



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

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

# 2024

## INTERIM REPORT



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# Company Profile

## I. The Company's Information

Chinese name	中遠海運控股股份有限公司
Abbreviation of Chinese name	中遠海控
English name	COSCO SHIPPING Holdings Co., Ltd. (the “ <b>Company</b> ” or “ <b>COSCO SHIPPING Holdings</b> ”)
Abbreviation of English name	COSCO SHIP HOLD
Legal Representative	WAN Min
Registered address	2nd Floor, 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Pilot Free Trade Zone (Airport Economic Area), Tianjin, the People's Republic of China (the “ <b>PRC</b> ”)
Postal code of registered address	300461
Place of business	8/F, No.658 Dong Da Ming Road, Shanghai, the PRC
Postal code of place of business	200080
Website	<a href="http://hold.coscoshipping.com">http://hold.coscoshipping.com</a>
Email	<a href="mailto:investor@coscoshipping.com">investor@coscoshipping.com</a>
Place of business in Hong Kong	48/F, COSCO Tower, 183 Queen's Road Central, Hong Kong

## II. Profile of the Company's Shares

### Profile of the Company's shares (the “Shares”)

Class of Shares	Place of listing	Stock short name	Stock code	Stock short name before change
A Shares	Shanghai Stock Exchange	COSCO SHIP HOLD	601919	China COSCO
H Shares	The Stock Exchange of Hong Kong Limited (the “ <b>Stock Exchange</b> ”)	COSCO SHIP HOLD	01919	China COSCO
Designated newspapers for disclosure of the Company's information		Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily		
Website designated by the China Securities Regulatory Commission (the “ <b>CSRC</b> ”) for publishing interim report		<a href="http://www.sse.com.cn">www.sse.com.cn</a>		
Place for inspection of the Company's interim report		8/F, No.658 Dong Da Ming Road, Shanghai, the PRC		

## III. Contact Persons and Methods

	<b>Secretary to the Board of Directors</b>	<b>Representative of securities affairs</b>
Name	XIAO Junguang	ZHANG Yueming
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E-mail	investor@coscoshipping.com	investor@coscoshipping.com

## IV. Other Relevant Information

Domestic auditor engaged by the Company	Name	ShineWing Certified Public Accountants, LLP
	Office address	8/F, Block A, Fu Hua Mansion, No.8 Chao Yang Men Beidajie, Dong Cheng District, Beijing
	Signing accountants	MA Yuanlan and WANG Rujie
International auditor engaged by the Company	Name	PricewaterhouseCoopers <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i>
	Office address	22nd Floor, Prince's Building, Central, Hong Kong
	Signing accountants	Jack LI

### Other information of the Company:

Legal advisers as to Hong Kong law	Name	Paul Hastings
	Office address	22/F, Bank of China Tower, 1 Garden Road, Hong Kong
Legal advisers as to PRC law	Name	Commerce and Finance Law Offices
	Office address	6th Floor, NCI Tower, A12 Jianguomenwai Avenue, Beijing
Domestic A Share registrar and transfer office	Name	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
	Office address	36th Floor, China Insurance Building, 166 Lujiazui East Road, Pudong New District, Shanghai
Hong Kong H Share registrar and transfer office	Name	Computershare Hong Kong Investor Services Limited
	Office address	17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Principal bankers	Name	Bank of China, Agricultural Bank of China, China Merchants Bank, etc.

# Financial Summary

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (THE “REPORTING PERIOD”) PREPARED UNDER THE HONG KONG FINANCIAL REPORTING STANDARDS

Results Highlights:

	Six months ended 30 June		Difference RMB'000
	2024 RMB'000	2023 RMB'000	
Revenues	101,201,055	91,842,797	9,358,258
Profit attributable to equity holders of the Company	16,870,080	16,560,637	309,443
	RMB	RMB	RMB
Basic earnings per share (RMB)	1.05	1.03	0.02

