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)

2024 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

- Revenues of the Group for the Reporting Period increased by approximately 1% year-on-year to approximately RMB11,572 million
- Profit for the Reporting Period attributable to equity holders of the Company decreased by approximately 9% year-on-year to approximately RMB2,635 million
- The basic and diluted earnings per share for the Reporting Period were RMB55.22 cents and RMB55.22 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 2024 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 (Unaudited) *RMB'000*	2023 (Unaudited) *RMB'000*
Revenues	*4*	**11,571,727**	11,483,491
Operating costs		**(7,801,863)**	(7,465,501)
Gross profit		**3,769,864**	4,017,990
Other income and other gains, net	*5*	**237,973**	704,184
Marketing expenses		**(32,231)**	(28,987)
Administrative expenses		**(498,768)**	(479,330)
Provision for impairment losses on financial and contract assets		**(2,202)**	(14,226)
Other expenses		**(51,920)**	(70,711)
Share of profits of associates		**260,465**	212,474
Share of profits of joint ventures		**348,577**	356,844
Finance costs	*6*	**(688,243)**	(754,807)
Profit before tax		**3,343,515**	3,943,431
Income tax expense	*7*	**(545,703)**	(854,166)
Profit for the period		**2,797,812**	3,089,265
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 income/(loss)		**54,976**	(34,010)
Remeasurement of defined benefit plan payable		**–**	2,442
Exchange differences from retranslation of financial statements of subsidiaries		**15,803**	35,539
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		**48,078**	382,797
Net profit/(loss) on cash flow hedges		**253,114**	(25,040)
Hedging loss reclassified to profit or loss		**(52,137)**	(12,760)
Share of other comprehensive (loss)/income of associates		**(32,137)**	52,852
Share of other comprehensive income of joint ventures		**33,464**	179,107
Other comprehensive income for the period		**321,161**	580,927
Total comprehensive income for the period		**3,118,973**	3,670,192

	Note	Six months ended 30 June 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Profit for the period attributable to:			
Equity holders of the Company		**2,634,620**	2,894,849
Non-controlling interests		**163,192**	194,416
Profit for the period		**2,797,812**	3,089,265
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**2,826,254**	3,459,893
Non-controlling interests		**292,719**	210,299
		3,118,973	3,670,192
Earnings per share	*9*		
– Basic (RMB cents/share)		**55.22**	60.68
– Diluted (RMB cents/share)		**55.22**	60.60

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	30 June 2024 (Unaudited) *RMB'000*	31 December 2023 (Audited) *RMB'000*
NON-CURRENT ASSETS		
Investment properties	**2,259**	2,259
Property, plant and equipment	**51,112,002**	50,050,525
Right-of-use assets	**544,741**	651,392
Goodwill	**73,325**	73,325
Investments in associates	**5,603,945**	5,011,950
Investments in joint ventures	**6,225,551**	5,069,962
Loan receivables	**1,298,345**	1,301,256
Financial assets at fair value through other comprehensive income	**356,473**	291,794
Deferred tax assets	**20,918**	35,856
Derivative financial instruments	**279,024**	92,083
Other non-current assets	**522,686**	34,021
	66,039,269	62,614,423
CURRENT ASSETS		
Current portion of loan receivables	**19,751**	18,979
Inventories	**1,208,101**	1,149,827
Contract assets	**1,255,653**	1,551,166
Trade and bills receivables	**1,467,479**	582,601
Prepayments, deposits and other receivables	**1,109,156**	531,186
Taxes recoverable	**1,047**	7,431
Pledged bank deposits	**782**	781
Cash and bank	**4,305,733**	5,627,218
	9,367,702	9,469,189
TOTAL ASSETS	**75,406,971**	72,083,612

	30 June 2024 (Unaudited) *RMB'000*	31 December 2023 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Provision and other liabilities	**15,286**	29,407
Derivative financial instruments	**–**	9,426
Interest-bearing bank and other borrowings	**23,777,010**	22,917,086
Other loans	**894,675**	907,941
Employee benefits payable	**197,318**	201,743
Lease liabilities	**542,649**	733,727
Deferred tax liabilities	**1,623,193**	1,454,627
	27,050,131	26,253,957
CURRENT LIABILITIES		
Trade and bills payables	**1,718,320**	1,707,876
Other payables and accruals	**3,120,323**	1,421,214
Contract liabilities	**68,788**	99,780
Current portion of interest-bearing bank and other borrowings	**4,272,793**	4,707,252
Current portion of other loans	**76,060**	52,069
Current portion of employee benefits payable	**11,790**	11,790
Current portion of lease liabilities	**395,258**	392,902
Taxes payable	**270,794**	333,449
	9,934,126	8,726,332
TOTAL LIABILITIES	**36,984,257**	34,980,289
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**4,770,776**	4,770,776
Reserves	**30,780,559**	29,620,728
	35,551,335	34,391,504
Non-controlling interests	**2,871,379**	2,711,819
TOTAL EQUITY	**38,422,714**	37,103,323

NOTES

1. CORPORATE INFORMATION

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 Lingang Special Area, the PRC and the principal place of business is 670 Dongdaming Road, Hongkou District, Shanghai, the PRC.

During the period, the Group was involved in the following principal activities:

(1) investment holding;

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

(3) vessel chartering; and/or

(4) 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 ultimate parent company. The Board regards China Shipping Group Company Limited ("**China Shipping**"), a state-owned enterprise established in the PRC, as the immediate parent company.

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

This condensed consolidated interim financial information for the six months ended 30 June 2024 (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 29 August 2024.

The Interim Financial Information has not been audited.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT

These condensed consolidated interim financial statements for the six-month reporting period ended 30 June 2024 have 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 should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period.

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

(1) New and amended standards adopted by the Group for the six months ended 30 June 2024

The Group has applied the following amendments for the first time from 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to HKAS 1

- Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause – Hong Kong Interpretation 5 (Revised)

- Lease Liability in Sale and Leaseback – Amendments to HKFRS 16

- Supplier Finance Arrangements – Amendments to HKAS 7 and HKFRS 7

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

Except for those as mentioned above, the Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or revised interpretation.

(2) Impact of standards issued but not yet applied by the Group for the six months ended 30 June 2024

In September 2023, HKICPA amended HKAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. The Group does not expect these amendments to have a material impact on its operations or financial statements.

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 2023.

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:

(1) Oil transportation

- oil shipment
- vessel chartering

(2) 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 period is set out as follows:

	Six months ended 30 June			
	2024		2023	
	Revenues	**Contribution**	Revenues	Contribution
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
By principal activity:				
Oil transportation				
– Oil shipment	**9,196,078**	**2,629,168**	9,324,770	2,947,856
– Vessel chartering	**1,417,207**	**642,118**	1,288,278	613,752
	10,613,285	**3,271,286**	10,613,048	3,561,608
LNG shipping	**958,442**	**498,578**	870,443	456,382
	11,571,727	**3,769,864**	11,483,491	4,017,990
Other income and other gains, net		**237,973**		704,184
Marketing expenses		**(32,231)**		(28,987)
Administrative expenses		**(498,768)**		(479,330)
Provision for impairment losses on financial and contract assets		**(2,202)**		(14,226)
Other expenses		**(51,920)**		(70,711)
Share of profits of associates		**260,465**		212,474
Share of profits of joint ventures		**348,577**		356,844
Finance costs		**(688,243)**		(754,807)
Profit before tax		**3,343,515**		3,943,431

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 other gains, net 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 2024 and 2023, total segment revenue represents total consolidated revenue as there were no inter-segment transactions between the business segments.

