COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*
中遠海運能源運輸股份有限公司

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

(Stock Code: 1138)

2023 INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

- Revenues of the Group for the Reporting Period increased by approximately 54% to approximately RMB11,483 million
- Profit for the Reporting Period attributable to equity holders of the Company increased by approximately 1,531% to approximately RMB2,895 million
- The basic and diluted earnings per share for the Reporting Period were RMB60.68 cents and RMB60.60 cents respectively

The board (the "**Board**") of directors (the "**Directors**") of COSCO SHIPPING Energy Transportation Co., Ltd. (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (together referred to as the "**Group**") for the six months ended 30 June 2023 (or the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Note	Six months ended 30 June 2023 (Unaudited) RMB'000	2022 (Unaudited/ Restated) RMB'000
Revenues	4	**11,483,491**	7,474,982
Operating costs		**(7,465,501)**	(6,851,133)
Gross profit		**4,017,990**	623,849
Other income and net gains	5	**704,184**	239,554
Marketing expenses		**(28,987)**	(15,842)
Administrative expenses		**(479,330)**	(472,364)
Provision for impairment losses on financial and contract assets		**(14,226)**	(4,192)
Other expenses		**(70,711)**	(13,613)
Share of profits of associates		**212,474**	177,304
Share of profits of joint ventures		**356,844**	363,696
Finance costs	6	**(754,807)**	(462,745)
Profit before tax		**3,943,431**	435,647
Income tax expense	7	**(854,166)**	(92,072)
Profit for the period		**3,089,265**	343,575
Other comprehensive income			
Item that will not be reclassified to profit or loss, net of tax:			
Changes in the fair value of equity investments at fair value through other comprehensive loss		**(34,010)**	(51,238)
Remeasurement of defined benefit plan payable		**2,442**	899
Exchange differences from retranslation of financial statements of subsidiaries		**35,539**	31,661
Items that may be reclassified to profit or loss, net of tax:			
Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates		**382,797**	264,345
Net (loss)/gain on cash flow hedges		**(25,040)**	260,378
Hedging (loss)/gain reclassified to profit or loss		**(12,760)**	55,179
Share of other comprehensive income/(loss) of associates		**52,852**	(16,401)
Share of other comprehensive income of joint ventures		**179,107**	260,821
Other comprehensive income for the period		**580,927**	805,644
Total comprehensive income for the period		**3,670,192**	1,149,219

	Note	Six months ended 30 June **2023** **(Unaudited)** ***RMB'000***	2022 (Unaudited/ Restated) *RMB'000*
Profit for the period attributable to:			
Equity holders of the Company		**2,894,849**	177,525
Non-controlling interests		**194,416**	166,050
Profit for the period		**3,089,265**	343,575
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,459,893**	794,474
Non-controlling interests		**210,299**	354,745
		3,670,192	1,149,219
Earnings per share	*9*		
– Basic (RMB cents/share)		**60.68**	3.73
– Diluted (RMB cents/share)		**60.60**	3.72

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	30 June 2023	31 December 2022
	(Unaudited)	(Audited/ Restated)
	RMB'000	*RMB'000*
NON-CURRENT ASSETS		
Investment properties	**2,259**	2,259
Property, plant and equipment	**48,199,907**	47,179,133
Right-of-use assets	**761,427**	834,747
Goodwill	**73,325**	73,325
Investments in associates	**4,748,860**	4,392,639
Investments in joint ventures	**5,971,121**	5,377,379
Loan receivables	**1,338,902**	1,293,889
Financial assets at fair value through other comprehensive income	**341,744**	387,090
Deferred tax assets	**37,201**	38,645
Derivative financial instruments	**91,719**	116,525
Other non-current assets	**36,405**	172,236
	61,602,870	59,867,867
CURRENT ASSETS		
Current portion of loan receivables	**18,721**	19,046
Inventories	**1,063,861**	1,278,069
Contract assets	**1,104,394**	1,632,174
Trade and bills receivables	**1,306,411**	545,041
Prepayments, deposits and other receivables	**904,451**	668,099
Tax recoverable	**–**	40
Pledged bank deposits	**779**	778
Cash and bank	**5,254,932**	4,239,339
	9,653,549	8,382,586
TOTAL ASSETS	**71,256,419**	68,250,453

	30 June 2023 (Unaudited) *RMB'000*	31 December 2022 (Audited/ Restated) *RMB'000*
NON-CURRENT LIABILITIES		
Provision and other liabilities	**18,332**	18,634
Derivative financial instruments	**6,687**	–
Interest-bearing bank and other borrowings	**21,549,602**	20,746,728
Other loans	**953,149**	945,044
Employee benefits payable	**164,856**	159,908
Lease liabilities	**930,717**	1,086,548
Deferred tax liabilities	**1,438,585**	1,132,313
	25,061,928	24,089,175
CURRENT LIABILITIES		
Trade and bills payables	**1,734,193**	1,939,321
Other payables and accruals	**2,012,355**	1,000,003
Contract liabilities	**53,024**	18,894
Current portion of interest-bearing bank and other borrowings	**4,989,535**	7,018,242
Current portion of other loans	**51,710**	48,678
Current portion of bonds payable	**–**	–
Current portion of employee benefits payable	**24,747**	30,521
Current portion of lease liabilities	**389,835**	370,554
Income tax payable	**500,452**	164,304
	9,755,851	10,590,517
TOTAL LIABILITIES	**34,817,779**	34,679,692
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**4,770,776**	4,770,776
Reserves	**29,541,962**	26,799,895
	34,312,738	31,570,671
Non-controlling interests	**2,125,902**	2,000,090
TOTAL EQUITY	**36,438,640**	33,570,761

NOTES

1. CORPORATE INFORMATION

COSCO SHIPPING Energy Transportation Co., Ltd. (the "**Company**") is a joint stock company with limited liability established in the People's Republic of China (the "**PRC**"). The registered office of the Company is Room A-1015, No.188 Ye Sheng Road, China (Shanghai) Pilot Free Trade Zone, the PRC and the principal place of business is 670 Dongdaming Road, Hongkou District, Shanghai, the PRC.

During the Reporting Period, the Company and its subsidiaries (together the "**Group**") were involved in the following principal activities:

(a) investment holding;

(b) oil shipment along the PRC coast and international shipment;

(c) vessel chartering; and/or

(d) liquefied natural gas ("**LNG**") shipping.

The Board regards China COSCO SHIPPING Corporation Limited ("**COSCO Shipping**"), a state-owned enterprise established in the PRC, as being the Company's parent company. The Board regards China Shipping Group Company Limited, a state-owned enterprise established in the PRC, as the immediate parent company.

The H-Shares and A-Shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Shanghai Stock Exchange respectively.

This condensed consolidated interim financial information for the six months ended 30 June 2023 (the "**Interim Financial Information**") is presented in Renminbi ("**RMB**"), which is the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

The Interim Financial Information was approved for issue by the Board on 30 August 2023.

The Interim Financial Information has not been audited.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2023 has been prepared in accordance with HKAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the Group during the interim reporting period.

Going concern

As at 30 June 2023, the Group's current liabilities exceeded its current assets by approximately RMB102 million. The Group recorded a profit of approximately RMB3,089 million and net operating cash inflow of approximately RMB4,607 million for the period ended 30 June 2023. In preparing these financial statements, the Board considers the adequacy of cash inflows from operations and financing activities to meet its financial obligations as and when they fall due and prepared a cash flow forecast for the Group for period of not less than the coming 12 months. As at 30 June 2023, the Group has total unutilised uncommitted credit facilities of approximately RMB36,181 million from banks. The Board believes that, based on experience to date, the Group will continue to be able to drawdown loans from these facilities in the foreseeable future if required. With the cash inflows from operations and available credit facilities, the Board considers that the Group will be able to obtain sufficient financing to enable it to operate, meet its liabilities as and when they become due, and satisfy its capital expenditure requirements at least for not less than the coming 12 months. Accordingly, the Board believes that it is appropriate to prepare these financial statements on a going concern basis.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

2(a) New and amended standards adopted by the Group for the 6 months ended 30 June 2023

A number of amended standards became applicable for the Reporting Period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

- Insurance Contracts – HKFRS 17
- Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to HKAS 8

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2(b) Impact of standards issued but not yet applied by the Group for the 6 months ended 30 June 2023

As at 30 June 2023, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023. These new accounting standard, amendments and interpretation are not expected to have a material impact on the Group's financial statements when they become effective.

		Effective for accounting periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as current or non-current	1 January 2024
Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16	Lease liability in sale and leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	N/A
HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024

2(c) Change in accounting policy on Amendments to HKAS 12 by the Group

The Group has changed its accounting policy having regard to the amendments to HKAS 12. In applying the requirements in HKAS 12, the Group recognised deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, typically to the lease transactions as a lessee.

