecured, interest free and have no fixed terms of repayment.

11 Trade and other payables and contract liabilities

	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
Trade payables (note)		
– third parties	16,984,324	19,753,389
– fellow subsidiaries	599,222	1,028,176
– joint ventures	128,903	140,026
– associates	43,692	21,809
– other related companies	212,582	89,673
	<u>17,968,723</u>	<u>21,033,073</u>
Bills payables (note)	–	24,467
	<u>17,968,723</u>	<u>21,057,540</u>
Other payables	11,515,050	17,974,701
Accrued expenses	82,176,686	86,214,866
	<u>93,691,736</u>	<u>104,189,567</u>
Contract liabilities	874,877	913,498
Due to related companies		
– fellow subsidiaries	52,383	95,768
– joint ventures	407,144	366,233
– associates	180,941	60,308
– other related companies	489,588	3,079,442
	<u>1,130,056</u>	<u>3,601,751</u>
Total	<u><u>113,665,392</u></u>	<u><u>129,762,356</u></u>

Note:

As at 30 June 2023, the aging analysis of trade and bills payables on the basis of the date of relevant invoice or demand note is as follows:

	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>RMB'000</i>
1-6 months	17,645,326	20,807,238
7-12 months	259,171	132,624
1-2 years	38,362	53,608
2-3 years	8,229	34,896
Above 3 years	17,635	29,174
	<u>17,968,723</u>	<u>21,057,540</u>

12 Provisions and other liabilities

	As at 30 June 2023			As at 31 December 2022		
	Current <i>RMB'000</i>	Non- current <i>RMB'000</i>	Total <i>RMB'000</i>	Current <i>RMB'000</i>	Non- current <i>RMB'000</i>	Total <i>RMB'000</i>
Provision for one-off housing subsidies	–	40,052	40,052	–	40,052	40,052
Provision for onerous contracts (note)	–	6,465,249	6,465,249	–	6,231,542	6,231,542
Deferred income and others	21,023	554,252	575,275	39,142	383,413	422,555
Total	<u>21,023</u>	<u>7,059,553</u>	<u>7,080,576</u>	<u>39,142</u>	<u>6,655,007</u>	<u>6,694,149</u>

Note:

Orient Overseas (International) Limited (“OOIL”), a subsidiary of the Company, entered into the Terminal Service Agreement (“TSA”) in October 2019 to which OOIL committed to place, or procure the placement of an annual minimum number of vessel lifts in Long Beach Container Terminal (“LBCT”) for 20 years. Failure to meet the committed volume for each contract year would require certain level of deficiency payment as stipulated in the TSA.

As at 30 June 2023, OOIL reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain, in particular, dropping cargo demand and freight rates became more evident from the fourth quarter of 2022. It is expected that high inflation and interest rate environment would further slow down the USA economy growth and would adversely affect the demand/import of the USA for some time, it is expected the economy in the USA would take years to recover. As at 30 June 2023, with these uncertainties over such long-term contract period, management reassessed that the projected vessel lifts in LBCT would continue to result in a shortfall on minimum volume commitment over the remaining contract period. OOIL estimated an onerous contract provision of US\$894.7 million (equivalent to approximately RMB6,465.2 million) (31 December 2022: US\$894.7 million (equivalent to approximately RMB6,231.5 million)).

13 Subsequent events

The board of directors proposed an interim dividend of RMB0.51 per ordinary share (tax inclusive) on 29 August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE REPORTING PERIOD PREPARED IN ACCORDANCE WITH THE HONG KONG FINANCIAL REPORTING STANDARDS

	Period from 1 January to 30 June 2023 RMB'000	Period from 1 January to 30 June 2022 RMB'000 (Restated)	Difference RMB'000
Revenues	91,842,797	210,791,920	(118,949,123)
Operating Profit	18,129,472	91,955,908	(73,826,436)
Profit before income tax	22,932,751	93,553,190	(70,620,439)
Profit after income tax	19,675,781	76,784,590	(57,108,809)
Profit for the period	19,675,781	76,784,590	(57,108,809)
Profit attributable to equity holders of the Company	16,560,637	64,820,236	(48,259,599)
Basic earnings per Share (RMB)	1.03	4.05	(3.02)

(I) Discussion and Analysis of the Board on the Operation of the Group during the Reporting Period

In the first half of 2023, the container shipping market was faced with many challenges such as the weakening of cargo volumes caused by destocking in commodities, the increase in supply side due to the alleviation of port congestion and the delivery of new vessels. So the container shipping market demonstrated a characteristic of quickly restoring normalcy during the Period. In the first half of the year, the average China Containerized Freight Index (CCFI) was 1,009 points, representing a period-on-period decrease of 69.3%.

During the Reporting Period, the Group recorded revenues of RMB91.84 billion; earnings before interest and taxes (EBIT) of RMB24.70 billion; earnings before tax of RMB22.93 billion; net profit of RMB19.68 billion; net profit attributable to equity holders of the Company of RMB16.56 billion.

The good results achieved during the Period enabled the Group to continuously optimize its financial structure, strengthen its balance sheet, and further reduce the gearing ratio to 48.6% as at the end of the Period, so as to reward our Shareholders while safeguarding sustainable development in the future. In view of this and considering, the Shareholders' Return Plan for 2022-2024 of the Company, the Board proposed an interim dividend of RMB0.51 per Share (tax inclusive) for the year of 2023, with a dividend payout ratio of approximately 50%.

Looking back on the first half of the year, the Group adhered to customer-centric orientation while focusing on key tasks such as global layout, full-chain transportation, digital empowerment and low-carbon transformation, and has forged ahead on the road of reform, transformation and high-quality development, with maintaining a good momentum of development.