# Management Discussion and Analysis

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

	<b>Period from 1 January to 30 June 2024 RMB'000</b>	Period from 1 January to 30 June 2023 RMB'000	Difference RMB'000
Revenues	<b>101,201,055</b>	91,842,797	9,358,258
Operating profit	<b>19,051,460</b>	18,129,472	921,988
Profit before income tax	<b>23,060,232</b>	22,932,751	127,481
Profit after income tax	<b>19,255,367</b>	19,675,781	(420,414)
Profit attributable to equity holders of the Company	<b>16,870,080</b>	16,560,637	309,443
Basic earnings per Share (RMB)	<b>1.05</b>	1.03	0.02

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

In the first half of 2024, global container shipping market was intertwined with tight effective capacity supply, increase in demand and constrained supply chain due to multiple factors, including the inventory replenishment by Europe and the North America in advance, the growth of cargo volume in emerging markets and continuing Red Sea situation. Facing the complex and volatile global economic and trade situation, the Group focused on coping with the uncertainties of external environment by stabilizing its own development and continued to enhance precise market evaluation and foresight. While actively enhancing the stability and efficiency of traditional business, it drove expansion and innovation through digital intelligence and green low-carbon development to bolster the resilience of its global supply chain, thereby strengthening its core competitiveness, and vigorously promoting service and brand upgrade. The Group elevated the quality and efficiency in tandem with progress in transformation and outstanding operating results.

During the Reporting Period, the shipping volume of the Group's container shipping business reached 12.4595 million TEUs, representing 9.34% growth as compared to that for the same period of last year; the total throughput of the terminal business amounted to 69.8585 million TEUs, representing 8.19% growth as compared to that for the same period of last year. The Group generated revenue of RMB101.201 billion, representing 10.19% growth as compared to that for the same period of last year; the Group recorded net profits attributable to equity holders of the Company of RMB16.87 billion, representing an increase of RMB0.309 billion as compared to that for the same period of last year.

As of the end of the Reporting Period, the gearing ratio decreased by approximately 2.5 percentage points to 44.9% as compared to the beginning of the Reporting Period. The balance of cash and cash equivalents was RMB172.35 billion, and the net cash inflow from operating activities during the Reporting Period was RMB22.638 billion. While promoting its high-quality development, the Group further enhanced its ability

# Management Discussion and Analysis

to create value for the shareholders of the Company (“Shareholders”). The Board of Directors considered and approved the 2024 interim profit distribution plan of COSCO SHIPPING Holdings and decided the payment of an interim cash dividend of RMB0.52 per ordinary Share (tax inclusive) for 2024 to all Shareholders. Based on the Company’s total share capital of 15,960,605,965 Shares as at 30 June 2024, the total interim cash dividends of approximately RMB8.3 billion (tax inclusive) for 2024 shall be distributed, representing approximately 49.20% of the net profit attributable to equity holders of the Company in the first half year of 2024. During the Reporting Period, the Group was included in the FTSE China A50 Index, reflecting that its brand value and investment value were highly recognized by the capital market. During the Reporting Period, the Group not only effectively mitigated the impact of cyclical fluctuations in the market, but also achieved remarkable results in high-quality development.

**Firstly, the Group accelerated the upgrading of global layout.** During the Reporting Period, the Group accelerated the optimization of its fleet structure by taking delivery of five 24,188 TEU energy-saving vessels and three 14,100 TEU Latin American supramax vessels. They were deployed in the Asia-Europe services and South America services in the emerging markets respectively. As at the end of the Reporting Period, the capacity of the Group’s self-operated container fleet amounted to 3.24 million TEUs, representing an increase of 6.5% from the beginning of the Reporting Period. The Group’s total fleet capacity remained in the top-tier of the container shipping industry. On this basis, we actively leveraged our economies of scale and continued to develop a balanced global layout of shipping routes. At the same time, we successfully extended the cooperation period with OCEAN Alliance to 2032 and launched the new DAY 8 services in March to further consolidate our advantages in traditional markets. Besides, we successively launched East Coast of North America to West Coast of South America services, Yangpu to Abu Dhabi direct call service, upgraded China to Vietnam services and Far East to East Africa services, and successfully rolled out Tianjin to East Coast of South America and Dalian to Mexico direct call services, thus achieving a number of breakthroughs in the development of emerging markets and laying a solid foundation for more effective reduction of logistics costs for our global customers and the establishment of a safer, more stable and more efficient supply chain system.