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Total segment assets		
Oil transportation	**44,314,275**	45,222,488
LNG shipping	**28,367,343**	24,166,954
Others	**2,725,353**	2,694,170
	75,406,971	72,083,612
Total segment liabilities		
Oil transportation	**22,340,700**	21,842,913
LNG shipping	**14,637,390**	13,130,904
Others	**6,167**	6,472
	36,984,257	34,980,289

As at 30 June 2024, the total net carrying amounts of the Group's oil tankers and LNG vessels were RMB31,232,792,000 (31 December 2023: RMB32,149,153,000) and RMB14,609,136,000 (31 December 2023: RMB13,375,820,000) respectively.

Geographical segments

	Six months ended 30 June			
	2024		2023	
	Revenues	**Contribution**	Revenues	Contribution
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
By geographical area:				
Domestic	**2,902,421**	**719,855**	3,053,121	728,608
International	**8,669,306**	**3,050,009**	8,430,370	3,289,382
	11,571,727	**3,769,864**	11,483,491	4,017,990

Other information

	Oil transportation *RMB'000*	LNG shipping *RMB'000*	Others *RMB'000*	Total *RMB'000*
Six months ended 30 June 2024				
Additions to non-current assets	**433,510**	**1,996,196**	**–**	**2,429,706**
Depreciation and amortisation	**1,424,196**	**252,707**	**3,421**	**1,680,324**
Gains on disposal of property, plant and equipment, net	**4**	**–**	**–**	**4**
Interest income	**74,696**	**23,653**	**144**	**98,493**
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
Gains on disposal of property, plant and equipment, net	397,765	–	–	397,765
Interest income	68,796	17,993	42	86,831

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 2024 and 2023.

5. OTHER INCOME AND OTHER GAINS, NET

	Six months ended 30 June	
	2024 *RMB'000*	2023 *RMB'000*
Other income		
Government subsidies *(Note)*	**46,412**	46,679
Interest income from loan receivables	**50,288**	43,031
Bank interest income	**48,205**	43,800
Rental income from investment properties	**156**	128
Others	**21,214**	28,826
	166,275	162,464
Other gains, net		
Exchange gains, net	**77,448**	140,679
Gains on disposal of property, plant and equipment, net	**4**	397,765
Others	**(5,754)**	3,276
	71,698	541,720
	237,973	704,184

Note: The government subsidies mainly represent the subsidies granted for business development purpose and refund of tax. There were no unfulfilled conditions or contingencies relating to these subsidies.

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Interest expenses on:		
– bank loans and other borrowings	**747,322**	717,688
– interest rate swaps: cash flow hedges, reclassified from other comprehensive income	**(52,137)**	(12,760)
– lease liabilities	**21,339**	28,362
– exchange (gains)/loss, net	**(2,102)**	41,321
	714,422	774,611
Less: interest capitalised	**(26,179)**	(19,804)
	688,243	754,807

During the period, the capitalisation rates applied to funds borrowed and utilised for the vessels under construction were at rates of 2.60% to 7.03% (six months ended 30 June 2023: 3.00% to 6.88%) per annum.

7. INCOME TAX EXPENSE

		Six months ended 30 June	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Current income tax			
PRC			
– provision for the period	*(i)*	**460,377**	581,336
– adjustments for current tax of prior periods		**(88,764)**	(47,083)
Other districts			
– provision for the period	*(ii)*	**286**	850
		371,899	535,103
Deferred income tax			
Decrease in deferred tax assets		**15,490**	1,454
Increase in deferred tax liabilities		**158,314**	317,609
		173,804	319,063
Total income tax expense		**545,703**	854,166

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 2023: 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.

The Group is within the scope of the OECD Pillar Two model rules and applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes in the amendments to HKAS12. Pillar Two legislation is not yet announced, substantively enacted or enacted in jurisdictions where the Group operates. However, certain jurisdictions are in the process of issuing legislation on this, including Hong Kong, expecting the introduction of Pillar Two legislation in 2025. Since there is no Pillar Two legislation effective at the reporting date, the Group has no related current tax exposure.

Under the expected legislation, the Group may be liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Proposal ("**GloBE**") effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing the full impact of this.

8. DIVIDENDS

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
Ordinary shares		
Dividends provided for or paid during the period	**1,669,772**	715,616

Final dividend of RMB0.35 per share in respect of the year ended 31 December 2023 was approved by shareholders at the annual general meeting held on 30 June 2024 and no payment was paid during the reporting period.

The annual general meeting of the Company held on 28 June 2024 has authorized the Board to determine the 2024 interim profit distribution plan and to handle the relevant matters of interim profit distribution at its sole discretion, which means that the Board may decide to distribute the 2024 interim profit through cash dividend if the conditions for distribution of cash dividend under the Articles of Association then in force are fulfilled. The total amount of cash dividend would be 30% to 50% of the net profit attributable to shareholders realized by the Company in the first half of 2024, provided that the particular distribution plan including whether to implement the interim profit distribution and the particular amount thereon is subject to the decision of the Board in accordance with the 2024 interim results and cash requirements of the Company.

The Board resolved to postpone the consideration of specific plan for the 2024 interim profit distribution to a Board meeting to be held by the end of October 2024. Relevant information will be further announced by the Company in due course.

9. EARNINGS PER SHARE

(1) Basic

	Six months ended 30 June	
	2024	2023
Profit attributable to equity holders of the Company *(RMB'000)*	**2,634,620**	2,894,849
Weighted average number of ordinary shares in issue	**4,770,776,395**	4,770,776,395
Basic earnings per share *(RMB cents/share)*	**55.22**	60.68

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.

(2) 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	
	2024	2023
Profit attributable to equity holders of the Company *(RMB'000)*	**2,634,620**	2,894,849
Weighted average number of ordinary shares in issue	**4,770,776,395**	4,770,776,395
Adjustments for share options	**–**	5,811,172
Weighted average number of ordinary shares for diluted earnings per share	**4,770,776,395**	4,776,587,567
Diluted earnings per share *(RMB cents/share) (Note)*	**55.22**	60.60

Note:

For the six months ended 30 June 2024, the share options granted by the Company don't 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

I. The Main Businesses, Operating Model of the Company 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 the national economy and society. Due to the imbalance between the distribution and consumption regions of global energy resources such as oil and natural gas, petroleum and natural gas trade and transportation play an essential role in international economic 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, economical 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 Liquefied Natural Gas ("**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 has shown 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 in the global LNG fleet are bound to particular LNG projects ("**Project Vessels**"), that is, entering into long-term time charters with the project parties, which brings stable freight and investment returns.