The change in accounting policy has been applied retrospectively by restating the balances as at 31 December 2022 and 1 January 2022, and the results for the six months ended 30 June 2022:

	As previously reported *RMB'000*	Effect of change *RMB'000*	As restated *RMB'000*
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
For the six months ended 30 June 2022			
Income tax expense	(91,926)	(146)	(92,072)
Profit for the period attributable to:			
Equity holders of the Company	177,600	(75)	177,525
Non-controlling interests	166,121	(71)	166,050
Profit for the period	**343,721**	**(146)**	**343,575**
Total comprehensive income for the period attributable to:			
Equity holders of the Company	794,549	(75)	794,474
Non-controlling interests	354,816	(71)	354,745
	1,149,365	**(146)**	**1,149,219**

	As previously reported *RMB'000*	Effect of change *RMB'000*	As restated *RMB'000*
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 31 December 2022			
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	38,274	371	38,645
TOTAL ASSETS	**38,274**	**371**	**38,645**
EQUITY			
Equity attributable to equity holders of the Company			
Reserves	26,799,707	188	26,799,895
Non-controlling interests	1,999,907	183	2,000,090
TOTAL EQUITY	**28,799,614**	**371**	**28,799,985**
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 1 January 2022			
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	40,387	871	41,258
TOTAL ASSETS	**40,387**	**871**	**41,258**
EQUITY			
Equity attributable to equity holders of the Company			
Reserves	23,828,354	444	23,828,798
Non-controlling interests	1,331,237	427	1,331,664
TOTAL EQUITY	**25,159,591**	**871**	**25,160,462**

3. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The Group's major operating assets represent vessels. Management determines the estimated useful lives, residual values and related depreciation expenses for vessels. Management estimates useful lives of vessels by reference to the Group's business model, its assets management policy, the industry practice, expected usage of the vessels, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the vessel market.

Management determines the estimated residual value for its vessels by reference to all relevant factors (including the use of the current scrap values of steels in an active market) at each measurement date. The depreciation expense will change where the useful lives or residual value of vessels are different from the previous estimate.

In addition to above, in preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

4. REVENUES AND SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's business segments are categorised as follows:

(a) oil shipment

- oil shipment
- vessel chartering

(b) LNG shipping

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments.

Business segments

An analysis of the Group's revenues and contribution to profit from operating activities by principal activity and geographical area of operations for the Reporting Period is set out as follows:

	Six months ended 30 June			
	2023		2022	
	Revenues	**Contribution**	Revenues	Contribution
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
By principal activity:				
Oil shipment				
– Oil shipment	**9,324,770**	**2,947,856**	6,439,531	386,450
– Vessel chartering	**1,288,278**	**613,752**	423,094	(85,431)
	10,613,048	**3,561,608**	6,862,625	301,019
LNG shipping	**870,443**	**456,382**	612,357	322,830
	11,483,491	**4,017,990**	7,474,982	623,849
Other income and net gains		**704,184**		239,554
Marketing expenses		**(28,987)**		(15,842)
Administrative expenses		**(479,330)**		(472,364)
Provision for impairment losses on financial and contract assets		**(14,226)**		(4,192)
Other expenses		**(70,711)**		(13,613)
Share of profits of associates		**212,474**		177,304
Share of profits of joint ventures		**356,844**		363,696
Finance costs		**(754,807)**		(462,745)
Profit before tax		**3,943,431**		435,647

The Group's revenues for the period are recognised over time.

The Group's revenues are mainly with contract period of less than one year. So, the Group takes the expedient not to disclose the unsatisfied performance obligation under HKFRS 15.

Segment contribution represents gross profit incurred by each segment without allocation of central administration costs (including emoluments of directors, supervisors and senior managements), marketing expenses, provision for impairment losses on financial and contract assets, other expenses, share of profits of associates, share of profits of joint ventures, other income and net gains and finance costs. This is the measure reported to the Group's chief operating decision makers for the purposes of resources allocation and performance assessment.

During the periods ended 30 June 2023 and 2022, total segment revenue represents total consolidated revenue as there were no inter-segment transactions between the business segments.

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000* (Restated)
Total segment assets		
Oil shipment	**46,388,754**	46,243,698
LNG	**22,291,351**	19,458,471
Others	**2,576,314**	2,548,284
	71,256,419	68,250,453
Total segment liabilities		
Oil shipment	**22,659,712**	24,162,945
LNG	**12,152,423**	10,505,909
Others	**5,644**	10,838
	34,817,779	34,679,692

As at 30 June 2023, the total net carrying amounts of the Group's oil tankers and LNG vessels were RMB32,974,555 (31 December 2022: RMB33,683,815,000) and RMB12,501,666 (31 December 2022: RMB10,901,939,000) respectively.

Geographical segments

	Six months ended 30 June			
	2023		2022	
	Revenues	**Contribution**	Revenues	Contribution
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
By geographical area:				
Domestic	**3,053,121**	**728,608**	2,940,649	723,773
International	**8,430,370**	**3,289,382**	4,534,333	(99,924)
	11,483,491	**4,017,990**	7,474,982	623,849

Other information

	Oil shipment	**LNG**	**Others**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2023				
Additions to non-current assets	**472,645**	**1,349,299**	**–**	**1,821,944**
Depreciation and amortisation	**1,310,534**	**212,980**	**2,568**	**1,526,082**
Gain on disposal of property, plant and equipment, net	**397,765**	**–**	**–**	**397,765**
Interest income	**68,796**	**17,993**	**42**	**86,831**
Six months ended 30 June 2022				
Additions to non-current assets	891,588	1,026,361	23	1,917,972
Depreciation and amortisation	1,189,665	147,508	2,112	1,339,285
Gain on disposal of property, plant and equipment, net	6,418	–	–	6,418
Interest income	16,468	12,971	–	29,439

The principal assets employed by the Group are located in the PRC and, accordingly, no geographical segment analysis of assets and expenditure has been prepared for the six months ended 30 June 2023 and 2022.

5. OTHER INCOME AND NET GAINS

		Six months ended 30 June	
		2023	2022
	Note	***RMB'000***	*RMB'000*
Other income			
Government subsidies	*(i)*	**46,679**	130,484
Interest income from loan receivables		**43,031**	21,277
Bank interest income		**43,800**	8,162
Rental income from investment properties		**128**	90
Others		**28,826**	(2,394)
		162,464	157,619
Other gains			
Exchange gains, net		**140,679**	75,517
Gains on disposal of property, plant and equipment, net	*(ii)*	**397,765**	6,418
Others		**3,276**	–
		541,720	81,935
		704,184	239,554

Note:

(i) The government subsidies during the Reporting Period mainly represent the subsidies granted for business development purpose and refund of tax. There were no unfulfilled conditions or contingencies relating to these subsidies.

(ii) During the Reporting Period, the disposal gains of the sale of 5 vessels are approximately RMB398 million.

6. FINANCE COSTS

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Interest expenses on:		
– bank loans and other borrowings	**717,688**	267,038
– corporate bonds	**–**	64,131
– interest rate swaps: cash flow hedges, reclassified from other comprehensive (income)/loss	**(12,760)**	55,179
– lease liabilities	**28,362**	33,377
– exchange loss, net	**41,321**	45,240
	774,611	464,965
Less: interest capitalised	**(19,804)**	(2,220)
	754,807	462,745

During the Reporting Period, the capitalisation rate applied to funds borrowed and utilised for the vessels under construction was at a rate of 3.00% to 6.88% (six months ended 30 June 2022: 2.41% to 3.00%) per annum.

7. INCOME TAX EXPENSE

	Note	Six months ended 30 June 2023 RMB'000	2022 RMB'000 (Restated)
Current income tax			
PRC			
– provision for the period	*(i)*	**581,336**	59,606
– adjustments for current tax of prior periods		**(47,083)**	99
Other districts			
– provision for the period	*(ii)*	**850**	617
		535,103	60,322
Deferred income tax			
Decrease in deferred tax assets		**1,454**	1,310
Increase in deferred tax liabilities		**317,609**	30,440
		319,063	31,750
Total income tax expense		**854,166**	92,072

Note:

i. PRC Corporate Income Tax

Under the Law of the PRC on Corporate Income Tax Law (the "**CIT Law**") and Implementation Regulation of the CIT Law, the tax rate of the entities within the Group established in the PRC is 25% (six months ended 30 June 2022: 25%) except for those entities with tax concession.

ii. Taxes or profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the entities within the Group operate.