# Management Discussion and Analysis

## **Secondly, the upgrading of full-chain services saw leapfrog development.**

The Group spared no effort in building a global digital supply chain service ecosystem integrating “container shipping + port + related logistics services”. As for resource capacity building, we accelerated the establishment of investment and operation platforms in different areas such as North America, Europe, Southeast Asia, South America, Japan, Africa, Australia, etc. We also implemented a number of key supply chain projects in an orderly manner to address the logistics and warehousing needs of our customers. At the same time, we developed supporting resources of Piraeus Port, Abu Dhabi Port, TCT Terminal at Tianjin Port and other terminals to continuously improve the geographical coverage of regional services. As for the expansion of sea-rail intermodal transportation routes, during the Report Period, we launched the Lázaro Cárdenas-Mexico City chartered train transportation service, thus realizing the seamless connection between the Mexican rail freight route and global shipping routes. In addition, the Company opened the Wuhan-Xiamen-Europe sea-rail transportation channel, providing a new and convenient shipping route for the central region to connect with global trade. At present, the Company launched more than 550 sea-rail intermodal transportation routes for domestic and foreign trade. As for product capacity building, during the Reporting Period, we iteratively launched a series of full-chain packaged products, including the dynamic packaging product “Customer-Defined Services”, the third-country series product “Global Talent Pegasus” and full-chain combination products “Talent Thomas”. Up to now, a total of 30 combination products have been launched, covering over 90 countries and regions around the world. The scope and content of our services was thus expanded, which effectively enriched the number and features of our global supply chain products. During the Reporting Period, revenue from the Group’s supply chain revenue other than ocean shipping amounted to RMB19.893 billion, representing 17.28% growth as compared to that for the same period of last year.

## **Thirdly, the integration of digital technology and traditional business is leading the way for new quality development.**

The Group sped up the upgrading of “shipping services” to “digital supply chain products” through the in-depth integration of digitalization and modernization of industrial system. Since the beginning of 2024, more than 130,000 blockchain bills of lading were issued, which maintain a leading position among similar platforms. Paperless Cargo Release was adopted at more terminals. The blockchain-based certificate with core information for the transportation of dangerous goods was launched. All new building containers of the Dual-brands were equipped with IBOX devices. The application of MRO intelligent system saved 16.8% on repositioning costs compared to before the system was launched. The coverage of MY REEFER platform Smart PTI was extended to Australia and Southeast Asia. The intelligent management of full-chain resources such as shipping, terminals, trailers, warehouses and customs clearance and their visual management provided customers in lithium battery, photovoltaic and cross-border e-commerce with standardized to customized full-chain solutions. During the Reporting Period, the shipping volume of the aforementioned three types of goods continued to grow at relatively brisk rates of 22.8%, 27.6% and 61.3% year-on-year respectively. In addition, facing the ongoing tension in the global supply chain, the Group provides full-chain online services for a wide range of customers, especially small and medium-sized customers, and has meticulously constructed a stable, efficient, and diversified supply chain service protection matrix.



# Management Discussion and Analysis

## **Fourthly, low-carbon transformation gained increasing momentum to drive green transition.**

Riding on the new trend of green, low-carbon and intelligent shipping development, the Group continued to promote green and low-carbon transformation for its container fleet, ports and terminals. Since the beginning of 2024, the Group has paid close attention to the requirements of the IMO Convention and the new EU environmental protection regulations. Relentless efforts were made to ensure our compliance with relevant requirements and pursue energy saving and emission reduction of our container fleet. While steadily advancing the construction of twelve 24,000 TEU methanol dual-fuel powered vessels, the Group signed the contracts in the first half of 2024 for retrofitting 8 vessels with methanol dual-fuel powered equipment. The Group also actively promoted the use of biofuels and the construction of green fuel supply chain. As for port business, the applications of distributed solar energy, wind energy and green intelligent lighting were vigorously promoted. The Group also actively promotes the normalization of the use of shore power. From January to June, the total usage of shore power increased by 170% as compared to that for the same period of last year. Besides, in order to meet customers' needs for climate-friendly transportation, the Group issued the first Hi-Eco green shipping certificate for the customer based on the GSBN blockchain platform, which set an industry example for green and low-carbon transformation.