2. *The competitive position and operating model of the Group in the industry*

The Group is mainly engaged in international and domestic coastal shipping of crude and product oil, as well as 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 leading 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 2024, the Group owned and controlled 154 oil tankers with a total capacity of 22.43 million Dead Weight Tonnage ("**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. ("**CSLNG**"), 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 2024, the Group had invested in 85 LNG carriers, all of which are Project Vessels with relatively stable income. Among them, 45 LNG carriers with a capacity of 7.55 million cubic meters have been put into operation; 40 LNG carriers with a capacity of 7.15 million cubic meters are under construction. In recent years, as the LNG carriers, for which the Group is involved in investment and construction, are put into operation, the Group's LNG transportation business has entered the harvest period.

As the world's leading oil tanker owner, the Group continues to provide quality energy transportation services for important domestic and international customers with its global operating network, solid and safety ship management expertise, and customer-centric marketing philosophy. In addition, as China is the largest importer of oil and natural gas globally, China's massive oil and gas import volume has brought the Group an affluent customer base and tremendous business opportunities. Through in-depth co-operation over a long period, the Group has established good partnerships with major oil companies and domestic independent refineries, laying an essential foundation for the Group's business development and 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 relatively 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 large-scale refined 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 continues to move towards the goal of "resource integrator" and "solution provider".

The operation model of the Group's tanker transportation mainly includes spot market chartering, time chartering, signing contracts of affreightment ("**COA**") with cargo owners, entering associated operating entities ("**POOL**" or "**CHINA POOL**"), and other various ways to launch operating activities using its self-owned and controlled vessels. The Group stands out globally with its complete vessel offerings, which allows the integration of domestic and international voyages by employing crude and product tankers across different sizes. The Group gives full play to the advantages of its vessel 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 transport and export, and downstream chemicals transportation, etc., to help customers with means to reduce logistics costs and therefore realize win-win cooperation.

In the overall business structure of the Group, except the stably increasing profitability from the LNG transportation business, as a leading player in the coastal crude oil and product oil transportation industry in the PRC, the Group's position in the coastal (domestic trade) oil transportation market also provides a "safety cushion" for the Group's operating results. Meanwhile, the international (foreign trade) oil transportation business provides cyclical elasticity in the Group's operating results.

II. Analysis of the International and Domestic Energy Transportation Market during the Reporting Period

1. International oil shipping market

In the first half of 2024, the growth momentum of global oil demand moderated. According to the U.S. Energy Information Administration (EIA), global oil demand during the Reporting Period was approximately 102 million barrels per day, representing a year-on-year increase of approximately 850,000 barrels per day, with the incremental demand coming mainly from non-Organization for Economic Co-operation and Development (non-OECD) countries. Oil supply was approximately 102 million barrels per day, representing a year-on-year increase of approximately 630,000 barrels per day, with non-Organization of the Petroleum Exporting Countries ("**non-OPEC**") countries leading the growth in global oil supply, offsetting the decline in oil production of Saudi Arabia.

In terms of demand for tanker transportation, in the first half of 2024, the international geopolitics turmoil and the changing global oil trading landscape exerted a continuous impact on oil shipping demand, among which:

Crude oil shipping segment: In the first half of 2024, the volume of global seaborne crude oil transportation trade remained basically flat year-on-year. Although the continued output cuts in Organization of the Petroleum Exporting Countries ("**OPEC**") countries have weighed on oil shipping demand, the steady crude oil exports from the U.S. and Russia, as well as the incremental exports from Brazil and Guyana, have largely compensated for the shortfall in crude oil supply caused by OPEC's output cuts. Meanwhile, the outbreak of the Red Sea crisis has hampered a portion of the Middle East's crude oil trade flowing west of Suez, with small and medium-sized crude oil tankers detouring around the Cape of Good Hope, resulting in a corresponding increase in tonne-mile demand. According to Clarksons, in June 2024, the number of crude oil tankers passing through the Suez Canal fell by approximately 20% compared to the beginning of the year.

Product oil shipping segment: In the first half of 2024, the growth of global oil demand and refining capacity slowed down, and the seaborne trade volume of product oil shipping increased slightly by 0.8% year-on-year. Impacted by the Red Sea incident, a large number of product oil tankers worldwide detour around the Cape of Good Hope, driving a significant increase in tonne-mile demand. According to Clarksons, in June 2024, the number of product oil tankers passing through the Suez Canal fell by approximately 40% compared to the beginning of the year.

In terms of tanker supply, the tanker fleet maintained its growth at a low rate. In the first half of 2024, a total of 29 tankers of over 10,000 DWT each, totaling 2.7 million DWT were delivered globally, representing a significant year-on-year decrease in deliveries, of which 1 Very Large Crude Carriers ("**VLCC**") was delivered. A total of 4 tankers were demolished globally, one of which was a VLCC. Moreover, as of the end of June 2024, there were 647 new-building orderbooks of tankers, and the orderbook-to-fleet ratio was about 11%. Among them, the new-building order for VLCC only accounted for 7% of that type of vessel. Meantime, the proportion of global tankers over 15 years was as high as 43%, and the global tanker fleet presented a picture of further aging and a lack of investment in new tankers.

From the perspective of freight rate performance, revenue from all types of tankers was at a historically high range, with product oil tankers performing better than crude oil tankers. During the Reporting Period, the overall trend of VLCC freight rates combined the characteristics of seasonality and the optimization of fundamentals. In the first quarter, as the phased tightness of capacity distribution for the Middle East led to a sharp rise in freight rates, accompanied by the continuous export of Atlantic cargoes, the freight rates performed brilliantly; in the second quarter, as refineries entered into the maintenance period, the performance of domestic crude oil imports weakened, overlaid with the continued impact of OPEC's output cuts, the freight rates gradually declined, but still have a strong bottoming support. According to the Baltic Exchange data, in the first half of 2024, the average daily Time Charter Equivalent ("**TCE**") of the VLCC Middle East – China route (TD3C) was 41,629 USD/day, down by 4% compared with that for the corresponding period of last year. In terms of product oil shipping, the detour triggered by the Red Sea incident significantly boosted the tonne-mile demand for product oil tankers and the revenue from LR2 vessels remained at a historically high range. According to the Baltic Exchange data, in the first half of 2024, the average TCE of the LR2 Middle East-Japan route (TC1) was 55,867 USD/day, up by 52% compared with that for the corresponding period of last year.

2. ***Domestic oil shipping market***

Crude oil shipping: In the first half of 2024, the total volume of the domestic crude oil market was approximately 42.22 million tonnes, representing a year-on-year decrease of approximately 8.85 million tonnes. The volume of offshore oil and pipeline oil remained basically flat year-on-year, and the decrease was mainly reflected in domestic second-range transshipment oil, which was mainly attributable to the following factors: (1) three 100,000-tonne terminals at Dongying Port were put into operation, enabling the local refineries to reduce the demand for transportation from major transshipment ports, such as Qingdao, Dalian, and Ningbo, to Dongying; (2) in the first half of 2024, the overall production profitability of the refineries was poor, and the processing willingness was weakening in phases, and the processing load continued to be low, resulting in a corresponding decrease in demand for raw materials.

Product oil shipping: The total volume of the transportation market declined as a result of the downsizing of domestic product oil trade. In the meantime, the rapid development and increasing market penetration rate of new energy vehicles have had a structural impact on the social consumption of gasoline. As a result of the above factors, the overall domestic product oil transportation market was under pressure.