8. DIVIDENDS

	Six months ended 30 June 2023 RMB'000	2022 RMB'000
Ordinary shares		
Dividends provided for or paid during the period	**715,616**	–

Final dividend of RMB0.15 per share in respect of the year ended 31 December 2022 was approved by shareholders at the annual general meeting held on 29 June 2023 and no payment was paid during the Reporting Period.

The Board did not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2022: Nil).

9. EARNINGS PER SHARE

(a) Basic

	Six months ended 30 June	
	2023	2022 (Restated)
Profit attributable to equity holders of the Company *(RMB'000)*	**2,894,849**	177,525
Weighted average number of ordinary shares in issue	**4,770,776,395**	4,764,039,303
Basic earnings per share *(RMB cents/share)*	**60.68**	3.73

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 in issue during the period.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options.

	Six months ended 30 June	
	2023	2022 (Restated)
Profit attributable to equity holders of the Company (*RMB'000*)	**2,894,849**	177,525
Weighted average number of ordinary shares in issue	**4,770,776,395**	4,764,039,303
Adjustments for share options	**5,811,172**	2,172,128
Weighted average number of ordinary shares for diluted earnings per share	**4,776,587,567**	4,766,211,431
Diluted earnings per share *(RMB cents/share) (Note)*	**60.60**	3.72

Note:

For the six months ended 30 June 2023, the share options granted by the Company have potential dilutive effect on the earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

1. The main businesses, operating model of the Group and conditions of the industry during the Reporting Period

(1) Industry and Characteristics

The Group is mainly engaged in the shipping of crude oil, product oil and LNG. As fossil energy, oil and natural gas play a pivotal role in the global energy structure and consumption sector, being the important strategic raw materials that support the development of a national economy and the society. Due to the imbalance between the distribution and consumption regions of global energy resources such as oil and natural gas, oil and natural gas trade and transportation play an essential role in the international economy development.

Oil tanker is a crucial marine transportation tool. Compared with other modes of transportation such as pipeline transportation, oil tanker is the first choice for international oil transportation due to its advantages in strong transportation capacity, large transportation volume, lower freight costs and the ability to cross continents and oceans, despite high safety requirements, professional operating management and long investment return period for the oil tanker transportation industry. Currently, about 80% of the world's oil is transported by oil tankers.

The LNG carriers have been recognized internationally as 'three high' products with high technology, high difficulty and high added value. With the increasing maturity of LNG shipping technology and management expertise, natural gas transportation shows a clear trend of declining pipeline transportation and rising seaborne LNG transportation in the past decade, and the LNG transportation industry has entered a period of rapid development and stable income. Nowadays, the majority of vessels among the global LNG fleet are bound to particular LNG projects ("**Project Vessels**"), where most of which involve long-term time charters with the project parties, which brings stable charter incomes and investment return.

(2) The competitive position and operation model in industry

The Group is mainly engaged in international and domestic coastal shipping of crude and product oil and international LNG transportation. Relying on China's huge demand for oil and gas import, abundant international and domestic large-scale customer resources and comprehensive industrial chain resources of the controlling shareholder, the Group has maintained its leading position in the oil and gas import transportation sector in China, exerting a good market influence and brand reputation by virtue of its excellent management expertise and considerable fleet size.

In terms of fleet size, the Group is the world's largest oil tanker owner, covering all mainstream tanker types, and stands out globally with its complete type of vessels. As of 30 June 2023, the Group owned and chartered-in 154 oil tankers with a total capacity of 22.42 million deadweight tons ("**DWT**").

The Group is a leader in China's LNG shipping business and an important participant in the world's LNG shipping market. COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd ("**Shanghai LNG**"), which is a wholly-owned subsidiary of the Group, and China LNG Shipping (Holdings) Limited ("**CLNG**"), in which the Company holds 50% equity, are the leading large-scale LNG transportation companies in China. As of 30 June 2023, the Group had 68 jointly-invested LNG vessels, all of which are Project Vessels with stable income. Among them, 42 LNG vessels with a capacity of 7.03 million cubic meters have been put into operation; 26 LNG vessels with a capacity of 4.52 million cubic meters were under construction. In recent years, as the LNG carriers, for which the Group is involved in investment and construction, are gradually put into operation, the Group's LNG transportation business has accelerated into the harvest period.

As a global leading oil tanker owner, the Group continues to provide quality energy transportation services for domestic and international customers with its global marketing and service network, solid ship and safety management expertise, and 'customer-centric' operating philosophy. In addition, as the largest global importer of oil and natural gas, China's massive oil and gas import volume has brought the Group an affluent customer base and business opportunities. Through in-depth cooperation over a long period, the Group has established good strategic partnerships with various major oil companies and domestic independent refineries, laying an essential foundation for the Group's business development and the improvement of value creation capabilities.

China COSCO SHIPPING Corporation Limited (together with its subsidiaries, the "**COSCO SHIPPING Group**"), the controlling shareholder of the Group, has formed a complete industrial structure system in the upstream and downstream industrial chains of shipping, ports, logistics, shipping finance, ship repair and building, and digital innovation. Relying on the solid resource background and brand advantages of COSCO SHIPPING Group, the Group is enabled to implement refined and centralized procurement of bunker fuel, sign preferential port usage agreements, enrich customer and route resources, and actively explore coordinated development with outstanding companies under the controlling shareholder, so as to provide better-integrated energy transportation solutions and value-added services for all parties, and continue to move towards the goal of "resource integrator" and "solution provider".

The operation model of the Group's oil shipping business mainly includes spot market chartering, time chartering, signing contracts of affreightment ("**COA**") with cargo owners, entering associated operating entities ("**POOL**"), and other various ways to launch operating activities using its self-owned and controlled vessels. The Group stands out globally with its complete tanker offerings, which allows the integration of domestic and international voyages by employing crude and product tankers of different sizes. The Group gives full play to the advantages of its tanker types and shipping route networks to provide customers with whole-process logistics solutions involving materials import in international trade, transshipment and lightering in domestic trade, product oil transshipment and export, and downstream chemicals shipping, etc., to help customers to reduce logistics costs and therefore realize win-win cooperation.

In the overall business structure of the Group, the LNG shipping business brings stable and increasing income for the Group, while the Group's coastal (domestic trade) oil shipping business, as a leading player in the coastal crude oil and product oil shipping industry in the PRC, also plays a crucial role in providing a "safety cushion for the operating results". In addition, the international (foreign trade) oil shipping business provides high cyclical resilience to the Group's operating results.

2. Analysis of the international and domestic shipping market during the Reporting Period

(1) International oil shipping market

In the first half of 2023, the demand for petroleum gradually recovered and surpassed pre-pandemic levels. Global oil demand reached 102 million barrels per day by the end of June 2023, increasing by 2.2 million barrels per day compared with the corresponding period of last year, with more than 90% of the increase in demand occurring in non-Organization for Economic Co-operation and Development countries, of which the incremental demand in the Chinese market accounted for as much as 73% (about 1.6 million barrels per day), according to the International Energy Agency ("**IEA**"). Oil supply is tightening steadily, IEA data shows that the global oil supply reached 101.8 million barrels per day in June 2023, Organization of the Petroleum Exporting Countries and its allies ("**OPEC+**") made several announcements to cut oil output in order to support oil prices, while the overall production of non-Organization of the Petroleum Exporting Countries ("**non-OPEC**") countries remained stable.

In terms of demand for tanker transportation, in the first half of 2023, the international geopolitics and economic conditions still exert a continuous impact on the oil transportation market, and the global oil trade structure is deeply reconfigured, promoting the year-on-year growth in transportation demand, among which:

Crude oil shipping segment: In the first half of 2023, the volume of crude oil transportation trade remained at a high level, with incremental route growth coming mainly from Russian exports to Asia, European long-distance imports, and Chinese imports (especially long-haul shipments from the Atlantic region). According to Kpler, in the first half of 2023, the average global crude oil shipping distance increased by about 5% year-on-year, of which Russian crude oil export shipping distance increasing by 37% year-on-year, providing a significant boost to the transportation demand for Suezmax and Aframax.

Product oil shipping segment: Trade flows likewise continue to undergo a reconfiguration process. According to Kpler, in the first half of 2023, the global product oil shipping distance increased by about 4% year-on-year; the Russian product oil export shipping distance increased by 85% year-on-year, and the EU product oil import shipping distance increased by 25% year-on-year, which played a certain supportive role in the demand for the transportation of LR and MR.