Firstly, we were committed to our core shipping business and improved our global layout. During the Period, we seized a new round of development opportunities. Two new vessels of Orient Overseas with a shipping capacity of 24,000 TEUs each were successfully delivered and put into the Asia-Europe route. Compared with the end of last year, the total capacity of the dual-brand fleet has grown steadily to approximately 2.91 million TEUs, thereby promoting the optimization and advancement of the global route network layout. Together with the OCEAN Alliance, we successfully operated the new route products of “DAY7”, which consolidated the Group’s leading edge in east-west trunk route services. We have successively launched a number of routes along the Belt and Road and RCEP member countries, thereby further strengthening the foreign trade route network from China to South Asia, Southeast Asia and South America. A new round-trip route between Europe and Eastern South America will be launched in September this year. During the Reporting Period, the fleet capacity of our dual brands in the regional market and the third-country market increased by 3% and 40% respectively, which laid a solid foundation for us to capture the growth opportunities in the emerging markets, regional markets and third-country markets. Relying on the synergistic advantages of our port business and shipping business, we have actively participated in the new development pattern of dual circulation, and promoted the development of the Hainan Free Trade Zone and the construction of rail-sea trade corridor in Western China. During the Reporting Period, the dual-brand fleet achieved direct calls at Yangpu Port in Hainan with 9 shipping routes, and launched 2 new routes for the rail-sea trade corridor in Western China, thereby further enhancing the service coverage in Sichuan, Chongqing and Guangxi.

Secondly, we expanded into the full-chain transportation in response to the needs of our customers. We have promoted the integration of modern service industry with advanced manufacturing industry and modern agriculture industry, as well as strengthened the vertical development of the full container supply chain. We provided customized and personalized full-chain solutions for leaders in emerging industries and strategic cooperative customers. The shipping volume of lithium batteries, photovoltaic and goods for cross-border e-commerce customers recorded growth despite unfavorable market conditions, and the electric vehicle export transportation business was thriving. We are also committed to serving small, medium and micro customers and providing them with digitalized, standardized and efficient full-chain service products. Leveraging on our rich global resources, we have carried out trailer business in North America and developed warehousing and distribution business in Europe. The supply chain services in South America, Southeast Asia and other regions have seen phenomenal growth. The full chain services has begun to take shape. During the Reporting Period, the Group’s revenue from non-maritime supply chain services was RMB14.5 billion, accounting for 16.4% of the revenue from the container shipping business, representing a period-on-period increase of 8.2 percentage points.

Thirdly, we adhered to innovation-driven approach and have strengthened digital empowered services. On the construction of digital supply chain platform, the “all-in-one” customer login portal was successfully launched online, and the construction of the digital intelligent customs affairs platform for the Shanghai region was progressing smoothly. The e-commerce platform, SynCon Hub, has successively launched a series of innovative Supply Chain Portfolio Products such as Talent Pegasus (泰鴻) and HiAmerica Delivery (恒美達) to meet different cargo flows and customers in different industries. On the construction of business information system, we steadily promoted the implementation of the trailer management system (TMS) and warehouse management system (WMS), and the intelligence and visualization level of the full-chain business has also been continuously improved. On the application of innovative technologies, the application scope and application scenarios of products such as block chain electronic bills of lading and paperless Cargo Release have continued to enlarge, which help to improve the efficiency of container transportation and customer experience, as well as promote the innovative development and digital ecosystem construction of container shipping industry.

Fourthly, we have adhered to the green concept and accelerated the low-carbon transformation. We have been paying close attention to the decarbonization goals and requirements of various countries and regions as well as the International Maritime Organization (IMO). We have further clarified the direction and path of our low-carbon transformation and put into practice the concept of sustainable development. The construction of 12 methanol dual-fuel vessels ordered by the Group with a shipping capacity of 24,000 TEUs each has commenced, and the world's first 700 TEU electric container vessel in China domestic feeder routes was planned to be delivered to the Group for operation within the year. We optimized the shipping route layout by making use of CII calculation methods and rating standards, promoted vessel performance technology renovation in accordance with the new EEXI environmental regulations to ensure that our fleet operation is in compliance with related requirements. We have actively participated in industrial exhibitions such as the first Shanghai International Carbon Neutrality Technology, Products and Achievements Expo, not only sharing our own decarbonization practices but actively promoting decarbonization concepts to the outside world. We fully support the initiative to protect the marine environment and marine life. COSCO SHIPPING Lines was awarded the "Sapphire Award", the highest award of the National Oceanic and Atmospheric Administration (NOAA) of the United States, in the project of "Protecting Blue Whales and Protecting Blue Skies", and had donated the prize incentive to support the continuous development of this project. COSCO SHIPPING Ports has actively promoted the construction of automated terminals and the development of green ports. The construction of the fully automated container terminal sea-rail intermodal transport project of Xiamen Ocean Gate Container Terminal Co.,Ltd. was progressing steadily, and the distributed photovoltaic project at Wuhan Terminal was officially connected to the grid and put into use. The controlled terminals of COSCO SHIPPING Ports continued to promote the connection and use of shore power, and upgraded the terminal equipments with the "Fuel to Electricity" technology.

Overall speaking, under the challenging environment in the first half of the year, we persisted in adapting to industrial changes and customer needs through business innovation, mechanism innovation, and model innovation. With lean operation, improvement in efficiency and cost control, we have enhanced the strength and resilience of our core businesses. At the same time, the construction of a global digital container supply chain was solidly promoted, and the process of green and low-carbon transformation accelerated.