Looking ahead to the second half of 2024, the Company is cautiously optimistic about the outlook for the container shipping industry amid muted global economic recovery. Various challenges lie ahead, including complex geopolitical situations, profound adjustments of the global economic and trade landscape, centralized delivery of newly constructed vessels and increasing costs arising from green low-carbon transformation to comply with regulatory requirements. On the other hand, opportunities arise from the gradual recovery in traditional markets such as Europe and North America, faster growth of trades in emerging markets, and steady increase in shipping demand along with enhanced collaboration in the industrial chain. In the future, COSCO SHIPPING Holdings will continue to adhere to its mission to "accelerate the development of the Company into a world-class shipping technology enterprise", and stick to its positioning as "a global digital supply chain operation and investment platform with a primary focus on container shipping", actively promote innovations in the ecosystems for supply chain, intelligent interconnection and green low-carbon development. Robust efforts will be dedicated to advancing the creation of new development models and new growth momentum, and new quality productive forces will be leveraged to better enable high-quality development, thereby providing better quality services to customers, and creating greater value for shareholders.

# Management Discussion and Analysis

## (II) Core competitiveness analysis for the Reporting Period

### 1. Overall scale advantages: the scale of two major business segments steadily ranked among the top in the world

COSCO SHIPPING Holdings is a key component of the core business of COSCO SHIPPING, an indirect controlling Shareholder of COSCO SHIPPING Holdings, and serves as a listed platform focusing on the development of integrated logistics supply chain services for container transportation. The platform centralizes superior resources in both container shipping and terminal operation and management segments, and possess significant scale advantages.

As at the end of the Reporting Period, COSCO SHIPPING Holdings' self-operated container fleet size reached 527 vessels with a total capacity of over 3.24 million TEUs, maintaining its position within tier one in the industry in terms of fleet size. The Company actively followed the new trend of green development in the industry, ordered a batch of green new energy vessels to continuously optimize the structure of its fleet, forming a solid guarantee for sustainable high-quality development. As at the end of the Reporting Period, the Company had a total of 29 new vessel orders with a capacity of nearly 570,000 TEUs in aggregate. The Company continued to promote the layout of global terminals and maintained its leading position in the global port operator industry. Leveraging on the overall scale advantages, the Company continued to maintain the competitive advantages of service products in terms of standardization, professionalism and low cost, and improved service quality continuously to better meet the diversified transportation needs of customers.

### 2. Network coverage advantages: adapting to market changes and adhering to global strategic layout

COSCO SHIPPING Holdings adhered to adapting itself to the adjustment of global industrial chain and value chain from global vision and international thinking, continuously optimized the global layout, captured a new pole of growth for the global economy and steadily improved its profitability.

In respect of container shipping business, the Company has always adhered to a balanced globalization layout to actively expand into emerging markets, third-country markets and regional markets centering on key hubs along the Belt and Road Initiative, while steadily improving leading advantages in trunk services. At the same time, the Company was deeply integrated into regional coordinated development strategies such as the construction of China Western Land-Sea Trade Corridor and Hainan Free Trade Port, and actively built a "double-loops" three-dimensional service network combining trunks and branches, and connecting sea and land. As at the end of the Reporting Period, the Company operated 275 international routes (including international feeder routes), 55 PRC coastal routes and 83 Pearl River Delta and Yangtze River feeder routes, and calls at 616 ports in about 145 countries and regions around the world.

# Management Discussion and Analysis

On 27 February 2024, the OCEAN Alliance signed relevant documents in Shanghai, which extended the term of cooperation between the Company and the OCEAN Alliance members for at least five years until 31 March 2032. Since the operation of the OCEAN Alliance, the Company has always maintained a stable, orderly, smooth and efficient cooperation with members of the OCEAN Alliance in the face of changes in the global market situation, and created a series of route products with a wide service range and high service frequency to continuously satisfy growing global trade demands of customers. In March 2024, OCEAN Alliance launched the new DAY8 products, continuing the stability and continuity of the service. With the advantages of stable cooperation, abundant products and flexible response, the Company and members of the OCEAN Alliance have always been committed to providing customers with consistent and reliable services, which have been highly praised by the market and favored by customers, continuously contributing to global trade.