In terms of tanker supply, the tanker fleet maintained its growth at a low rate. In the first half of 2023, a total of 90 tankers with 10.34 million DWT were delivered globally, representing a significant year-on-year decrease in deliveries, of which 17 Very Large Crude Carriers ("**VLCC**") were delivered. A total of 7 tankers were demolished. Moreover, as of the end of June 2023, there were 432 new-building orderbook of tankers, and the orderbook-to-fleet ratio was about 5.05%, which remains at a historically low level. Meantime, the proportion of global tankers over 15 years was as high as 37%, and the global tanker fleet presented a picture of aging and a lack of investment in new tankers.

From the perspective of freight rate performance, freight rates of VLCC fluctuated sharply in the first half of 2023, and appeared a strong rise in the traditional off-season, which fully reflected the sensitive and elastic characteristics of international tanker freight rates. According to the Baltic Exchange data, the average daily Time Charter Equivalent ("**TCE**") of VLCC Middle East – China route (TD3C) amounted to 43,039 USD/day in the first half of 2023, an increase of about 561% as compared with that for the corresponding period of last year. The phased growth of China's oil demand and the contribution of crude oil exports from the United States and Brazil to the long distance routes are the main drivers for the high VLCC freight rates in the first half of 2023. In terms of the product oil shipping segment, the reduction of the product oil arbitrage window in the first half of 2023 led to a decline in cross-regional cargo sources, and the freight rate performance of LR and MR tankers showed an overall trend of falling and adjusting after a high consolidation, but the freight rate performance was still significantly higher than that of the corresponding period of last year.

(2) Domestic oil shipping market

Crude oil shipping: In the first half of 2023, the domestic economic environment gradually recovered, and the overall prosperity of the crude oil transportation market increased steadily. Offshore oil production remained stable; the increase in China's crude oil imports supported the domestic demand for transshipment to increase by about 5.65 million tons year-on-year, an increase of approximately 27.6%. Pipeline oil shipping maintained a normal pace of shipment.

Product oil shipping: In the first half of 2023, there was a phased recovery in the domestic consumption of product oil, but the overall domestic product oil transportation market was under pressure due to the increasingly balanced distribution of domestic refineries, the gradual replacement of the traditional north-south oil transportation by short-haul voyages, and the impact of the development of new energy products on gasoline and diesel consumption.

(3) LNG shipping market

According to Refinitiv, global LNG export volume of major countries amounted to approximately 220.7 million tons in the first half of 2023, representing an increase of approximately 0.9% over the same period in 2022. LNG demand in Europe surged due to intensified geopolitical conflicts, while LNG demand in Asia was relatively weak.

18 LNG supply and purchase agreements ("**SPAs**") were signed globally in the first half of 2023, which was beneficial for LNG export projects and LNG shipping market in general. A total of 3 LNG projects completed their final investment decisions ("**FID**") in the first quarter, with two FIDs made by the U.S. as a major supplier of additional LNG export volumes, including Plaquemines LNG Phase 2 and Port Arthur LNG, and the third FID being the Gabon LNG in Gabon. The increase in LNG export projects and the addition of long-term LNG SPAs have brought good development opportunities for LNG shipping.

As of the end of June 2023, the global LNG fleet consisted of a total of 619 LNG carriers (excluding LNG bunkering vessels, FSRU, FSU and FLNG), with a total capacity of approximately 101.57 million cubic meters. In the first half of 2023, 27 LNG vessels, each with a capacity of more than 40,000 cubic meters, were delivered worldwide and approximately 32 new orders were placed.

3. Review of operating results during the Reporting Period

As of the end of June 2023, the Group held 154 oil tankers with 22.42 million DWT, representing a decrease of 5 vessels with 0.92 million DWT as compared with that as of the end of 2022. In the first half of 2023, the Group realized a transportation volume (excluding time charters) of 86.1688 million tonnes with a year-on-year decrease of 3.3%; transportation turnover (excluding time charters) of 267.393 billion tonne-miles with a year-on-year increase of 0.5%; revenues from principal operations of RMB11.483 billion with a year-on-year increase of 53.6%; cost of principal operations of RMB7.466 billion with a year-on-year increase of 9.0%, and gross profit margin increased by 26.6 percentage points year-on-year. The net profit attributable to equity holders of the Company was RMB2.895 billion with a year-on-year increase of 1,529.99%, and EBITDA of RMB6.18 billion with a year-on-year increase of 188.8%.

In the first half of 2023, under volatile oil shipping market and the turbulent and complex international situation, the Group prepared for steady and solid business performance mainly by working in the following six aspects:

The first aspect is to seize the opportunity of the high point of the international oil shipping market, optimize the layout of global routes, and significantly improve the operating efficiency of international shipping; the second aspect is to pay close attention to market changes, flexibly implement the integration of domestic and international voyages, and seek the optimal solution for overall operation; the third aspect is to lock in a high percentage of basic cargo sources for domestic shipping and consolidate and expand the cooperation foundation with important customers; the fourth aspect is to strengthen the development of new LNG projects and concentrate on polishing the core capabilities of LNG independent ship management; the fifth aspect is to closely follow the quality improvement of listed companies, explore the value of ESG connotation, and issue biodiversity conservation statements, and the sixth aspect is to adhere to compliance and safety development, and ensure compliance risk prevention and global ship safety management.

(1) Revenues from Principal Operations

For the six months ended 30 June 2023, overall conditions of the Group's principal operations classified by products transported and geographical regions were as follows:

Principal Operations by Products Transported

Industry or product	**Revenues**	**Operating costs**	**Gross profit margin**	**Increase/ (decrease) in revenues as compared with the same period in 2022**	**Increase/ (decrease) in operating costs as compared with the same period in 2022**	**Increase/ (decrease) in gross profit margin as compared with the same period in 2022**
	(RMB'000)	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(percentage points)*
Domestic crude oil	1,718,251	1,258,270	26.8	11.6	16.5	(3.1)
Domestic refined oil	1,276,232	1,014,229	20.5	(5.3)	(6.7)	1.2
Domestic vessel chartering	58,638	52,014	11.3	9.7	4.2	4.6
Domestic oil shipping Sub-total	3,053,121	2,324,513	23.9	3.8	4.9	(0.7)
International crude oil	5,044,217	3,337,069	33.8	81.4	4.2	49.0
International refined oil	1,286,070	767,346	40.3	66.8	12.3	29.0
International vessel chartering	1,229,640	622,512	49.4	232.7	35.7	73.4
International Oil Shipping Sub-total	7,559,927	4,726,927	37.5	92.8	8.8	48.3
Oil shipping Sub Total	10,613,048	7,051,440	33.6	54.6	7.5	29.2
International LNG shipping	870,443	414,061	52.4	42.1	43.0	(0.3)
Total	11,483,491	7,465,501	35.0	53.6	9.0	26.6

Principal Operations by Geographical Regions

Geographical regions	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenues as compared with the same period in 2022	Increase/ (decrease) in operating costs as compared with the same period in 2022	Increase/ (decrease) in gross profit margin as compared with the same period in 2022
	(RMB'000)	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(percentage points)*
Domestic shipping	3,053,122	2,324,516	23.9	3.8	4.9	(0.7)
International shipping	8,430,369	5,140,986	39.0	85.9	10.9	41.2
Total	11,483,491	7,465,502	35.0	53.6	9.0	26.6

(2) Shipping Business – Oil and LNG Shipping

International oil shipping business:

In the first half of 2023, the international tanker fleet of the Group achieved revenue from international oil shipping of RMB7.560 billion, representing a year-on-year increase of 92.8%; gross profit for the segment was RMB2,833 million, representing a year-on-year increase of RMB3,256 million, and gross profit margin was 37.5%, representing a year-on-year increase of 48.3 percentage points.

VLCC fleet: In the first half of 2023, the overall market prosperity was relatively high, and freight rates fluctuated sharply and the pace changed rapidly. In order to enhance the overall fleet efficiency, the Group has further expanded the western markets, seized market opportunities to lock in long-routs revenues, and significantly increased the diversification of cargo sources and routes. At the same time, the Group gave full play to the marketing function of its overseas outlets and deepen the regional market, with remarkable results in the development of new customers and new routes.

International small and medium-sized fleet: Faced with structural changes in international oil trade, the Group formulated the optimal business strategies after fully assessing the trend of market so as to improve its overall operating efficiency, which mainly include the following:

(1) The Group deepened the cooperation with large international oil companies, and at the same time increased the development of the third country market and new customers. The Group further normalized the operation of high value-added Oceania routes. The Group signed new COAs to lock the base cargo source of LR fleet, optimize the fleet capacity allocation through triangular route, and improve the ship efficiency.

(2) In view of the market situation of different vessel types in domestic and international shipping in the first half of the year, the Group seized the periodic opportunities in the international oil shipping market and improved the overall fleet efficiency by making full use of vessels suitable for both domestic and international voyages to adjust the capacity allocation.