3. *LNG shipping market*

During the Reporting Period, the global LNG supply and demand situation remained generally stable. According to Drewry, in the first half of 2024, the global LNG export volume of major export countries amounted to approximately 204 million tons, representing a year-on-year decrease of approximately 2.7%.

According to Drewry, in the first half of 2024, 19 LNG supply and purchase agreements ("**SPAs**") were signed globally, which was beneficial for LNG export projects and the LNG shipping market in general. A total of 3 LNG projects completed their final investment decisions ("**FIDs**") globally in the first half of the year, namely Marsa LNG, Ruwais LNG and Cedar LNG. In the short term, the slowdown in completion of FIDs delayed the commissioning of those projects, which in turn led to a parallel slowdown in liquefaction capacity growth, with a liquefaction capacity of 13.9 million tonnes/year recorded in the first half of the year falling short of expectations. However, in the medium to long term, the strong demand will continue to support healthy growth in global LNG liquefaction capacity. Overall, the increase in LNG liquefaction capacity and the number of SPAs will continue to boost the LNG transportation business.

As of the end of June 2024, the global LNG fleet consisted of a total of 657 LNG carriers (excluding LNG bunkering vessels, Floating Storage and Regasification Unit (FSRU), Floating Storage Unit (FSU) and Floating Liquefaction Natural Gas (FLNG)), with a total capacity of approximately 108.29 million cubic meters. In the first half of 2024, 24 LNG carriers, each with a capacity of more than 40,000 cubic meters, were delivered worldwide and approximately 68 new orders were placed.

III. Review of Operating Results during the Reporting Period

As of the end of June 2024, the Group held 154 oil tankers with 22.43 million DWT, representing a decrease of 2 vessels with 0.63 million DWT as compared with that as of the end of 2023; and 45 of the LNG carriers with a capacity of 7.55 million cubic meters, for which the Group is involved in investment, have been put into operation.

In the first half of 2024, the Group realized a transportation volume (excluding time charters) of 82.65 million tonnes with a year-on-year decrease of 4.1%; transportation turnover (excluding time charters) of 287.4 billion tonne-miles with a year-on-year increase of 7.5%; revenues from principal operations of RMB11.57 billion with a year-on-year increase of 0.8%; cost of principal operations of RMB7.80 billion with a year-on-year increase of 4.5%, and gross profit margin decreased by 2.4 percentage points year-on-year. The net profit attributable to equity holders of the Company was RMB2.63 billion with a year-on-year decrease of 9.0%, and earnings before interest, taxes, depreciation and amortization (EBITDA) of RMB5.71 billion with a year-on-year decrease of 7.6%.

In the first half of 2024, under the complicated and volatile geopolitical circumstances and oil trading landscape, the Group prepared for steady and solid business performance mainly by working on the following six aspects:

The first aspect is to constantly enrich the structure of customers and routes, so as to grasp business opportunities in the Atlantic market under the changing global trading landscape, and to strengthen the global vessel layouts; the second aspect is to pursue flexible linkage of domestic and international voyages and scientific domestic-to-international voyage transition, so as to realize an organic integration and overall optimization of domestic and international trading businesses; the third aspect is to consolidate and expand stable co-operation with key customers, while developing new customers and exploring growth points of cargo sources and routes; the fourth aspect is to actively pursue international LNG transportation projects, focusing on developing the capacity of stable efficiency in the LNG segment; the fifth aspect is to actively promote technological innovation, empowering operation and management with digitalization, and roll out the application of eco-friendly materials on board; and the sixth aspect is to persist in the compliance risk control and safety management, and to facilitate the realization of a comprehensive coverage of the compliance management system, so as to strictly ensure the safety of vessels in operation and on voyage.

1. Revenue from principal operations

For the six months ended 30 June 2024, 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	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenue as compared with the same period in 2023	Increase/ (decrease) in operating costs as compared with the same period in 2023	Increase/ (decrease) in gross profit margin as compared with the same period in 2023
	(RMB'000)	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(percentage points)*
Domestic crude oil	1,593,965	1,104,350	30.7	(7.2)	(12.2)	3.9
Domestic refined oil	1,245,947	1,017,675	18.3	(2.4)	0.3	(2.2)
Domestic vessel chartering	62,509	60,541	3.1	6.6	16.4	(8.1)
Domestic Oil Shipping Sub-Total	2,902,421	2,182,566	24.8	(4.9)	(6.1)	0.9
International crude oil	4,925,548	3,660,965	25.7	(2.4)	9.7	(8.2)
International refined oil	1,430,618	783,920	45.2	11.2	2.2	4.9
International vessel chartering	1,354,698	714,548	47.3	10.2	14.8	(2.1)
International Oil Shipping Sub-Total	7,710,864	5,159,433	33.1	2.0	9.1	(4.4)
Oil Shipping Sub-Total	10,613,285	7,341,999	30.8	0.0	4.1	(2.7)
International LNG Shipping	958,442	459,864	52.0	10.1	11.1	(0.4)
Total	11,571,727	7,801,863	32.6	0.8	4.5	(2.4)

Principal operations by geographical regions

Geographical regions	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenue as compared with the same period in 2023	Increase/ (decrease) in operating costs as compared with the same period in 2023	Increase/ (decrease) in gross profit margin as compared with the same period in 2023
	(RMB'000)	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(percentage points)*
Domestic shipping	2,902,421	2,182,566	24.8	(4.9)	(6.1)	0.9
International shipping	8,669,306	5,619,297	35.2	2.8	9.3	(3.8)
Total	11,571,727	7,801,863	32.6	0.8	4.5	(2.4)

2. ***Shipping business – oil and gas shipping***

(1) *International oil shipment business*

In the first half of 2024, the international tanker fleet of the Group achieved revenue from international oil shipping of RMB7.71 billion, representing a year-on-year increase of 2.0%; gross profit for the segment was RMB2,551 million, representing a year-on-year decrease of 9.9%; and gross profit margin was 33.1%, representing a year-on-year decrease of 4.4 percentage points.

VLCC fleet: In the first half of 2024, the freight rates fluctuated frequently and the pace changed rapidly. In order to enhance the overall fleet efficiency, the Group continued to expand the western markets, seized market opportunities to build triangular routes, balanced the layout of eastern and western routes, and maintained the diversification of cargo sources. At the same time, the Group gave full play to the marketing function of its overseas outlets and increased the proportion of high-quality cargo sources for international customers.

International small and medium-sized fleet: Faced with structural changes in international oil trade, the Group formulated corresponding business strategies after keeping a close eye on the trend of the market and grasping the market fluctuation window so as to improve its overall operating efficiency, which mainly includes the following:

1) The Group deepened the close co-operation with large international oil companies and traders, enhanced the globalization of fleet capacity layout, paid close attention to the expansion of the Trans Mountain pipeline in Canada and proactively took on incremental cargoes. The Group also actively built triangular routes around high-value-added Oceania routes.

2) The Group leveraged the advantages of the fleet in both domestic and foreign trade, focused on enhancing efficiency and effectiveness, and implemented domestic-to-foreign coordination based on domestic and foreign trade market dynamics.