Looking forward to the second half of the year, we will not only see opportunities brought by the steady recovery of China's economy, the rebound of freight rates in Transpacific routes and Asia-Europe routes as well as the potential clearance of old vessels driven by the new environmental protection regulations, but also keep cautious when facing challenges such as the evolution of global economic and trading landscape, the inflationary pressure in Europe and America, as well as the centralized delivery of new vessels. At the same time, customers have raised higher requirements in respect of the low-carbonization and digitalization of the container supply chain, and have higher expectations on the full-chain delivery capability of liners.

In this context, we will pay close attention to the future development trend and technological progress of the industry, continue to promote reform and transformation and high-quality development, improve the global resource network layout, strengthen scientific and technological innovation and digital intelligence empowerment, implement the philosophy of green, low-carbon and sustainable development, deepen lean management and cost control, and strive to serve global customers with low-carbon, intelligent and reliable container supply chain solutions, build an efficient, smooth and safe circulation system for world trade, thereby providing better services to our customers and creating greater value for our shareholders.

(II) Major Profit or Loss Items and Cashflow Analysis

In the first half of 2023, the Group generated revenues of RMB91,842,797,000, representing a decrease of RMB118,949,123,000 or 56.43% as compared to that for the same period of last year. In the first half of 2023, profit attributable to equity holders of the Group was RMB16,560,637,000, representing a decrease of RMB48,259,599,000 or 74.45% as compared to that for the same period of last year.

1. Table of analysis for related items in the consolidated income statement and consolidated cash flow statement

Items	Period from 1 January to 30 June 2023 <i>RMB'000</i>	Period from 1 January to 30 June 2022 <i>RMB'000</i> (Restated)	Difference <i>RMB'000</i>	Percentage change (%)
Revenues	91,842,797	210,791,920	(118,949,123)	-56.43
Cost of services	(72,061,762)	(112,751,635)	40,689,873	-36.09
Other income and expense, net	2,253,663	887,854	1,365,809	153.83
– Other income	2,303,223	1,091,984	1,211,239	110.92
– Other expenses	(49,560)	(204,130)	154,570	-75.72
Reversal of/(provision for) impairment losses on financial assets, net	181,670	(449,258)	630,928	-140.44
Selling, administrative and general expenses	(4,086,896)	(6,522,973)	2,436,077	-37.35
Finance income	4,178,631	2,255,555	1,923,076	85.26
Finance costs	(1,826,653)	(1,833,100)	6,447	-0.35
Share of profits less losses of				
– joint ventures	306,241	335,279	(29,038)	-8.66
– associates	2,145,060	839,548	1,305,512	155.50
Income tax expenses	(3,256,970)	(16,768,600)	13,511,630	-80.58
Net cash flows generated from operating activities	13,261,606	112,571,553	(99,309,947)	-88.22
Net cash flows used in investing activities	(12,273,283)	(199,305)	(12,073,978)	6,058.04
Net cash flows used in financing activities	(41,196,977)	(47,743,444)	6,546,467	-13.71

2. Revenues

Management discussion and analysis and descriptions below contain amounts and figures, which are in RMB unless otherwise specified.

Overview

In the first half of 2023, the revenues of the Group amounted to RMB91,842,797,000, representing a decrease of RMB118,949,123,000 or 56.43% as compared to that for the same period of last year.

Revenue from container shipping business

In the first half of 2023, the revenue from container shipping business amounted to RMB88,287,136,000, representing a decrease of RMB118,896,155,000 or 57.39% as compared to that for the same period of last year, of which COSCO SHIPPING Lines generated revenues of RMB59,870,392,000 from container shipping business, representing a decrease of RMB78,803,204,000 or 56.83% as compared to that for the same period of last year.

Revenue from terminal business

In the first half of 2023, revenue generated from the terminal business amounted to RMB4,850,964,000, representing an increase of RMB234,878,000 or 5.09% as compared to that for the same period of last year.

Major customers

Total sales to the top five customers of the first half of 2023 amounted to RMB3,532,724,000, accounting for 3.85% of the total sales during the Reporting Period.

3. Costs

Cost analysis

Components of cost	Period from 1 January to 30 June 2023 <i>RMB'000</i>	Period from 1 January to 30 June 2022 <i>RMB'000</i> (Restated)	Difference <i>RMB'000</i>	Percentage change (%)
Equipment and cargo transportation costs	28,651,506	63,466,938	(34,815,432)	-54.86
Voyage costs	18,574,010	20,890,486	(2,316,476)	-11.09
Vessel costs	16,807,147	16,584,764	222,383	1.34
Other related business costs	5,285,591	8,196,030	(2,910,439)	-35.51
Tax	560,710	1,368,925	(808,215)	-59.04
Sub-total	69,878,964	110,507,143	(40,628,179)	-36.77
Container terminal and related business costs	3,411,408	3,226,553	184,855	5.73
Tax and surcharges	28,052	22,472	5,580	24.83
Sub-total	73,318,424	113,756,168	(40,437,744)	-35.55
Elimination between different businesses	(1,256,662)	(1,004,533)	(252,129)	25.10
Total operating costs	<u>72,061,762</u>	<u>112,751,635</u>	<u>(40,689,873)</u>	<u>-36.09</u>

Overview

In the first half of 2023, the operating cost of the Group amounted to RMB72,061,762,000, representing a decrease of RMB40,689,873,000 or 36.09% as compared to that for the same period of last year.