In addition, the Group dynamically adjusts ship repair arrangements based on the market trends of different oil tanker types, ensuring the shipping capacity during relatively high market periods, and promoting the overall fleet to achieve optimal efficiency.

Domestic oil shipping business:

In the first half of 2023, the domestic oil shipping market generally remained stable. The Group recorded domestic oil shipping revenue of RMB3.053 billion with a year-on-year increase of 3.8%, gross profit of RMB729 million with a year-on-year increase of 0.7%, and gross profit margin of 23.9% with a year-on-year decrease of 0.7 percentage point.

(1) The Group signed COA contracts with several key customers and locked more than 90% of the base cargo source. The Group also diversified customer resources and route layout, thereby ensuring the cargo source supply for the fleet in coastal operating areas.

(2) By focusing on TCE, the Group improved the structure of customers, cargo sources and routes, and through scientific scheduling and cost control measures, the operating level of each vessel type was improved year-on-year despite the year-on-year increase in fuel costs.

(3) The Group innovated the operation mode by combining customers' characteristics, consolidated and promoted the short routes time charter mode, effectively enhancing the chartering revenue of short routes.

LNG shipping business:

In the first half of 2023, the Group realized a net profit attributable to equity shareholder of the Company from the LNG shipping segment of RMB403 million, representing a year-on-year increase of RMB21 million.

(1) The Group seized the opportunity to sign long-term contracts with traders, actively participated in the domestic and international tenders, and promoted the implementation of LNG shipping projects. During the Reporting Period, the Group's LNG fleet size grew steadily. As of the end of the Reporting Period, the Group has invested 68 LNG vessels.

(2) The Group continued to improve the level of self-managed vessels, highlighting the value creation capability. Taking the landing of PetroChina's project as an opportunity, the ship management company in Hong Kong, a subsidiary of the Group, continued to improve its management level, and with the goal of high standing, high standard and high quality, selected and strengthened an international ship management team, which greatly enhanced the Group's own ability of management and control for LNG vessels.

(3) The Group coordinated resources to cultivate self-owned crew for LNG vessels. Self-owned crew for LNG vessels are the core of safe and efficient operation of LNG transportation. In order to rapidly improve the self-management capability of LNG vessels and the guarantee capability of self-owned crew for LNG vessels, the Group and Dalian Maritime University jointly promoted the first ordering class for LNG crew, which has solidified the foundation of the sustainable development of the Group's LNG business.

4. Cost and expenses analysis

For the six months ended 30 June 2023, the composition of the operating costs of the Group's main businesses is as follows:

	For the six months ended 30 June 2023 ***(RMB'000)***	For the six months ended 30 June 2022 *(RMB'000)*	Increase/ (decrease) *(%)*	Composition ratio in the six months ended 30 June 2023 *(%)*
Oil shipping operating costs Items				
Fuel costs	**2,579,249**	2,358,562	9.4	36.6
Port costs	**451,297**	458,521	(1.6)	6.4
Sea crew costs	**1,226,838**	1,098,384	11.7	17.4
Lubricants expenses	**153,007**	144,411	6.0	2.2
Depreciation	**1,279,890**	1,160,554	10.3	18.2
Insurance expenses	**94,370**	92,339	2.2	1.3
Repair expenses	**200,254**	147,558	35.7	2.8
Charter costs	**799,574**	850,886	(6.0)	11.3
Others	**266,961**	250,391	6.6	3.8
Sub-total	**7,051,440**	6,561,606	7.5	100.0
LNG shipping operating costs Items				
Sea crew costs	**89,870**	57,856	55.3	21.7
Lubricants expenses	**9,952**	2,416	312.0	2.4
Depreciation	**211,917**	146,975	44.2	51.2
Insurance expenses	**12,550**	8,238	52.3	3.0
Repair expenses	**71,867**	58,202	23.5	17.4
Others	**17,905**	15,840	13.0	4.3
Sub-total	**414,061**	289,527	43.0	100.0
Total	**7,465,501**	6,851,133	9.0	100.0

Reasons of the changes in cost and expenses:

Oil shipping costs

(1) Fuel costs: Fuel costs increased by 9.4% year-on-year, mainly due to the year-on-year increase in unit fuel price and turnover.

(2) Sea crew costs: Sea crew costs increased by 11.7% year-on-year, mainly due to the increase in the social insurance base for crew.

(3) Depreciation: Depreciation increased by 10.3% year-on-year, mainly due to the increase in the depreciation and amortization of ship technical transformation and docking repair and the significant increase in the exchange rate of the U.S. dollar.

(4) Repair expenses: Repair expenses increased by 35.7% year-on-year, mainly due to the year-on-year increase in the number of vessels repaired and the accelerated procurement and requisition process of spare parts.

LNG shipping costs: LNG shipping costs increased by 43.0% year-on-year, mainly due to the put into operation successively of the vessels for PetroChina's project, and the depreciation, crew and engine expenses increased accordingly.

5. Operating results of the joint ventures and the associates

In the first half of 2023, the two major joint venture and associate of the Group realized a total operating revenue of approximately RMB1,693 million and a total net profit attributable to the parent of approximately RMB776 million with a year-on-year increase of 5.0%. The Group recognized investment income from joint ventures and associates of approximately RMB569 million with a year-on-year increase of 5.4%.

(1) The operating results achieved by the major joint venture of the Group for the Reporting Period were as follows:

Company name	**Interest held by the Group**	**Shipping turnover**	**Operating revenues**	**Net profit (attributed to the parent)**
		(billion tonne-miles)	*(RMB'000)*	*(RMB'000)*
CLNG	50%	34.62	638,113	473,200

(2) The operating results achieved by an associate of the Group for the Reporting Period were as follows:

Company name	**Interest held by the Group**	**Shipping turnover**	**Operating revenues**	**Net profit (attributed to the parent)**
		(billion tonne-miles)	*(RMB'000)*	*(RMB'000)*
Shanghai Beihai Shipping Company Limited	40%	9.27	1,054,945	302,698

6. Financial analysis

(1) Net cash generated from operating activities

The Group's principal sources of liquidity are cash flow from operating activities and bank borrowings. The Group's cash is mainly used for operating expenses, repayment of loans, construction of new vessels. The net cash generated from operating activities of the Group for the Reporting Period was approximately RMB4,607,220,000, representing an increase of approximately 467% as compared to approximately RMB812,851,000 for the six months ended 30 June 2022. The Group expects that capital needs for regular working capital and capital expenditure can be funded by the internal cash flow of the Group or external financing.

(2) Capital commitments

	Note	**30 June 2023** **RMB'000**	31 December 2022 *RMB'000*
Authorised and contracted but not provided for:			
Construction and purchases of vessels	*(i)*	**5,853,054**	6,972,156
Equity investments	*(ii)*	**–**	311,479
		5,853,054	7,283,635

Note:

(i) According to the construction and purchase agreements entered into by the Group, these capital commitments will fall due in 2023 to 2026.

(ii) Included in capital commitments in respect of equity investments are commitments to invest in an associate of the Group.

In addition to the above, the Group's share of the capital commitments of its associates, which are contracted but not provided for amounted to RMB215,907,000 (31 December 2022: RMB395,440,000). The Group's share of the capital commitments of its joint ventures, which are contracted but not provided for amounted to RMB1,890,180,000 (31 December 2022: RMB2,226,710,000).

(3) *Capital structure*

Management monitors the Group's capital structure on the basis of a net debt-to-equity ratio. For this purpose, the Group defines net debt as total debts which includes interest-bearing bank and other borrowings, other loans and lease liabilities less cash and bank.

It is the intention of the Group to maintain an appropriate composition of equity and debt to constantly achieve an effective capital structure.

The Group's net debt-to-equity ratio as at 30 June 2023 and 31 December 2022 is as follows:

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Total debts	**28,864,548**	30,215,794
Less: cash and bank	**(5,254,932)**	(4,239,339)
Net debt	**23,609,616**	25,976,455
Total equity	**36,438,640**	33,570,761
Net debt-to-equity ratio	**65%**	77%

As at 30 June 2023, the balance of cash and bank amounted to RMB5,254,932,000, representing an increase of RMB1,015,593,000 and by 24% as compared to the end of last year. The Group's cash and bank are mainly denominated in RMB and USD, the remainder are denominated in Euro, Hong Kong dollar and other currencies.

As at 30 June 2023, the Group's net gearing ratio (i.e. net debts over total equity) was 65%, which was 12% lower than as at 31 December 2022.