In respect of port business, the Company continued to implement a strategy of lean operations, promoted the growth of terminal business and global layout, continuously optimized the global terminal portfolio, and improved port management and operational efficiency. As at the end of the Reporting Period, COSCO SHIPPING Ports Limited (“**COSCO SHIPPING Ports**”, a company listed on the Stock Exchange (Stock Code: 1199)) operated and managed 371 berths in 39 ports around the world, including 224 container berths, with a current annual processing capacity of 123 million TEUs. COSCO SHIPPING Holdings’ terminals cover the five major port clusters along the coast of China, and major overseas hub ports in the middle and lower reaches of the Yangtze River, Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa etc.

### 3. **Business model advantages: enhancing value through innovation and development**

The Company adheres to the customer demand-oriented approach to actively build an integrated supply chain operation system of “container shipping + port + related logistics”, improves the integrated development model of “investment + construction + operation”, and provides high-quality digital supply chain solutions to global customers.

Relying on its abundant global resources, the Group promoted the domestic and overseas integration and efficient operation of resources, and developed whole chain services covering trunk lines, branch lines, highways, railways, customs and warehousing, which enabled the Group to provide full-chain services and one-stop solutions for many enterprises in cross-border e-commerce, home appliances, photovoltaic, automobile and other industries. The Company launched a series of digitalized full-chain products, such as “Customer-Defined Services”, “Global Talent Pegasus”, and “Talent Thomas”, which have won wide recognition in the market for matching the digitalized supply chain of customers.

# Management Discussion and Analysis

At the same time, the Company insisted on digital-driven development, relying on artificial intelligence technology to create a “one-stop customer portal”, and comprehensively promoted the building of a resource center with digital intelligence and the construction of a supply chain control tower, thereby strongly enhancing the level of intelligent operation. In terms of digital ecosystem construction, the GSBN platform continued to expand, the issuance of electronic bills of lading broke through new heights, while technical cooperation with upstream and downstream companies in the industry further enhanced the influence of the Company within the industry.

#### 4. **Business synergy advantages: achieving mutual benefits through comprehensive synergy**

Both container shipping and terminal operation and management segments of COSCO SHIPPING Holdings had significant potential for synergistic effect, which could achieve mutual integration, mutual promotion and coordinated development. The Company adhered to the coordination and development of the integrated logistics supply chain of container transportation. While continuing to promote the development of its fleet, the Company actively explores the global layout of its terminals, constantly strengthening the coordination of global transportation capacity and terminal resources, while consolidating its advantages in route network capacity competition and advantages in control of key resources. By utilizing the synergistic advantages

of port and shipping to its fullest, the integrated logistics system that serves global customers was continuously improved, and cyclical risks were effectively mitigated, thereby promoting a sustainable and high-quality development of both segments.

In respect of dual-brand synergy, the Company leveraged its two container shipping service brands, namely “COSCO SHIPPING Lines” and “OOCL” to achieve complementary advantages and synergistic integration in terms of global network, digital capabilities and logistics layout, unleashing the synergies of dual brands on an ongoing basis. The Company continuously enhanced the advantages of dual-brand core business, provided customers with more comprehensive global network support, more personalized products and services as well as better customer experience, accelerated the transformation from scale advantage to customer service advantage, and maximized the value of dual brands.

#### (III) **Major Profit or Loss items and Cashflow Analysis**

In the first half of 2024, the Group generated revenues of RMB101,201,055,000, representing an increase of RMB9,358,258,000 or 10.19% as compared to that for the same period of last year. For the first half of 2024, profit attributable to equity holders of the Group was RMB16,870,080,000, representing an increase of RMB309,443,000 or 1.87% as compared to that for the same period of last year.