Container shipping business cost

In the first half of 2023, the container shipping business cost amounted to RMB69,878,964,000, representing a decrease of RMB40,628,179,000 or 36.77% as compared to that for the same period of last year, of which, the container shipping business cost incurred by COSCO SHIPPING Lines amounted to RMB47,601,321,000, representing a decrease of RMB33,959,811,000 or 41.64% as compared to that for the same period of last year.

Terminal business cost

In the first half of 2023, the terminal business cost amounted to RMB3,439,460,000, representing an increase of RMB190,435,000 or 5.86% as compared to that for the same period of last year.

4. Other profit or loss items

Other income and expense, net

In the first half of 2023, the other income and expense, net was RMB2,253,663,000, representing an increase of RMB1,365,809,000 as compared to that for the same period of last year. Of which, the exchange gains amounted to RMB1,914,851,000, representing an increase of RMB1,785,897,000 as compared to the same period of last year. The gain on disposal of property, plant and equipment amounted to RMB33,214,000, representing a period-on-period decrease of RMB398,384,000, mainly due to a decrease in the quantity and price of old and obsolete containers being disposed of as compared to the same period of last year.

Selling, administrative and general expenses

In the first half of 2023, the selling, administrative and general expenses of the Group amounted to RMB4,086,896,000, representing a decrease of RMB2,436,077,000 or 37.35% as compared to that for the same period of last year, mainly due to a decline in the effectiveness of the container shipping business and administrative expenses such as staff remuneration decreased significantly as compared to the same period of last year.

Finance income

In the first half of 2023, the finance income of the Group amounted to RMB4,178,631,000, representing an increase of RMB1,923,076,000 or 85.26% as compared to that for the same period of last year. Amongst which, interest income amounted to RMB3,997,365,000, representing a period-on-period increase of RMB2,369,630,000 or 145.58%. The net exchange gain from borrowings denominated in non-functional currencies amounted to RMB181,266,000, representing a period-on-period decrease of RMB446,554,000.

Finance costs

In the first half of 2023, the finance costs of the Group amounted to RMB1,826,653,000, representing a decrease of RMB6,447,000 or 0.35% as compared to that for the same period of last year. Of which, interest expenses amounted to RMB1,767,872,000, representing an increase of RMB5,000,000 or 0.28% as compared to the same period of last year.

Share of profits of joint ventures and associated companies

In the first half of 2023, the Group's share of profits of joint ventures and associated companies in aggregate amounted to RMB2,451,301,000, representing an increase of RMB1,276,474,000 as compared to that for the same period of last year. The share of profits for the first half of 2023 included investment gains based on equity accounting method from SIPG Group and COFCO Fortune, no such gains were recorded for the same period of last year.

Income tax expenses

In the first half of 2023, the income tax expenses of the Group amounted to RMB3,256,970,000, representing a decrease of RMB13,511,630,000 or 80.58% as compared to that for the same period of last year. The decrease was mainly due to a decline in the overall operating effectiveness of the Company as compared to the same period of last year.

Major suppliers

Total purchases from the top five suppliers of the Group in the first half of 2023 amounted to RMB13,181,329,000, accounting for 18.44% of the total purchases during the Reporting Period.

5. Cash flow

As at 30 June 2023, the cash and cash equivalents amounted to RMB198,226,267,000, representing a decrease of RMB37,387,656,000 or 15.87% from the end of last year. The cash and cash equivalents of the Group were principally denominated in RMB and US\$, and the rest were denominated in Euro, HK\$ and other currencies.

(1) Net cash flow from operating activities

In the first half of 2023, the net cash inflow from operating activities amounted to RMB13,261,606,000, representing a decrease of RMB99,309,947,000 or 88.22% as compared to that of the same period of last year. The decrease was mainly due to a decline in the operating results of the Group's container shipping business as compared to the same period of last year.

(2) Net cash flow from investing activities

In the first half of 2023, the net cash outflow from investing activities amounted to RMB12,273,283,000, representing an increase of RMB12,073,978,000 in net cash outflow as compared to that of the same period of last year, mainly due to a significant increase in cash payments for building vessels, construction of terminals and external equity investments as compared to the same period of last year.

(3) Net cash flow from financing activities

In the first half of 2023, the net cash outflow from financing activities amounted to RMB41,196,977,000, representing a decrease of RMB6,546,467,000 in net cash outflow as compared to that of the same period of last year, which was mainly attributed to the decrease in cash repayments of borrowings as compared to the same period of last year.

(4) Impact of changes in exchange rate on cash and cash equivalents

The balance of cash and cash equivalents increased by RMB2,820,998,000 as at 30 June 2023, which was primarily due to an increase in exchange rate of US\$ against RMB during the period.

(III) Working Capital, Financial Resources and Capital Structure

Overview

As at 30 June 2023, the total assets of the Group amounted to RMB482,926,939,000, representing a decrease of RMB29,003,138,000 or 5.67% as compared to the end of last year. The total liabilities amounted to RMB234,500,953,000, representing a decrease of RMB23,636,030,000 or 9.16% as compared to the end of last year.

As at 30 June 2023, the total outstanding borrowings of the Group were RMB42,879,890,000. After deducting the cash and cash equivalents, net cash amounted to RMB155,346,377,000, representing a decrease of RMB37,459,869,000 as compared to the end of last year. As at 30 June 2023, the Group's net current assets were RMB84,440,510,000, representing a decrease of RMB17,238,486,000 or 16.95% as compared to the end of last year. As at 30 June 2023, the net cash (debt) to equity ratio was 43.65%, representing a decrease of 12.26 percentage points as compared to the end of last year. The formula for calculating the net cash (debt) to equity ratio is as follows: net cash (debt) to equity ratio = (cash and cash equivalents – total borrowings – total lease liabilities)/owners' equity.