(4) TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Trade and bills receivables from third parties	**1,129,525**	543,923
Trade receivables from related companies *(Note)*	**184,455**	2,173
Trade receivables from fellow subsidiaries	**11,319**	5,068
Trade receivables from a joint venture	**141**	–
	1,325,440	551,164
Less: allowance for doubtful debts	**(19,029)**	(6,123)
	1,306,411	545,041
Current contract assets relating to oil shipment contracts	**1,110,295**	1,636,674
Less: allowance	**(5,901)**	(4,500)
Total contract assets	**1,104,394**	1,632,174

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

Trade receivables from joint ventures, fellow subsidiaries and related companies are unsecured, non-interest-bearing and under normal credit year as other trade receivables.

An ageing analysis of trade and bills receivables at the end of the Reporting Period, based on the invoice date and net of allowance for doubtful debts, is as follows:

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Within 3 months	**1,091,226**	397,569
4-6 months	**130,193**	51,230
7-9 months	**11,403**	54,306
10-12 months	**7,716**	34,031
1-2 years	**65,651**	7,897
Over 2 years	**222**	8
	1,306,411	545,041

(5) TRADE AND BILLS PAYABLES

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Trade and bills payables to third parties	**851,645**	891,755
Trade payables to fellow subsidiaries	**864,064**	1,016,493
Trade payables to an associate	**5,957**	8,825
Trade payables to related companies *(Note)*	**12,527**	22,248
	1,734,193	1,939,321

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

Trade payables due to fellow subsidiaries, associates and related companies are unsecured, non-interest-bearing and under normal credit year as other trade payables.

An ageing analysis of trade and bills payables at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2023 *RMB'000*	31 December 2022 *RMB'000*
Within 3 months	**1,192,866**	1,555,796
4-6 months	**230,243**	62,160
7-9 months	**104,176**	67,007
10-12 months	**6,446**	89,181
1-2 years	**150,283**	147,707
Over 2 years	**50,179**	17,470
	1,734,193	1,939,321

Trade and bills payables are non-interest-bearing and are normally settled in one to three months.

(6) DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2023, the Group had interest rate swap agreements with total notional principal amount of approximately USD720,472,000 (equivalent to approximately RMB5,205,987,000) (31 December 2022: approximately USD734,232,000 (equivalent to approximately RMB5,113,632,000)) which will be matured in 2031, 2032, 2033, 2034 and 2035 (31 December 2022: 2031, 2032, 2033, 2034 and 2035). These interest rate swap agreements are designated as cash flow hedges in respect of the Group's certain portion of bank borrowings with floating interest rates.

During the Reporting Period, the floating interest rates of the bank borrowings were 3-month LIBOR plus 2.20% and 3-month LIBOR plus 1.40% (six months ended 30 June 2022: 3-month LIBOR plus 2.20% and 3-month LIBOR plus 1.40%) per annum.

As at 30 June 2023 and 31 December 2022, the Group has the following derivative financial instruments:

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
Non-current assets		
Interest rate swaps – cash flow hedges	**91,719**	116,525
Total non–current derivative financial instrument assets	**91,719**	116,525
Non-current liabilities		
Interest rate swaps – cash flow hedges	**(6,687)**	–
Total non–current derivative financial instrument liabilities	**(6,687)**	–

(7) INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 30 June 2023 and 31 December 2022, details of the interest-bearing bank and other borrowings are as follows:

	Maturity	**30 June 2023** *RMB'000*	31 December 2022 *RMB'000*
Current liabilities			
(i) Bank borrowings			
Secured	2023 to 2024	**1,679,759**	1,455,208
Unsecured	2023 to 2024	**2,258,110**	4,457,924
		3,937,869	5,913,132
(ii) Other borrowings			
Unsecured	2023 to 2024	**1,051,666**	1,105,110
Interest-bearing bank and other borrowings –current portion		**4,989,535**	7,018,242
Non-current liabilities			
(i) Bank borrowings			
Secured	2024 to 2036	**14,235,237**	14,116,081
Unsecured	2024 to 2026	**5,461,881**	4,771,273
		19,697,118	18,887,354
(ii) Other borrowings			
Unsecured	2025 to 2032	**1,852,484**	1,859,374
Interest-bearing bank and other borrowings – non-current portion		**21,549,602**	20,746,728

As at 30 June 2023, the Group's interest-bearing bank borrowings were secured by pledges of the Group's 33 (31 December 2022: 45) vessels and 2 (31 December 2022: 1) vessels under construction with total net carrying amount of RMB22,146,281,000 (31 December 2022: RMB23,845,935,000) and RMB838,071,000 (31 December 2022: RMB425,436,000) respectively.

As at 30 June 2023, secured bank borrowings of RMB15,447,558,000 (31 December 2022: RMB15,090,234,000) and unsecured bank borrowings of RMB5,055,892,000 (31 December 2022: RMB7,381,780,000) are denominated in USD.

Most of the borrowings of the Group bear interest at floating rate.

(8) CONTINGENT LIABILITIES AND GUARANTEE

a. Aquarius LNG Shipping Limited ("**Aquarius LNG**") and Gemini LNG Shipping Limited ("**Gemini LNG**"), and Capricorn LNG Shipping Limited ("**Capricorn LNG**") and Aries LNG Shipping Limited ("**Aries LNG**") are associates of East China LNG Shipping Investment Co., Limited and North China LNG Shipping Investment Co., Limited, (the "**Four Associates**") respectively. Each associate entered into a ship building contract for one LNG vessel. After the completion of each LNG vessel, the Four Associates would, in accordance with time charters agreements to be signed, lease their LNG vessels to the following charterers respectively:

Company name	**Charterer**
Aquarius LNG	Papua New Guinea Liquefied Natural Gas Global Company LDC
Gemini LNG	Papua New Guinea Liquefied Natural Gas Global Company LDC
Capricorn LNG	Mobil Australia Resources Company Pty Ltd.
Aries LNG	Mobil Australia Resources Company Pty Ltd.

On 15 July 2011, the Company entered into four guaranteed leases (the "**Lease Guarantees**"). According to the Lease Guarantees, the Company irrevocably and unconditionally provided the charterers, successors and transferees of the Four Associates with guarantee (1) for the Four Associates to fulfil their respective obligations under the lease term, and (2) to secure 30% of amounts payable to charterers under lease term.

According to the term of the Lease Guarantees and taking into account the possible increase in the value of the lease commitments and the percentage of shareholdings by the Company in the Four Associates, the amount of lease guaranteed by the Company is limited to USD8,200,000 (equivalent to approximately RMB59,252,000). The guarantee period is limited to the lease period of each LNG vessel leased by the Four Associates.

b. At the 2014 seventh Board meeting, the Board approved the ship building contracts, time charter agreements and supplemental construction contract signed by three joint ventures of the Group for the Yamal LNG project (the "**Three Joint Ventures**"). To secure the obligation of the ship building contracts, time charter agreements and supplemental construction contracts, the Company provides corporate guarantees to the ship builders, Daewoo Ship building & Marine Engineering Co., Ltd. and DY Maritime Limited for the Three Joint Ventures, and provides owner's guarantees to the charterer YAMAL Trade Pte. Ltd. for the Three Joint Ventures. Three vessels were delivered in March 2018, October 2018 and August 2019 respectively.

   As at 31 December 2019, the Company's guarantee responsibility of the ship building contracts was completely released. The balance of the corporate guarantees of the ship building contracts was nil. As at 30 June 2023, the balance of the owner's guarantees provided to YAMAL Trade Pte. Ltd. was USD6,400,000 (equivalent to approximately RMB46,245,000).

c. Subsequent to the approval by shareholders at the annual general meeting held on 8 June 2017, the Company entered into 3 financing guarantees with 2 banks (the "**Banks**"), to the extent of amount of USD377.5 million (equivalent to approximately RMB2,727,740,000), in respect of 50% of the bank borrowings provided by the Banks to each of the Three Joint Ventures and was determined on a pro rata basis of the Company's indirect ownership interest in each of the Three Joint Ventures. As at 30 June 2023, the actual guarantee amount provided by the Company is USD293,460,000, equivalent to approximately RMB2,120,487,000 (31 December 2022: USD309,043,000, equivalent to approximately RMB2,152,363,000). The guarantee period provided by the Company for each of the Three Joint Ventures is limited to 12 years after the vessel construction project of each of the Three Joint Ventures is completed.

d. COSCO SHIPPING LNG Investment (Shanghai) Co., Limited, a wholly-owned subsidiary of the Company, holds 50% equity interest in each of Arctic Red LNG Shipping Limited, Arctic Orange LNG Shipping Limited, Arctic Yellow LNG Shipping Limited and Arctic Indigo LNG Shipping Limited (the "**Four Single-vessel Companies**"). Subsequent to the approval by shareholders at the annual general meeting held on 28 June 2018, the Company provides owner's guarantee for the Four Single vessel Companies with the amount of Euro4,500,000 (equivalent to approximately RMB35,447,000). The guarantee period is limited to the lease period.