# Management Discussion and Analysis

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

Items	Period from 1 January to 30 June 2024 RMB'000	Period from 1 January to 30 June 2023 RMB'000	Difference RMB'000	Percentage change (%)
Revenues	101,201,055	91,842,797	9,358,258	10.19
Cost of services	(78,043,130)	(72,061,762)	(5,981,368)	8.30
Other income and expenses, net	551,293	2,253,663	(1,702,370)	-75.54
– Other income	592,009	2,303,223	(1,711,214)	-74.30
– Other expenses	(40,716)	(49,560)	8,844	-17.85
(Provision for)/reversal of impairment losses on financial assets, net	(82,790)	181,670	(264,460)	-145.57
Selling, administrative and general expenses	(4,574,968)	(4,086,896)	(488,072)	11.94
Finance income	3,091,049	4,178,631	(1,087,582)	-26.03
Finance costs	(1,664,536)	(1,826,653)	162,117	-8.88
Share of profits less losses of				
– joint ventures	294,360	306,241	(11,881)	-3.88
– associates	2,287,899	2,145,060	142,839	6.66
Income tax expenses	(3,804,865)	(3,256,970)	(547,895)	16.82
Net cash flows generated from operating activities	22,638,496	13,261,606	9,376,890	70.71
Net cash flows used in investing activities	(10,356,232)	(12,273,283)	1,917,051	-15.62
Net cash flows used in financing activities	(21,498,052)	(41,196,977)	19,698,925	-47.82

## 2. Revenues

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

### Overview

In the first half of 2024, the revenue of the Group amounted to RMB101,201,055,000, representing an increase of RMB9,358,258,000 or 10.19% as compared to that for the same period of last year.

### Revenue from container shipping business

In the first half of 2024, the revenue from container shipping business amounted to RMB97,477,271,000, representing an increase of RMB9,190,135,000 or 10.41% as compared

to that for the same period of last year, of which COSCO SHIPPING Lines generated revenues of RMB67,435,833,000 from container shipping business, representing an increase of RMB7,565,441,000 or 12.64% as compared to that for the same period of last year.

### Revenue from terminal business

In the first half of 2024, revenue generated from the terminal business amounted to RMB5,091,135,000, representing an increase of RMB240,171,000 or 4.95% as compared to that for the same period of last year.

### Major customers

Total sales to the top five customers during the first half of 2024 amounted to RMB3,937,646,000, accounting for 3.89% of the total sales during the Reporting Period.

# Management Discussion and Analysis

## 3. Costs

**Table of cost analysis**

<b>Components of Cost</b>	<b>Period from 1 January to 30 June 2024 RMB'000</b>	Period from 1 January to 30 June 2023 RMB'000	Difference RMB'000	Percentage change (%)
Equipment and cargo transportation costs	<b>35,167,509</b>	28,651,506	6,516,003	22.74
Voyage costs	<b>18,392,112</b>	18,574,010	(181,898)	-0.98
Vessel costs	<b>15,008,821</b>	16,807,147	(1,798,326)	-10.70
Other related business costs	<b>6,629,496</b>	5,285,591	1,343,905	25.43
Tax and surcharges	<b>543,687</b>	560,710	(17,023)	-3.04
Sub-total-container shipping operating costs	<b>75,741,625</b>	69,878,964	5,862,661	8.39
Container terminal and related business costs	<b>3,594,982</b>	3,411,408	183,574	5.38
Tax and surcharges	<b>36,191</b>	28,052	8,139	29.01
Sub-total-container terminal operating costs	<b>3,631,173</b>	3,439,460	191,713	5.57
Elimination between different businesses	<b>(1,329,668)</b>	(1,256,662)	(73,006)	5.81
Total operating cost	<b>78,043,130</b>	72,061,762	5,981,368	8.30

### Overview

In the first half of 2024, the operating cost of the Group amounted to RMB78,043,130,000, representing an increase of RMB5,981,368,000 or 8.30% as compared to that for the same period of last year.

### Container shipping business cost

In the first half of 2024, the container shipping business cost amounted to RMB75,741,625,000, representing an increase of RMB5,862,661,000 or 8.39% as compared to that for the same period of last year, of which, in the first half of 2024, the container shipping business cost incurred by COSCO SHIPPING Lines amounted to RMB52,061,741,000, representing an increase of RMB4,460,420,000 or 9.37% as compared to that for the same period of last year.

### Terminal business cost

In the first half of 2024, the terminal business cost amounted to RMB3,631,173,000, representing an increase of RMB191,713,000 or 5.57% as compared to that for the same period of last year.