The working capital and capital resources of the Group have been and will continue to be generated from cash flows from operating activities, proceeds from new share issuance and debt financing from financial institutions. Cash of the Group has been and is expected to continue to be utilized for various purposes such as payment of operating costs, construction of container vessels, purchase of containers, investments in terminals and repayment of loans.

1. Debt analysis

Categories	As at 30 June 2023 RMB'000	As at 31 December 2022 RMB'000
Short-term borrowings	1,511,282	2,241,818
Long-term borrowings	41,368,608	40,565,859
Total of long-term and short-term borrowings	42,879,890	42,807,677
Among which:		
Interest payable – Short-term borrowings	–	1,656
– Long-term borrowings	251,088	240,635
The repayment terms of long-term borrowings are as follows:		
Less than one year	5,569,227	5,806,773
One to two years	6,644,619	9,680,863
Three to five years	16,334,360	13,348,978
Over five years	12,820,402	11,729,245
Total	41,368,608	40,565,859

Borrowings by categories

As at 30 June 2023, the Group had bank borrowings of RMB39,695,024,000 and other borrowings of RMB2,933,778,000, representing 93.12% and 6.88% of the total borrowings, respectively. Of the bank borrowings, secured borrowings amounted to RMB15,633,580,000 and unsecured borrowings amounted to RMB24,061,444,000, representing 36.67% and 56.45% of the total borrowings, respectively. Most of the borrowings of the Group bear interest at floating rate.

Borrowings by currency

As at 30 June 2023, the borrowings of the Group denominated in US\$ were equivalent to RMB24,308,179,000, borrowings denominated in RMB amounted to RMB12,641,179,000, borrowings denominated in Euro were equivalent to RMB4,957,302,000, and borrowings denominated in HK\$ were equivalent to RMB722,142,000, representing 57.03%, 29.65%, 11.63% and 1.69% of the total borrowings, respectively.

Secured borrowings

As at 30 June 2023, certain properties, plant and equipment and monetary funds of the Group with net book value of RMB25,248,395,000 (31 December 2022: RMB24,806,233,000) were mortgaged to banks and financial institutions as collaterals for borrowings in the total amount of RMB15,633,580,000 (31 December 2022: RMB15,618,839,000), representing 7.75% of the total value of the property, plant and equipment and monetary funds (31 December 2022: 6.96%).

Company's guarantees

As at 30 June 2023, the guarantees provided among the Group's consolidated entities amounted to RMB10,062,105,000 (as of 31 December 2022: RMB12,835,652,000) and guarantees provided to an associate amounted to RMB258,369,000 (as of 31 December 2022: RMB243,471,000).

Contingent liabilities

As at 30 June 2023, the Group had no material contingent liabilities.

Foreign exchange risk

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

Capital commitments (excluding discontinued operation)

As at 30 June 2023, the Group had a total of 42 container vessels under construction. The capital commitments for future construction of container vessels amounted to RMB41,926,709,000.

As at 30 June 2023, the Group's containers under construction amounted to 1,700 TEUs in aggregate. The capital commitments for future construction of containers amounted to RMB26,410,000.

As at 30 June 2023, the Group's capital commitments for investment in terminals amounted to RMB6,357,952,000 in aggregate, of which the commitments for purchasing fixed assets amounted to RMB4,532,988,000 and the equity investment commitment of terminals amounted to RMB1,824,964,000.

Facilities

As at 30 June 2023, the unutilized bank loan facilities of the Group were RMB38,208,882,000. The Group paid close attention to the potential financial risks of increasing loan facilities, and has strengthened the monitoring of the size of liabilities and gearing ratio of its subsidiaries and repaid bank loans in full as scheduled.

Financing plans

The Group will consider factors including repayment of maturing debt, loan replacement and material future capital expenditure, in order to make financing arrangements in advance, enhance funding and debts management, optimize the funding utilization and control the scale of debts effectively.

(IV) Investment Analysis

1. Analysis of external equity investments

As at 30 June 2023, the total balance of the Group's investments in associated companies and joint ventures amounted to RMB65,226,505,000, representing an increase of RMB7,159,925,000 or 12.33% from the end of last year. During the period, the Group completed the acquisition of 5.81% equity interest in COFCO Fortune Co., Ltd. at the consideration of RMB5,500,000,000; and completed the acquisition of 24.99% equity interest in the container terminal of Hamburg in Germany at the consideration of EUR46,410,000.

(1) Significant equity investments

Not applicable.

(2) Significant non-equity investments

Not applicable.

(3) Financial assets at fair value

Unit: RMB'000

Type of assets	Amount at the beginning of the period	Gain or loss on fair value change in the period	Cumulative fair value changes accounted in equity	Impairment provision for the period	Amount purchased in current period	Amount sold/ redeemed in current period	Other changes	Amount at the end of the period
Shares, bonds and fund portfolio investments	93,108	2,241	-	-	3,755	-	3,712	102,816
Guangzhou Port Co., Ltd.	1,545,667	-	39,255	-	-	-	-	1,584,922
Ocean Hotel Shanghai Co., Ltd.	108,491	-	123	-	-	-	-	108,614
Yantai Port Co., Ltd.	135,784	-	-	-	-	-	-	135,784
Qinhuangdao Port Co., Ltd.	43,130	-	10,636	-	-	-	1,777	55,543
Convertible corporate bonds	371,477	29,879	-	-	-	-	-	401,356
Interest rate swaps	42,303	-	-2,673	-	-	-	-	39,630
Other financial assets at fair value	75,288	-	3,243	-	-	-	319	78,850
Total	2,415,248	32,120	50,584	-	3,755	-	5,808	2,507,515