(9) Foreign exchange risk management

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to United States Dollar ("**USD**") and Hong Kong Dollar ("**HKD**") against RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities.

Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

As at 30 June 2023, if USD had strengthened or weakened by 1% against RMB with all other variables held constant, profit before tax for the year would have been RMB48,208,000 lower/higher (31 December 2022: RMB6,953,000 higher/lower), mainly as a result of foreign exchange gains or losses on translation of USD denominated cash and bank, receivables, payables and borrowings.

(10) Interest rate risk management

Other than the deposits placed with banks and financial institutions and loan receivables, the Group has no other significant interest-bearing assets. As the average interest rates applied to the deposits are relatively low, the Directors are of the opinion that the Group is not exposed to any significant interest rate risk for these assets held as at 30 June 2023 and 31 December 2022.

The Group's exposures to interest rate risk also arises from its borrowings. Loan receivables and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Management monitors the capital market conditions and certain interest rate swap agreements with banks have been used to achieve an optimal ratio between fixed and floating rates borrowings.

7. Fleet development

For the six months ended 30 June 2023, the cash expenditure for the construction and purchase of new vessels, was approximately RMB1.627 billion.

In terms of fleet development, for the six months ended 30 June 2023, the Group's subsidiaries received 1 LNG vessel of 174,000 cubic meters and disposed 5 oil tankers of 917,000 DWT.

As at 30 June 2023, the specific composition of the Group's fleet was as follows:

	Vessels in operation			Vessels under construction	
Oil tanker fleet	**Number**	**'0000 DWT**	**Average age**	**Number**	**'0000 DWT**
Holding subsidiaries of the Group	148	2,083	11.4	2	1.4
Long-term charter-in	6	159	10.2	–	–
Joint ventures and associates	16	99	9.7	1	15
Total	**170**	**2,341**	**11.2**	**3**	**16.4**

	Vessels in operation			Vessels under construction	
LNG Carrier fleet	**Number**	**'0000 cubic meters**	**Average age**	**Number**	**'0000 cubic meters**
Holding subsidiaries of the Group	9	157	4.1	5	87
Joint ventures and associates	33	545.7	6.4	21	365
Total	**42**	**702.7**	**5.9**	**26**	**452**

8. Outlooks and highlights of the second half of 2023

(1) Competitive landscape and development trends in the industry

International oil shipping market

In the second half of 2023, international geopolitical uncertainties and macroeconomic challenges will remain, but we believe that the solid supply and demand fundamentals of the international shipping market will continue to provide good support for the industry boom.

Global oil demand will continue to grow, IEA expects global oil demand to reach 102.1 million barrels per day in 2023, and China will contribute 70% of the incremental demand. In terms of oil supply, the reduction in OPEC+ production is expected to be covered by production growth in other non-OPEC countries (e.g., the U.S., etc.). According to the IEA forecast, global oil supply will reach the level of 101.5 million barrels per day in 2023, an increase of 1.6 million barrels per day from 2022.

In terms of transportation demand, the reconfiguration of global trade triggered by geopolitical events will have a sustained impact on the market, while a recovery in Chinese crude demand will also increase the transportation demand. Demand for crude oil tonne-mile is expected to grow by 6.6% and demand for product oil tonne-mile is expected to grow by 11.9% in 2023 based on the forecast of Clarksons.

In terms of tonnage supply, in 2023, the crude oil tanker tonnage is expected to grow at a rate of 2.1% and the product oil tanker tonnage is expected to grow at a rate of 1.9%, which are both significantly lower than the growth of tonne-mile demand based on the forecast of Clarksons. In particular, only 7 VLCCs remains to be delivered in the second half of the year, and only one VLCC is expected to be delivered in 2024. In the long term, the EEXI and CII environmental rules formulated by IMO will have a sustained impact on the aging global oil tanker fleet. In the future, old vessels will have to face equipment modification, downsizing, and phasing out. The supply of effective capacity in the market will be subject to ongoing constraints.

Overall, although OPEC+ production cuts and economic sluggishness in Europe and the United States will put pressure on oil trade volumes, the reconstruction of global oil trade routes and the obvious peaking trend on the supply side still contribute to strong supply and demand fundamentals, and the international oil transportation market is stepping into an upward cycle.

Domestic oil shipping market

Domestic crude oil transportation demand will continue to remain stable in the second half of the year. The terminal production and the demand for transportation of offshore oil are expected to remain stable and the transportation demand for the transshipment oil and pipeline oil market is expected to maintain a steady pace. The domestic product oil transportation market is expected to maintain a low level of prosperity overall due to the obvious trend of short routes.

LNG shipping market

According to the forecast of Drewry, global LNG trade volume will reach 417 million tons in 2023, representing a year-on-year increase of 4%, which is mainly due to Europe's gradual cast off Russian natural gas and China's gradual economic recovery. In the second half of 2023, the growing demand for LNG in China and the restocking demand of Europe in the third quarter, combined with the El Niño effect, which will bring anomalous weather, are expected to boost LNG trade.

In the medium to long term, the outlook for LNG trade remains positive. The current global LNG production capacity is about 470.5 million tons/year, and it is expected to reach nearly 789.1 million tons/year in 2027, with an average compound annual growth rate of nearly 10.6%. In the first half of 2023, about 18 LNG supply and sales agreements have been signed worldwide and all them are relating to U.S. LNG export projects with a total capacity of about 21.6 million tons/year. A number of projects in the planning stage are expected to be finalized in the second half of 2023. Meanwhile, the increase in the number of long-distance LNG trading projects will also benefit the LNG shipping market, pushing traders to lock shipping capacity in advance.

(2) Highlights for the second half of 2023

In the second half of 2023, the Group will focus on the implementation of the 14th Five-Year Plan and continue to build an upgraded version of the strategic goal of "four global leading" with high quality. We will adhere to the principle of seeking improvement while maintaining stability, improving quality and efficiency, accelerating the construction of world-class enterprises, and focusing on realizing effective improvement in "quality" and reasonable growth in "quantity".

I. Focus on business operation and efficiency creation, and solidly improve efficiency and effectiveness

(1) In terms of international oil transportation, the Group will closely monitor the changes in the international oil trade pattern, adjust and optimize global capacity distribution in a timely manner, and enhance its global operation capability. Moreover, the Group will fully utilize the resource and layout advantages of its overseas marketing outlets, plough into the Atlantic market, focus on the development of new customers and new routes, and focus on the development of high-profit cargoes and triangle routes with a efficiency-oriented view. The Group will pay close attention to the market trends of the domestic and foreign trade, and take the opportunity to implement the integration of domestic and international transportation, crude oil and product oil transportation.

(2) In terms of domestic oil transportation, the Group will exploit the leading advantages in domestic trade, consolidate the efficiency of the fleet. The Group will continue to innovate the business model to meet the transportation needs of the whole industry chain of customers and further strengthen the cooperation. The Group will develop new customers, tap the new growth point of domestic trade, and solidify the market share of fixed cargoes of large batches of product oil.

(3) The Group will conduct market research and analysis on LNG transportation, continue to seize the market opportunities brought by the goal of carbon peaking and carbon neutrality, optimize its marketing strategies, and continue to follow up the development of major projects. The Group will strictly monitor the construction of vessels to ensure that new buildings can be delivered on schedule and put into operation with high quality. The Group will comply with world-class standards, coordinate vessel management resources, promote LNG independent ship management to become better and stronger as well as solidly promoting LNG crew training to enhance the comprehensive competitiveness in LNG transportation.

(4) The Group will take the results of external benchmark as a guide and promote cost control in an integrated manner. The Group will prioritize the reduction of operating costs, and simultaneously reduce and control important cost items such as fuel charges, port charges and financial charges to strengthen the assessment of results with the basic principle of equal emphasis on incentives and constraints.

II. Seek value extension and growth based on enterprise reform and development

(1) The Group will rely on the principal operation of shipping, explore the potential of low-carbon and zero-carbon energy consumption in the process of realizing the goal of net-zero emissions from shipping, as well as study and expand the upstream and downstream projects of the industry chain. The Group will firmly implement the new development concept, seize the opportunity of new energy development to realize green and low-carbon transformation and development.