(2) Domestic oil shipping business

In the first half of 2024, the domestic oil shipping market generally remained stable. The Group recorded domestic oil shipping revenue of RMB2.90 billion with a year-on-year decrease of 4.9%, gross profit of RMB720 million with a year-on-year decrease of 1.2%, and gross profit margin of 24.8% with a year-on-year increase of 0.9 percentage point.

Operational highlights are as follows:

1) The Group signed COA contracts with several key customers and locked more than 90% of the base cargo source. The Group also strengthened the development of new customers and the acquisition of long routes, continuously diversifying customer resources and route structure.

2) The Group collaborated with industry partners to adjust the pace of fleet capacity layout, promote the optimization of the business ecosystem and ensure the demand for offshore oil shipping capacity. The Group continued to promote the short routes time charter mode, effectively increasing the average TCE of the fleet.

(3) LNG shipping business

In the first half of 2024, the Group realized a net profit attributable to equity shareholders of the Company from the LNG shipping segment of RMB401 million, basically flat year-on-year.

Operational highlights are as follows:

1) With the LNG long-term contract business as the cornerstone of development, the Group steadily promoted the implementation of LNG shipping projects. During the Reporting Period, CSLNG, a wholly-owned subsidiary of the Group, completed the equity acquisition of seven LNG transportation vessels of Qatar Energy and three LNG transportation vessels of ENN, and CLNG, a joint venture, signed a long-term charter contract with Qatar Energy for two QC MAX ultra-large LNG transportation vessels. As of the end of the Reporting Period, the Group had invested in 85 LNG carriers, representing an increase of 12 vessels as compared to the end of 2023, and the scale of LNG carriers continued to expand.

2) Focusing on vessel management, the Group further enhanced its ability to operate and control vessels independently. The Group actively responded to the challenge of intensive new ship-building, and strictly monitored the construction of vessels. During the Reporting Period, the Group delivered two LNG carriers of 174,000 cubic meters ahead of schedule and of high quality, creating favorable benefits. COSCO SHIPPING LNG (Hong Kong) Ship Management Co., Ltd, a wholly-owned subsidiary of the Group, successfully acquired one LNG carrier for the PetroChina International LNG Project, and continued to provide customers with safe and efficient transportation services, continuously enhancing its independent ship management capability. At the same time, the Group strengthened the construction of the crew pool, comprehensively selected and trained LNG crews, and built a high-quality crew team and LNG management talent team by focusing on the construction of LNG ordering classes and promoting the transformation of crew into key positions.

IV. Costs and Expenses Analysis

For the six months ended 30 June 2024, the composition of the operating costs of the Group's main businesses is as follows:

	For the six months ended 30 June 2024 ***(RMB'000)***	For the six months ended 30 June 2023 *(RMB'000)*	Increase/ (decrease) *(%)*	Composition ratio in the six months ended 30 June 2024 *(%)*
Oil shipping operating costs				
Items				
Fuel costs	**2,536,452**	2,579,249	(1.7)	34.5
Port costs	**369,043**	451,297	(18.2)	5.0
Sea crew costs	**1,129,978**	1,226,838	(7.9)	15.4
Lubricants expenses	**160,728**	153,007	5.0	2.2
Depreciation	**1,426,884**	1,279,890	11.5	19.4
Insurance expenses	**97,323**	94,370	3.1	1.3
Repair expenses	**179,322**	200,254	(10.5)	2.4
Charter costs	**1,212,380**	799,574	51.6	16.5
Others	**229,889**	266,961	(13.9)	3.1
Sub-total	**7,341,999**	7,051,440	4.1	100.0
LNG shipping operating costs				
Items				
Sea crew costs	**116,415**	89,870	29.5	25.3
Lubricants expenses	**15,432**	9,952	55.1	3.4
Depreciation	**251,621**	211,917	18.7	54.7
Insurance expenses	**18,059**	12,550	43.9	3.9
Repair expenses	**106,113**	71,867	47.7	23.1
Others	**(47,776)**	17,905	(366.8)	(10.4)
Sub-total	**459,864**	414,061	11.1	100.0
Total	**7,801,863**	7,465,501	4.5	100.0

Reasons of the changes in cost and expenses:

(1) Oil shipping costs

1) Port costs: Port charges decreased by 18.2% year-on-year, mainly due to the year-on-year decrease in domestic fleet capacity layout, and changes in the operating mode of international fleet and route port calls.

2) Depreciation: Depreciation increased by 11.5% 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.

3) Charter costs: Charter costs increased by 51.6% year-on-year, mainly due to the successive addition of a number of VLCC capacity of CHINA POOL.

(2) LNG shipping costs

4) LNG shipping operating costs increased by 11.1% year-on-year, mainly due to the put into operation successively of the Project Vessels for PetroChina's project, and the year-on-year increase of the depreciation, sea crew costs and engine expenses.

V. Operating Results of the Joint Ventures and the Associates

In the first half of 2024, the two major joint venture and associated shipping companies of the Group realized a total operating revenue of approximately RMB1,801 million and a total net profit attributable to the parent of approximately RMB885 million with a year-on-year increase of 14.1%. The Group recognized investment income from joint ventures and associates of approximately RMB609 million with a year-on-year increase of 7.0%.

1. The operating results achieved by the major joint venture shipping company of the Group during the Reporting Period are as follows:

Company name	Interest held by the Group	Shipping turnover	Operating revenue	Net profit (attributed to the parent)
		(billion tonne-miles)	*(RMB'000)*	*(RMB'000)*
CLNG	50%	38.78	611,886	475,694

2. ***The operating results achieved by an associated shipping company of the Group during the Reporting Period are as follows:***

Company name	Interest held by the Group	Shipping turnover	Operating revenue	Net profit (attributed to the parent)
		(billion tonne-miles)	*(RMB'000)*	*(RMB'000)*
Shanghai Beihai Shipping Company Limited	40%	9.71	1,188,682	409,650

VI. 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 RMB3,586,631,000, representing a decrease of approximately 22% as compared to approximately RMB4,607,220,000 for the six months ended 30 June 2023. The decrease in net cash generated from operating activities compared to the previous period was due to new short-term vessel charter expenses and increased taxes paid. 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 2024**	31 December 2023
		RMB'000	*RMB'000*
Authorised and contracted but not provided for:			
Construction and purchases of vessels	*(i)*	**11,263,717**	13,735,816
		11,263,717	13,735,816

Note:

(i) According to the construction and purchase agreements entered into by the Group, these capital commitments will fall due in 2024 to 2027.

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 2024 and 31 December 2023 is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Total debts	**29,958,445**	29,720,403
Less: cash and bank	**(4,305,733)**	(5,627,218)
Net debt	**25,652,712**	24,093,185
Total equity	**38,422,714**	37,103,323
Net debt-to-equity ratio	**67%**	65%

As at 30 June 2024, the balance of cash and bank amounted to RMB4,305,733,000, representing a decrease of RMB1,321,485,000 and by 23% 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 2024, the Group's net gearing ratio (i.e. net debts over total equity) was 67%, which was 2% higher than that as at 31 December 2023.

4. Trade and bills receivables and contract assets

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Trade and bills receivables from third parties	**1,303,689**	585,971
Trade receivables from related companies *(Note)*	**173,001**	4,000
	1,476,690	589,971
Less: allowance for doubtful debts	**(9,211)**	(7,370)
	1,467,479	582,601
Current contract assets relating to oil shipment contracts	**1,267,047**	1,562,196
Less: allowance	**(11,394)**	(11,030)
Total contract assets	**1,255,653**	1,551,166

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

Trade receivables from related companies are unsecured, non-interest-bearing and under normal credit terms as other trade receivables.