(4) Investments in securities

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of funds	Carrying amount at the beginning of the period	Gain or loss on fair value change in current period	Cumulative fair value changes recorded in equity	Amount purchased in current period	Amount sold in current period	Investment gain or loss for current period	Carrying amount at the end of the period	Accounting classification item
Convertible bonds	127039	Beigang convertible bond	321,492	Self-owned funds	371,477	29,879	-	-	-	793	401,356	Other non-current financial assets
Stock	601228	Guangzhou Port	1,276,924	Self-owned funds	1,545,667	-	39,255	-	-	21,100	1,584,922	Investment in other equity instruments
Stock	3369.HK	QHD Port	207,681	Self-owned funds	43,130	-	10,636	-	-	3,042	55,543	Investment in other equity instruments
Stock	000597	Northeast Pharm	200	Self-owned funds	1,746	-	-310	-	-	28	1,436	Investment in other equity instruments
Stock	600821	NYOCOR	99	Self-owned funds	609	-	-29	-	-	-	579	Investment in other equity instruments
Stock	600837	Haitong Securities	7,017	Self-owned funds	42,318	-	2,581	-	-	-	44,899	Investment in other equity instruments
Stock	Multiple stock codes	Stock investment	174,649	Self-owned funds	62,001	2,509	-	-	-	3,944	70,821	Investment in other equity instruments
Fund products	Multiple stock codes	Fund investment	97,178	Self-owned funds	31,106	-268	-	-	-	949	31,995	Financial assets held for trading
Bonds	-	Bond investment	611,309	Self-owned funds	623,742	-	-	-	171,347	11,028	461,895	Financial assets held for trading
Total	/	/	2,696,549	/	2,721,796	32,120	52,133	-	171,347	40,884	2,653,446	Debt investment

(V) Industry Operation Information

Container shipping business

(1) Shipping volume

Shipping volume of the Group (TEU)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	2,106,765	2,463,591	-14.48
Asia and Europe (including the Mediterranean)	2,202,295	2,360,364	-6.70
Asia Region (including Australia)	3,784,423	4,071,149	-7.04
Other international regions (including the Atlantic)	1,292,017	1,327,017	-2.64
Mainland China	2,009,828	2,249,152	-10.64
Total	11,395,328	12,471,273	-8.63

Shipping volume of COSCO SHIPPING Lines (a subsidiary of the Group) (TEU)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	1,175,796	1,511,980	-22.23
Asia and Europe (including the Mediterranean)	1,390,641	1,551,731	-10.38
Asia Region (including Australia)	2,183,511	2,410,919	-9.43
Other international regions (including the Atlantic)	1,035,336	1,112,565	-6.94
Mainland China	2,009,828	2,249,152	-10.64
Total	7,795,112	8,836,347	-11.78

(2) *Revenue from routes*

Revenue from routes by the Group (RMB'000)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	20,307,433	64,628,710	-68.58
Asia and Europe (including the Mediterranean)	18,469,693	54,615,883	-66.18
Asia Region (including Australia)	22,964,799	47,265,208	-51.41
Other international regions (including the Atlantic)	14,075,354	25,519,602	-44.84
Mainland China	5,719,036	6,215,121	-7.98
Total	81,536,315	198,244,524	-58.87

Of which revenue from routes by COSCO SHIPPING Lines (a subsidiary of the Group) (RMB'000)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	11,269,952	38,960,660	-71.07
Asia and Europe (including the Mediterranean)	12,738,943	36,958,725	-65.53
Asia Region (including Australia)	13,768,973	28,739,786	-52.09
Other international regions (including the Atlantic)	11,137,540	21,721,590	-48.73
Mainland China	5,799,518	6,272,351	-7.54
Total	54,714,926	132,653,112	-58.75

Revenue from routes by the Group (equivalent to US\$'000)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	2,914,134	9,962,497	-70.75
Asia and Europe (including the Mediterranean)	2,650,417	8,419,023	-68.52
Asia Region (including Australia)	3,295,468	7,285,918	-54.77
Other international regions (including the Atlantic)	2,019,825	3,933,839	-48.66
Mainland China	820,686	958,059	-14.34
Total	11,700,530	30,559,336	-61.71

Of which revenue from routes by COSCO SHIPPING Lines (a subsidiary of the Group)
(equivalent to US\$'000)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	1,617,248	6,005,774	-73.07
Asia and Europe (including the Mediterranean)	1,828,049	5,697,177	-67.91
Asia Region (including Australia)	1,975,859	4,430,230	-55.40
Other international regions (including the Atlantic)	1,598,246	3,348,377	-52.27
Mainland China	832,236	966,881	-13.93
Total	7,851,638	20,448,439	-61.60

(3) Major performance indicators

Major performance indicators of the container shipping business of the Group
(RMB'000)

Items	Current period	Same period of last year (Restated)	Difference
Revenue from container shipping business	88,287,136	207,183,291	-118,896,155
Including: Supply chain revenue other than shipping fee	14,499,688	17,078,428	-2,578,740
EBIT	20,775,332	92,148,400	-71,373,068
EBIT margin	23.53%	44.48%	Decreased by 20.95 percentage points
Net profit	16,779,621	77,784,235	-61,004,614

Among which: major performance indicators of the container shipping business of COSCO SHIPPING Lines (a subsidiary of the Group) (RMB'000)