(2) The Group will accelerate the pace of digital transformation in an innovative manner to ensure the efficient implementation of the digital empowerment strategy centered on customers, with business-driven and demand-led as the core concepts. The Group will strengthen communication and coordination with related parties in the transportation chain and explore the pilot operation of blockchain-based electronic bill of lading in the field of energy transportation. The Group will promote the integrated solution for business and financial integration to optimize the digital financial management framework. Besides, the Group will focus on the demand for ship safety management and application of intelligent technology by promoting the project of "Research on Intelligent Identification of Ship Navigational Risks and Key Operational Risks" to realize intelligent identification and early warning of collision risks, identification and early warning of risk of watchkeeping and berthing assistance in the field of ship navigation and operational safety. The Group will also continue to promote the research project on energy efficiency of ship equipment, formulate the base value and standard for energy efficiency evaluation of major auxiliary equipment of the ship, and respond to the energy efficiency status of the equipment through real-time monitoring data, so as to help fleets target equipment-level energy efficiency management and optimize the performance of carbon emission.

(3) The Group will explore the value of high-level safety management, benchmark the best safety management practices, and strive to realize a first-class ship management performance brand. Additionally, the Group will optimize ship and shore performance appraisal and establish a proven process and result-oriented approach to ensure high-standard management, implementation of ship and shore safety responsibilities and system execution. Moreover, the Group will focus on the special investigation of major accident hidden dangers, improve the self-inspection of the ships and the supervisor's visit to the ships, strengthen the risk identification and safety risk prevention awareness of the management personnel both on and off the ships, and contribute to the overall improvement of the Group's ship management.

(4) The Group will enhance the value of human resources in all areas and build talent ladders at all levels and for all key positions in line with the needs of the Group's strategic development. Moreover, the Group will comprehensively build up the training system and strengthen the foundation of education and training system. Besides, it will innovate and implement key training programs for internationalization and digitalization.

III. Keep in line with the Company's strategic development curve to practice high-quality sustainable development

(1) In terms of oil tankers, the Group will continue to optimize the structure of its tanker fleet by coordinating the Group's operational needs and environmental protection requirements throughout the life cycle of the vessels. In terms of LNG transportation, the Group will take into account the profound changes in the pattern of global traditional energy resources as well as the competition in the LNG transportation industry, to scientifically plan the capacity development in line with the Group's strategic plan.

(2) The Group will focus on the management of vessel energy consumption, optimize the carbon emission performance of the overall fleet, and strive to improve the CII rating of the Group's fleet. In addition, the Group will deepen external communication and internal research to reserve technology and knowledge for green and low-carbon development, pay close attention to the carbon emission policies of the international community and the industry, accelerate the landing of energy-saving technological reform projects in collaboration with relevant parties in the industrial chain to prepare for practical application at a later stage, and accelerate the transformation of scientific and technological achievements, so as to empower the realization of the Group's sustainable development.

OTHER MATTERS

1. Events after the Reporting Period

The Group does not have significant events after the end of the Reporting Period.

2. Compliance with the Corporate Governance Code

The Board is committed to the principles of corporate governance and focuses on enhancing shareholders' value. In order to reinforce independence, accountability and responsibility, positions of the chairman of the Board and the chief executive officer are assumed by different individuals so as to maintain independence and balanced judgment and views.

The Company has established five special committees under the Board, including an audit committee (the "**Audit Committee**"), a remuneration and appraisal committee (the "**Remuneration and Appraisal Committee**"), a strategy committee (the "**Strategy Committee**"), a nomination committee (the "**Nomination Committee**") and a risk control committee (the "**Risk Control Committee**") with defined terms of reference.

During the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3. Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

4. Audit Committee

The Board has established the Audit Committee to review the financial reporting procedures of the Group and to provide guidance thereto. The audit committee comprises three independent non-executive Directors, namely Mr. Victor Huang (chairman), Mr. Zhao Jinsong and Mr. Wang Zuwen.

The Audit Committee has reviewed the interim results and the interim report of the Company for the Reporting Period and agreed with the accounting treatment adopted by the Company.

5. Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee of the Company comprises three independent non-executive Directors, namely Mr. Li Runsheng (chairman), Mr. Victor Huang and Mr. Wang Zuwen. The Remuneration and Appraisal Committee has adopted terms of reference which are in line with the relevant requirements of the Corporate Governance Code.

6. Nomination Committee

The Nomination Committee of the Company comprises three independent non-executive Directors, namely Mr. Wang Zuwen (chairman), Mr. Victor Huang and Mr. Li Runsheng. The Nomination Committee reviews the structure, the size and the composition of the Board and the policy regarding Board diversity, and identifies individuals suitably qualified to become Board members, makes recommendations to the Board and assesses the independence of all independent non-executive Directors.

7. **Strategy Committee**

The Strategy Committee of the Company comprises six members (including two executive Directors, two non-executive Directors, and two independent non-executive Directors), namely Mr. Ren Yongqiang (chairman), Mr. Zhu Maijin, Mr. Wang Wei, Ms. Wang Songwen, Mr. Li Runsheng and Mr. Zhao Jinsong. It is responsible for the consideration, evaluation and review of investment projects and making recommendations to the Board on proposed major investments, acquisitions and disposals, and conducting post-investment evaluation of investment projects. It also reviews and considers the overall strategy, which covers the strategies of sustainable development, environment, social and governance and business development of the Company.

8. **Risk Control Committee**

The Risk Control Committee of the Company consists of three members (including one executive Director and two independent non-executive Directors), namely Mr. Zhao Jinsong (chairman), Mr. Ren Yongqiang and Mr. Wang Zuwen. The major terms of reference of the Risk Control Committee are to consider risk control strategies and major risk control solutions, to review the effectiveness of the Company's risk management, to consider major decisions and risk assessment report of major projects, to guide and promote the legal construction of the Company, and supervise the legal operation of the Company by the management and other risk control matters authorized by the Board.

9. **Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions.

Following specific enquiries made with the Directors, supervisors and chief executives of the Company, each of them has confirmed to the Company that he or she has complied with the Model Code during the Reporting Period.

10. **Employees**

Adjustments of employee remuneration are calculated in accordance with the Company's turnover and profitability and are determined by assessing the correlation between the total salary paid and the economic efficiency of the Company. Under this mechanism, management of employees' remuneration will be more efficient while employees will be motivated to work hard to bring encouraging results for the Company. Save for the remuneration policy disclosed above and the A share option incentive scheme of the Company, the Company does not maintain any share option scheme for its employees and the employees do not receive any bonus. The Company regularly provides its administrative personnel with training on various subjects, including operation management, foreign languages, computer skills, industry know-how and policies and laws. Such training may be in different forms, such as seminars, site visits and study tours.

As at 30 June 2023, the Company had 8,339 employees (as at 30 June 2022: 7,821). During the Reporting Period, the total staff cost of the Company was approximately RMB1,736 million (for the same period in 2022: approximately RMB1,683 million).

11. Investor Relations

The Company has actively and faithfully performed its duties regarding disclosure of information and its work on investor relations. The Company has strictly abided by the principles of regular, accurate, complete and timely disclosure of information. The Company has established a designated department responsible for matters concerning investor relations and has formulated the "Investor Relations Management Measures" to regulate the relations with investors. Through various approaches and channels such as organising results presentation, roadshow, telephone conference, corporate website, investors' visits to the Company and answering investors' enquires, the Company strengthens its communication and relationship with investors and analysts, thereby enhancing investors' recognition of the Company.

The Company has maintained on investor relations section on its website at energy.coscoshipping.com to disseminate information to its investors and shareholders on a timely basis.

12. Significant Investments and Future Plan for Material Investments and Capital Assets

As at 30 June 2023, the Group did not have any significant investments and did not have any immediate plans for material investments and capital assets.

13. Material Acquisitions and Disposals

There was no material acquisition and disposal of subsidiaries, associated companies or joint ventures by the Group during the Reporting Period.

14. Supplementary Information to be Published on the Websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company

In accordance with the requirements of the Listing Rules, details of the Group's financial and related information will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (energy.coscoshipping.com).

The financial information set out above does not constitute the Company's statutory financial statements for the Reporting Period, but is derived from the condensed consolidated financial statements prepared in accordance with accounting principles generally accepted in Hong Kong and complies with accounting standards issued by the HKICPA, which have been reviewed by the Company's independent auditor, PricewaterhouseCoopers. Those condensed consolidated financial statements for the Reporting Period will be delivered to shareholders of the Company as well as made available for download on the Company's website.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Ren Yongqiang
Chairman

Shanghai, PRC
30 August 2023

As at the date of this announcement, the Board comprises Mr. Ren Yongqiang and Mr. Zhu Maijin as executive Directors, Mr. Wang Wei and Ms. Wang Songwen as non-executive Directors, Mr. Victor Huang, Mr. Li Runsheng, Mr. Zhao Jinsong and Mr. Wang Zuwen as independent non-executive Directors.

* *For identification purposes only*