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

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Within 1 year	**1,454,099**	573,567
1–2 years	**13,380**	8,909
Over 2 years	**–**	125
	1,467,479	582,601

5. *Trade and bills payables*

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Trade and bills payables to third parties	**1,026,318**	887,735
Trade payables to fellow subsidiaries	**662,312**	795,895
Trade payables to associates	**5,911**	5,692
Trade payables to related companies *(Note)*	**23,779**	18,554
	1,718,320	1,707,876

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 terms as other trade payables.

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

	30 June 2024 *RMB'000*	31 December 2023 *RMB'000*
Within 1 year	**1,601,212**	1,583,641
1–2 years	**36,431**	66,373
Over 2 years	**80,677**	57,862
	1,718,320	1,707,876

6. *Derivative financial instruments*

As at 30 June 2024, the Group had interest rate swap agreements with total notional principal amount of approximately USD686,578,000 (equivalent to approximately RMB4,893,104,000) (31 December 2023: approximately USD703,736,000 (equivalent to RMB4,984,351,000)) which will be matured in 2031, 2032, 2033, 2034 and 2035 (31 December 2023: 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 period, the floating interest rates of the bank borrowings were SOFR plus 2.45% and SOFR plus 1.66% (six months ended 30 June 2023: 3-month LIBOR plus 2.20% and 3-month LIBOR plus 1.40%) per annum.

As at 30 June 2024 and 31 December 2023, the Group has the following derivative financial instruments:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
Non-current assets		
Interest rate swaps-cash flow hedges	**279,024**	92,083
Total non-current derivative financial instrument assets	**279,024**	92,083
Non-current liabilities		
Interest rate swaps-cash flow hedges	**–**	9,426
Total non-current derivative financial instrument liabilities	**–**	9,426

7. *Interest-bearing bank and other borrowings*

As at 30 June 2024 and 31 December 2023, details of the interest-bearing bank and other borrowings are as follows:

	Maturity	**30 June 2024** *RMB'000*	31 December 2023 *RMB'000*
Current liabilities			
(i) Bank borrowings			
Secured	2024 to 2025	**1,416,433**	1,632,026
Unsecured	2024 to 2025	**2,748,068**	2,995,425
		4,164,501	4,627,451
(ii) Other borrowings			
Unsecured	2024 to 2025	**108,292**	79,801
Interest-bearing bank and other borrowings – current portion		**4,272,793**	4,707,252
Non-current liabilities			
(i) Bank borrowings			
Secured	2025 to 2037	**14,881,453**	14,536,846
Unsecured	2025 to 2026	**4,834,953**	5,323,728
		19,716,406	19,860,574
(ii) Other borrowings			
Secured	2025 to 2041	**832,800**	166,560
Unsecured	2025 to 2032	**3,227,804**	2,889,952
		4,060,604	3,056,512
Interest-bearing bank and other borrowings – non-current portion		**23,777,010**	22,917,086

As at 30 June 2024, the Group's interest-bearing bank borrowings were secured by pledges of the Group's 35 (31 December 2023: 34) vessels and 3 (31 December 2023: 3) vessels under construction with total net carrying amount of RMB23,730,579,000 (31 December 2023: RMB22,716,424,000) and RMB1,949,448,000 (31 December 2023: RMB1,328,920,000) respectively.

As at 30 June 2024, secured bank borrowings denominated in USD amounted to RMB15,922,817,000 (31 December 2023: RMB15,725,723,000) and unsecured bank borrowings denominated in USD amounted to RMB3,058,110,000 (31 December 2023: RMB3,891,235, 000).

8. *Contingent liabilities and guarantee*

(1) Four associates of East China LNG Shipping Investment Co., Limited ("**ELNG**") and North China LNG Shipping Investment Co., Limited ("**NLNG**"), two non-wholly-owned subsidiaries of the Company, entered into a ship building contract for one LNG vessel each. After the completion of their LNG vessels, the four associates would lease the vessels to the lessors in accordance with the signed leasing contracts. In July 2011, the Company provided guarantees to the four associates for their obligations under the leasing contracts, with the guarantee amount not exceeding USD8,200,000 (equivalent to approximately RMB58,440,000). The guarantee period is limited to the lease period.

(2) From 2014 to 2021, the joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company, signed several ship building contracts and leasing contracts with certain third parties. According to those contracts, the Company would provide guarantees to the joint ventures for their obligations under those contracts based on the subsidiary's percentage of shareholdings in the joint ventures. As at 30 June 2024, the aggregate amount of the guarantees provided to the shipbuilders and lessees was USD276,120,000 (equivalent to approximately RMB1,967,852,000) and USD11,238,000 (equivalent to approximately RMB80,091,000) respectively, and the guarantee periods are limited to the lease periods.

(3) In June 2017, the Company provided financial guarantees to three joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly owned subsidiary of the Company to the extent of the contract amount of USD377,500,000 (equivalent to approximately RMB2,690,367,000) in respect of the bank borrowings provided by two banks. The guarantee period is limited to 12 years after the vessel construction project of each of the joint ventures is completed. As at 30 June 2024, the balance of the guarantees was USD273,629,000 (equivalent to approximately RMB1,950,102,000).

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 2024, 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 RMB46,574,000 higher/lower (31 December 2023: RMB52,347,000 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 2024 and 31 December 2023.

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.

VII. Fleet Development

For the six months ended 30 June 2024, the cash expenditure for the construction and purchase of new vessels, was approximately RMB2.217 billion.

In terms of fleet development, for the six months ended 30 June 2024, the Group's subsidiaries received 2 LNG carriers with a total capacity of 348,000 cubic meters.

As at 30 June 2024, the specific composition of the Group's, and joint ventures' and associates' fleet was as follows:

	Vessels in operation			Vessels under construction	
Oil and chemical tanker fleet	**Number**	**'0000 DWT**	**Average age**	**Number**	**'0000 DWT**
Oil tankers of the Group	148	2,083	12.4	6	52.3
Chemical tankers of the Group	0	0	–	2	1.3
Long-term charter-in oil tankers	6	159	11.1	–	–
Oil tankers of the joint ventures and associates	16	99	10.7	1	15.0
Total	**170**	**2,342**	**12.2**	**9**	**68.6**

	Vessels in operation			Vessels under construction	
LNG carrier fleet	**Number**	**'0000 cubic meters**	**Average age**	**Number**	**'0000 cubic meters**
LNG carriers of the Group	11	192	4.2	8	139.5
LNG carriers of the joint ventures and associates	34	563	7.2	32	575.8
Total	**45**	**755**	**6.5**	**40**	**715.3**

VIII. Outlook and Highlights of the Second Half of 2024

1. Landscape and trends in the industry

(1) International oil shipping market

In the second half of 2024, the supply and demand fundamentals will remain at a healthy level, supporting the boom in the oil shipping industry. The international geopolitical situation, as well as changes in the global oil trade, will increase the volatility of freight rates.