Items	Current period	Same period of last year (Restated)	Difference
Revenue from container shipping business	59,870,392	138,673,596	-78,803,204
Including: Supply chain revenue other than shipping fee	9,374,269	10,470,751	-1,096,482
EBIT	12,764,453	54,832,703	-42,068,250
EBIT margin	21.32%	39.54%	Decreased by 18.22 percentage points
Net profit	8,861,445	41,050,741	-32,189,296

Major performance indicators of the container shipping business of the Group (equivalent to US\$'000)

Items	Current period	Same period of last year (Restated)	Difference
Revenue from container shipping business	12,669,279	31,937,244	-19,267,965
Including: Supply chain revenue other than shipping fee	2,080,718	2,632,635	-551,917
Revenue per TEU from international routes (USD/TEU)	1,159.22	2,895.81	-1,736.59
EBIT	2,981,278	14,204,649	-11,223,371
Net profit	2,407,890	11,990,417	-9,582,527

Among which: major performance indicators of the container shipping business of COSCO SHIPPING Lines (a subsidiary of the Group) (equivalent to US\$'000)

Items	Current period	Same period of last year (Restated)	Difference
Revenue from container shipping business	8,591,452	21,376,495	-12,785,043
Including: Supply chain revenue other than shipping fee	1,345,216	1,614,063	-268,847
Revenue per TEU from international routes (USD/TEU)	1,213.32	2,957.49	-1,744.17
EBIT	1,831,710	8,452,445	-6,620,735
Net profit	1,271,625	6,327,960	-5,056,335

Note:

“Supply chain revenue other than shipping fee” refers to container shipping-related supply chain revenue excluding dual-brand shipping fee revenue, which includes non-shipping fee revenue as set out in the terms of dual-brand bills of lading.

The revenue from routes and major performance indicators above were translated into US\$ at an average exchange rate of RMB6.9686: US\$1 in the first half of 2023 and RMB6.4872: US\$1 the first half of 2022.

Terminal business

In the first half of 2023, the total throughput of COSCO SHIPPING Ports amounted to 64.5729 million TEUs, representing an increase of 2.16% as compared to the same period of last year, of which, the throughput of controlled terminals amounted to 14.7315 million TEUs, representing a decrease of 6.05% as compared to the same period of last year; the throughput of non-controlled terminals amounted to 49.8414 million TEUs, representing an increase of 4.86% as compared to the same period of last year.

The total throughput of the container terminal business of COSCO SHIPPING Ports (a subsidiary of the Group)

Location of terminal	Current period (TEU)	Same period of last year (TEU)	Percentage of change (%)
Bohai Rim Region	22,515,008	20,767,708	8.41
Yangtze River Delta Region	7,059,244	6,483,243	8.88
Southeast Coast and others	2,777,699	3,280,185	-15.32
Pearl River Delta Region	12,744,315	13,866,357	-8.09
Southwest Coast	3,607,500	3,165,100	13.98
Overseas	15,869,106	15,647,737	1.41
Total	64,572,872	63,210,330	2.16
Of which: Controlled terminals	14,731,490	15,679,516	-6.05
Non-controlled terminals	49,841,382	47,530,814	4.86

SIGNIFICANT EVENTS

1. Based on its confidence in the Company's future development prospect and recognition of the Company's investment value, COSCO SHIPPING Group increased its shareholdings of the Company's A Shares and H Shares from 19 to 20 May 2022 and formulated a subsequent plan to further increase its shareholdings. As of 18 May 2023, the implementation of the aforementioned shareholding increase plan has been completed. COSCO SHIPPING Group and its wholly-owned subsidiaries have increased their shareholdings of the A Shares and H Shares of the Company by a total of 305,087,287 Shares comprising 115,087,287 A Shares and 190,000,000 H Shares, respectively, with a total amount of approximately RMB2,991 million. For details, please refer to the overseas regulatory announcements of the Company dated 20 May 2022, 10 June 2022, 21 July 2022, 21 November 2022, 13 March 2023, 20 April 2023 and 18 May 2023, respectively.
2. On 16 January 2023, the Company entered into the "Capital Increase Agreement in Respect of COFCO Fortune Co., Ltd." with COFCO Group Limited* (中糧集團有限公司), COFCO Fortune Co., Ltd.* (中糧福臨門股份有限公司) ("**COFCO Fortune**") and other investors, pursuant to which the Company subscribed for 179,968,695 shares of COFCO Fortune by way of a capital contribution of RMB5,499,999,987.02 by the Company in COFCO Fortune, representing approximately 5.81% of the total share capital of COFCO Fortune upon completion of the transaction. For details, please refer to the announcement of the Company dated 16 January 2023.
3. On 28 April 2023, the twenty-sixth meeting of the sixth session of the Board of the Company considered and approved the amendments to the Articles of Association and its appendices, i.e., the Rules of Procedures of Shareholders' General Meetings and the Rules of Procedures of the Board of Directors; the sixteenth meeting of the sixth session of the Supervisory Committee of the Company considered and approved the amendments to the Rules of Procedures of the Supervisory Committee, the appendix to the Articles of Association. On 25 May 2023, the above amendments were approved at the 2022 annual general meeting of the Company. The amended Articles of Association has taken effect upon the completion of registration with the market entity registration and management authority, and its appendices, i.e., the Rules of Procedures of Shareholders' General Meetings, the Rules of Procedures of the Board of Directors and the Rules of Procedures of the Supervisory Committee, took effect at the same time. For details, please refer to the announcement of the Company dated 28 April 2023, the circular of the Company dated 5 May 2023, the announcement of the Company dated 25 May 2023 and the overseas regulatory announcement of the Company dated 15 June 2023.