Global oil demand is expected to maintain a growth trend, but under the impact of the overall recovery of the global economy under pressure, the growth rate of oil consumption shows signs of slowing down, with the incremental growth mainly from China and India. Oil supply is expected to maintain moderate growth, and although OPEC announced that it would gradually withdraw 2.2 million barrels per day of voluntary production cuts from October, the impact of OPEC output cuts will still act on the oil market in the short term, with supply increase coming from non-OPEC countries, primarily in Brazil, Guyana and other Atlantic regions.

In terms of transportation demand, based on the forecast of Clarksons, the crude oil tonne-mile demand and product oil tonne-mile demand is expected to grow by 3.3% and 7.5%, respectively year-on-year in 2024. The Red Sea crisis will determine the direction of oil trade through the Suez Canal, and the detours of small and medium-sized tankers will increase the overall transport distance. At the same time, in the context of the growth of oil exports from the United States, Brazil and Guyana, the Atlantic-Asia oil trade will bring longer distance routes to the transportation market. Based on the forecast of the National Oceanic and Atmospheric Administration (NOAA), four to seven severe hurricanes are predicted in 2024, which are more active than historical averages and will create uncertainty in the oil transportation market.

In terms of tonnage supply, based on the report of Clarksons, in 2024, the crude oil tanker tonnage is expected to grow at a rate of -0.1% and the product oil tanker tonnage is expected to grow at a rate of 1.8%, with the growth rate of transport demand being greater than the growth rate of tonnage supply. In particular, VLCC tonnage continues to maintain a low growth trend, with one new ship expected to be delivered in the second half of 2024 and five new ships expected to be delivered in 2025.

Looking ahead, the aging global fleet, uncertain fuel technology paths, high new-building prices, tight shipyard production capacity in the short term, and the ongoing implementation of environmental protection policies are all contributing to a tense situation of "the growth rate of new ships is not as fast as the aging rate" on the tonnage supply. The development trend of global refining "from west to east" will also drive longer oil trade routes, which will in turn increase the demand for oil tanker transportation. Supported by the above fundamental factors, the oil shipping market will enter a sustained boom cycle.

(2) Domestic oil shipping market

In the second half of the year, domestic demand for crude oil transportation is still under downward pressure. The sluggish consumption of refined oil and chemical products may persistently affect refinery efficiency, leading to further downward pressure on transportation demand. However, with the arrival of the traditional peak season at the end of the third quarter, the market is expected to see a short-term boost. In addition, in terms of offshore oil terminal production, although the commissioning of the new Wushi terminal in the South China Sea had positively impacted the market, its relatively small output contribution to transportation increase remains limited.

Under the background that the layout optimization of domestic refineries has been formed, the demand for long routes and trade-oriented product oil transportation will be greatly reduced, and domestic product oil transportation is expected to be under pressure.

(3) LNG shipping market

According to the forecast of Drewry, global LNG trade volume will reach 424 million tons in 2024, representing a year-on-year increase of 3.9%, mainly due to the strong demand from China and other Asian countries, as well as the active trade between the United States, Asia and Europe. In the second half of 2024, the market will enter the traditional peak season supported by the demand for replenishment before the heating season. The La Nina phenomenon may cause low temperature in winter, which may expand the demand for LNG. However, with healthy stocks and sufficient renewable energy generation in Europe, the peak season demand growth rate of the LNG shipping market is projected to be more moderate compared to last year.

In the medium to long term, the outlook for LNG trade remains positive. The current global LNG production capacity is about 485.3 million tons/year, and it is expected to reach nearly 826.4 million tons/year in 2029, with an average compound annual growth rate of approximately 11%. A significant amount of new liquefaction capacity will enter the market in the next few years, and most of the increase will be provided by the United States. In the first half of 2024, about 19 LNG supply and sales agreements have been signed worldwide, with a total capacity of about 14.90 million tons/year. A number of projects in the planning stage are expected to reach final investment decisions (FIDs) in the second half of 2024. Meanwhile, the increase in the number of long-distance LNG trading projects will also benefit the LNG shipping market, pushing traders to lock in more shipping capacity in advance.

2. ***Highlights for the second half of 2024***

In the second half of 2024, in the face of the complex and volatile international trade and geopolitical situation, the Group will continue to provide a solid transportation guarantee for the global energy supply chain and continuously improve the customer-oriented global service network. Meanwhile, the Group will closely follow the development trend of the global energy transportation industry chain, optimize and adjust the strategic layout, enhance the business resilience of the Company in the face of changes in the external environment, and promote the steady improvement of sustainable development capabilities.

(1) Promote the overall improvement of business effectiveness and efficiency

1) In terms of international oil transportation, the Group will closely monitor the changes in the international oil trade pattern, optimize global capacity layout, and enhance its global operation capability. Moreover, the Group will fully utilize the resource and layout advantages of its overseas marketing outlets, plow into the Atlantic market, focus on the development of new customers and new routes, and focus on the development of high-profit cargoes and establishment of triangle routes with an 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 business linkage of domestic and international transportation, and crude oil and product oil transportation.

2) In terms of domestic oil transportation, the Group will continue to give play to its leading advantages in the domestic market, strengthen the efficiency and profitability of the fleet, maintain co-operation with important customers, and improve the quality of transportation services; develop high-quality new customers, pay attention to the development scale of private enterprises, and further enhance the ability to control market cargo sources.

3) The Group will closely track key LNG projects and actively match the potential needs of important customers; strictly monitor ship construction and optimize LNG independent ship management capability; consolidate and develop the innovative mode of ordering class for LNG crew, accelerate the construction of LNG senior crew team and management personnel team, and enhance the overall strength of LNG shipping.

4) The Group will carry out lean management and promote cost control as a whole, focus on total factor labor productivity, further reduce and control the cost of fuel procurement, and strengthen the control of port fees.

(2) Accelerate digital upgrading and scientific and technological innovation fostering

1) The Group will coordinate the overall transformation and upgrade of digital intelligence. With the help of external combing and diagnosis, the Group will complete the evaluation of digital transformation maturity, the identification and combing of opportunities for digital scenarios of technological innovation, and the design of application architecture. Driven by internal independent demand, the Group will focus on navigation safety, equipment safety, cost control and other key points, so as to promote the second phase of the ship intelligent management platform project. At the same time, the Group will accelerate the digital construction of compliance risk control and enhance the efficiency, accuracy and pertinence of compliance risk control. The Group will accelerate the research and promotion of projects such as the digitalization of integrated management system, the construction of customer service and management system, and the construction of the LNG operation platform.

2) The Group will focus on key areas such as artificial intelligence, environmental protection and energy conservation, and new energy fuels to strengthen basic research and technology application. The Group will analyze and summarize the real ship verification of the propeller skin drag reduction material to form the landing mode experience and strengthen the product application and promote the research results. The Group will strengthen external communication with universities and research institutes, promote the establishment of a long-term scientific research co-operation mechanism, and strengthen the deep integration of "production, learning, research and application" in various forms such as entrusted research and development and joint development, so as to accelerate the application and transformation of scientific and technological innovation achievements.

(3) Stick to intrinsic safety and improve the level of safety risk management

1) The Group will strengthen pre-control management, especially the tracking and prevention of disastrous weather, key ships, ships in key areas and key periods. The Group will use information technology to improve the implementation of safety measures such as collision prevention, piracy prevention, work injury prevention, pollution prevention, fire prevention and explosion prevention.

2) The Group will establish a sound coordination mechanism for compliance and risk control. The Group will closely follow the changes in the global policy situation, strengthen the study of rules in key areas such as international trade, and dynamically adjust the risk control mechanism; ensure compliance management, enhance coordination and communication with upstream and downstream entities in the industrial chain, and enhance the ability to deal with risks jointly.

OTHER MATTERS

I. Incentive Scheme

On 26 October 2023, the Company convened the Eighth Meeting of the Board of 2023 and the Sixth Meeting of the Supervisory Committee of 2023, considering and approving the Proposal on the "2023 Share Option Incentive Scheme (Draft) of COSCO SHIPPING Energy Transportation Co., Ltd." and its summary, the Proposal on the "Administrative Measures (Draft) for the 2023 Share Option Incentive Scheme of COSCO SHIPPING Energy Transportation Co., Ltd.", the Proposal on the "Administrative Measures for the Implementation and Appraisal (Draft) of the 2023 Share Option Incentive Scheme of COSCO SHIPPING Energy Transportation Co., Ltd.", and the Resolution to propose the General Meeting and Class Meeting of the Company to authorize the Board to deal with matters related to the 2023 Share Option Incentive Scheme of the Company. The Board agreed to the implementation of the 2023 Stock Option Incentive Scheme by the Company and agreed to submit the proposals to the General Meeting and Class Meeting of the Company for consideration. Ren Yongqiang and Zhu Maijin, Directors of the Company, who are the Participants of the Share Option Incentive Scheme, as connected directors, abstained from voting on the proposals.

On 10 May 2024, the Company convened the Second Extraordinary General Meeting of 2024, the First A Shares Class Meeting of 2024 and the First H Shares Class Meeting of 2024, considering and approving the Proposal on the "2023 Share Option Incentive Scheme (Draft) of COSCO SHIPPING Energy Transportation Co., Ltd." and its summary, the Proposal on the "Administrative Measures (Draft) for the 2023 Share Option Incentive Scheme of COSCO SHIPPING Energy Transportation Co., Ltd.", the Proposal on the "Administrative Measures for the Implementation and Appraisal (Draft) of the 2023 Share Option Incentive Scheme of COSCO SHIPPING Energy Transportation Co., Ltd.", and the Resolution to propose the General Meeting of the Company to authorize the Board to deal with matters related to the 2023 Share Option Incentive Scheme of the Company. Shareholders who are both the Participants and who are connected with the Participants of the 2023 Stock Option Incentive Scheme of the Company disqualified themselves from voting.

On 10 May 2024, the Company convened the Fourth Meeting of the Board of 2024 and the Third Meeting of the Supervisory Committee of 2024, considering and approving the Proposal on Adjustment of the Number of the Initial Grant of the 2023 Share Option Incentive Scheme and the Proposal on Initial Grant of Share Options under the 2023 Share Option Incentive Scheme. Given the internal adjustment of some Participants proposed to be granted Share Options under the 2023 Share Option Incentive Scheme, the Board has adjusted the number of Share Options granted under the Scheme according to the authorization of the general meeting, and there was no adjustment to the number of and the list of Participants. After the adjustment, the total number of Share Options of the Initial Grant is reduced from 22,465,500 to 22,309,600. The Board is of the view that all conditions of the Initial Grant have been satisfied and has determined 10 May 2024 as the Date of Initial Grant and agreed to grant 22,309,600 shares of Stock Options to 107 Participants who met the conditions for Grant at an Exercise Price of RMB13.00 per share. Mr Ren Yongqiang and Mr Zhu Maijin, directors of the Company, who are the Participants under the Share Option Incentive Scheme, as connected directors, abstained from voting on the above two Proposals.

On 28 June 2024, the registration procedure for the Initial Grant under the 2023 Share Option Incentive Scheme at the China Securities Depository and Clearing Corporation Limited Shanghai Branch was completed. Details are as follows:

(1) Name of the Share Options: COSCO SHIPPING Energy Transportation Share Options

(2) Codes of the Share Options (to be exercised by three batches): 1000000644, 1000000645, 1000000646

(3) Completion date of registration of the Initial Grant of Share Options: 28 June 2024

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

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

III. Compliance with the Corporate Governance Code

The Board is committed to the principles of corporate governance for a value-driven management that is focused on enhancing shareholders' value. In order to enhance independence, accountability and responsibility, the posts of chairman of the Board and the chief executive officer are assumed by different individuals so as to maintain independence and balanced views.

In the opinion of the Directors, 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 Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company has established five professional 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 and compliance management committee (the "**Risk and Compliance Management Committee**") with defined terms of reference.

IV. Audit Committee

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

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 and this interim results announcement and has met with the independent auditor, PricewaterhouseCoopers, who has reviewed the interim financial information in accordance with Hong Kong Standard on Review Engagements 2410. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with the senior management members of the Group.

V. 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 Corporate Governance Code contained in Appendix C1 of the Listing Rules.

VI. 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. The Nomination Committee has adopted terms of reference which are in line with the Corporate Governance Code contained in Appendix C1 of the Listing Rules.

VII. 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.

VIII. Risk and Compliance Management Committee

The Risk and Compliance Management 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 and Compliance Management 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.

IX. Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules

The Company has adopted the Model Code as set out in Appendix C3 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, the Company confirms that each of them has complied with the Model Code during the Reporting Period.

X. Employees

The adjustments of employee remuneration are calculated in accordance with the Company's turnover and profitability and is determined by assessing the correlation between the total salary paid and the operational 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 Incentive Scheme, the Company does not maintain any other share option scheme for its employees and the employees do not receive any bonus. The Company regularly provides its operational management 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 2024, the Company had 7,711 (as at 30 June 2023: 8,339) employees. During the Reporting Period, the total staff costs was approximately RMB1,697 million (for the same period in 2023: approximately RMB1,736 million).

XI. 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 organizing 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.

If shareholders and investment institutions need to conduct related exchanges with the Company, they can make enquiries through channels such as the Company's investor relations email address and telephone number, and the above contact information has been published in the financial reports and website of the Company.

XII. Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisition and disposal in relation to subsidiaries, associates and joint ventures.

XIII. Significant Investments and Future Plans for Material Investments or Capital Assets

As at 30 June 2024, the Group did not have any individual investment with a fair value of 5% or more of its total assets. Accordingly, during the Reporting Period, the Group did not hold any significant investments and did not have any immediate plans for material investments and capital assets.

XIV. Events after the Reporting Period

Due to update on industrial and commercial registration system, the registered address of the Company has been changed to "Room A-1015, No. 188 Ye Sheng Road, China (Shanghai) Pilot Free Trade Zone Lingang Special Area, the People's Republic of China". The expressions of "Lingang Special Area" have been added to the registered address of the Company in its new business licence, but the actual location of the Company's registered address remains unchanged. For details, please refer to the announcement of the Company dated 1 August 2024.

XV. Supplementary Information to be Published on the Websites of 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 Hong Kong Institute of Certified Public Accountants (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, People's Republic of China
29 August 2024

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*