SUBSEQUENT EVENTS

Save as disclosed in Note 13 to the Interim Financial Information, there is no other material subsequent event.

AUDIT COMMITTEE

The Company has established the Audit Committee 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, staff qualifications and experience, effectiveness of internal audit, corporate governance and control, and the training programs and budget of the Company's accounting and financial reporting function), the completeness and accuracy of its accounts and to liaise on behalf of the Directors with external auditors. The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhou Zhonghui (chairman of the Audit Committee), Mr. Wu Dawei and Prof. Ma Si Hang Frederick, who meet regularly with management of the Company and the Company's external auditors, and review external auditors' review and audit reports (as applicable) and the interim and annual financial statements, as the case may be. The Audit Committee has reviewed the unaudited interim financial information for the six months ended 30 June 2023, 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 specific enquiries, the Directors were not aware of any information which reasonably showed that the Company had not complied with the Corporate Governance Code or any applicable code provisions therein at any time during the six months ended 30 June 2023.

EMPLOYEES AND REMUNERATION POLICIES

During the Reporting Period, in order to enhance the quality and capability of the Company's human resources as well as team spirit and fully cope with the business development of the Company, the Company organized many professional and comprehensive training programmes. The remuneration policies of the Company (including with respect to emolument payable to the Directors) are reviewed on a regular basis, taking into account the Company's results and market conditions, in order to formulate better incentives and appraisal measures.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Since the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 2005, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code for securities transactions by the Directors and Supervisors. After making specific enquiries with all Directors and Supervisors, each of them has confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company had not redeemed any of its listed shares during the six months ended 30 June 2023. Neither the Company nor any of its subsidiaries had purchased or sold any of its listed securities during the six months ended 30 June 2023.

INTERIM DIVIDEND

The Board recommended the payment of an interim dividend of RMB0.51 per ordinary Share (tax inclusive) for 2023, subject to approval by the Shareholders at the 2023 first extraordinary general meeting. The interim dividend will be denominated and declared in Renminbi, and payable in Renminbi to holders of A Shares of the Company and in Hong Kong dollars to holders of H Shares of the Company within two months upon approval at the 2023 first extraordinary general meeting.

The Company will disclose in due course, among other things, further details regarding the expected timetable and arrangement for closure of register of H Shareholders in respect of the proposed payment of interim dividend for the purpose of ascertaining Shareholders' entitlement to the payment of interim dividend by the Company.

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 WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The electronic version of this announcement has been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hold.coscoshipping.com>). An interim report for the six months ended 30 June 2023 containing all the relevant information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the same websites in due course. In addition, the Company has published the A Share interim report prepared under the Enterprise Accounting Standards on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) for investors' reference.

DEFINITIONS

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

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Company” or “COSCO SHIPPING Holdings”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 1919) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601919)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“COSCO SHIPPING Group”	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling Shareholder of the Company
“COSCO SHIPPING Lines”	COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司), a company incorporated in the PRC and a subsidiary of the Company
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199), and a non-wholly owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Enterprise Accounting Standards”	The Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC
“Group”	the Company and its subsidiaries
“HKAS”	the Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Model Code”	the Model Code for the Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“OOIL”	Orient Overseas (International) Limited, a company incorporated in Bermuda with limited liability and listed on the Hong Kong Stock Exchange (Stock Code: 0316) and a subsidiary of the Company
“OOCL”	Orient Overseas Container Line Limited, a wholly-owned subsidiary of OOIL
“PRC” or “China”	the People’s Republic of China
“GSBN”	Global Shipping Business Network, which was jointly promoted by the subsidiaries of the Company, namely COSCO SHIPPING Lines, OOCL and COSCO SHIPPING Ports, and five other international renowned liner companies and port operators, aiming to leverage on block chain technology to support and promote credible transactions, seamless cooperation and digital transformation among all participants in world trade
“Reporting Period”	the six months ended 30 June 2023
“OCEAN Alliance”	the members of OCEAN Alliance include COSCO SHIPPING Lines, OOCL, CMA CGM S.A., and Evergreen Marine Corp. (Taiwan) Ltd., with an aim to provide quality service and broad coverage
“Cargo Release”	Leveraging on blockchain eBL technology, Cargo Release offers a paperless, highly efficient and transparent solution connecting everyone involved at port of import including shipping lines, consignees, their agents and terminals. By eliminating the need for paper, it simplifies data exchange and shortens operation time among parties with real-time updates, cutting the time for cargo to be document ready for release from days to a matter of hours. The application been deployed across China, Southeast Asia, Europe and most recently Latin America, serving over 10,000 customers to date
“Supply Chain Portfolio Products”	The Group provide its customers with end-to-end supply chain services, which are integrating the Group’s shipping, truck, railway, customs declaration, warehousing, and other resources. Existing products includes “Talent Pegasus”, “Talent Mexico”, “Talent Malaysia”, “HiAmerica Delivery” and etc.

“TEU”	a standard 20-foot container that complies with the standards adopted by the International Organization for Standardization
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Supervisor(s)”	the supervisor(s) of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By Order of the Board
COSCO SHIPPING Holdings Co., Ltd.
Xiao Junguang
Company Secretary

Shanghai, the People’s Republic of China
29 August 2023

As at the date of this announcement, the Directors of the Company are Mr. WAN Min¹ (Chairman), Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. YANG Zhijian¹, Mr. ZHANG Wei¹, Mr. WU Dawei², Mr. ZHOU Zhonghui², Mr. TEO Siong Seng² and Prof. MA Si Hang Frederick².

¹ *Executive Director*

² *Independent non-executive Director*

* *For identification purpose only*