# Management Discussion and Analysis

## 4. Other profit or loss items

### Other income and expenses, net

In the first half of 2024, other income and expenses, net was RMB551,293,000, representing a decrease of RMB1,702,370,000 as compared to that for the same period of last year. Of which, the exchange gains, net, amounted to RMB259,361,000, representing a decrease of RMB1,655,490,000. This is mainly because the appreciation of USD against RMB in the first half of 2024 was less than that for the same period of last year.

### Selling, administrative and general expenses

In the first half of 2024, the selling, administrative and general expenses of the Group amounted to RMB4,574,968,000, representing an increase of RMB488,072,000 or 11.94% as compared to that for the same period of last year.

### Finance income

In the first half of 2024, the finance income of the Group amounted to RMB3,091,049,000, representing a decrease of RMB1,087,582,000 or 26.03% as compared to that for the same period of last year. Amongst which, the interest income amounted to RMB3,071,865,000, representing a decrease of RMB925,500,000 as compared to that for the same period of last year, mainly due to a decrease in the average balance of monetary funds as compared to that for the same period of last year.

### Finance costs

In the first half of 2024, the finance costs of the Group amounted to RMB1,664,536,000, representing a decrease of RMB162,117,000 or 8.88% as compared to that for the same period of last year, mainly due to the decrease in interest expenses as the scale of indebtedness has been decreasing continuously.

### Share of profits of joint ventures and associated companies

In the first half of 2024, the Group's share of profits of joint ventures and associated companies in aggregate amounted to RMB2,582,259,000, representing an increase of RMB130,958,000 as compared to that for the same period of last year. During the Reporting Period, the Company's investment income from Shanghai International Port (Group) Co., Ltd. and the investment income of COSCO SHIPPING Ports (a subsidiary of the Group) from its non-controlled terminals both increased as compared with the same period last year.

# Management Discussion and Analysis

## Income tax expenses

In the first half of 2024, the income tax expenses of the Group amounted to RMB3,804,865,000, representing an increase of RMB547,895,000 or 16.82% as compared to that for the same period of last year.

## Major suppliers

Total purchases from the top five suppliers of the Group in the first half of 2024 amounted to RMB13,944,220,000, accounting for 18.00% of the total purchases during the Reporting Period.

## 5. Cash flow

As at 30 June 2024, the cash and cash equivalents amounted to RMB172,350,141,000, representing a decrease of RMB8,763,175,000 or 4.84% from the end of last year. The cash and cash equivalents of the Group were principally denominated in RMB and US\$, and the rest were denominated in EUR, HK\$ and other currencies.

### (1) Net cash from operating activities

In the first half of 2024, the net cash inflow from operating activities amounted to RMB22,638,496,000, representing an increase of RMB9,376,890,000 or 70.71%. This was mainly due to payment of income tax for the previous quarter by the Group's domestic entities in the current quarter. Significant decrease in the performance of container shipping business was recorded in the fourth quarter of 2023 as compared with that in the fourth quarter of 2022, resulting in a significant decrease in corporate income tax paid for the first quarter of 2024 as compared to that for the same period of last year.

### (2) Net cash from investing activities

In the first half of 2024, the net cash outflow from investing activities amounted to RMB10,356,232,000, representing a decrease of RMB1,917,051,000 in net cash outflow. During the Reporting Period, there was a decrease in the cash paid for external equity investments of the Group as compared to that for the same period of last year, an increase in cash dividends received from associates and joint ventures as compared to that for the same period of last year, and an increase in cash paid for building vessels, construction of containers and construction of terminals as compared to that for the same period of last year.

### (3) Net cash from financing activities

In the first half of 2024, the net cash outflow from financing activities amounted to RMB21,498,052,000, representing a decrease of RMB19,698,925,000 in net cash outflow as compared to that for the same period of last year. During the Reporting Period, cash paid for repayment of borrowings of the Group increased as compared to that for the same period of last year, while cash paid for dividend distribution decreased as compared to that for the same period of last year.

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

The balance of cash and cash equivalents increased by RMB452,613,000 as at 30 June 2024, which was primarily due to an increase in exchange rate of US\$ against RMB during the Reporting Period.



# Management Discussion and Analysis

## (IV) Working Capital, Financial Resources and Capital Structure

### Overview

As at 30 June 2024, the total assets of the Group amounted to RMB467,117,979,000, representing an increase of RMB4,688,598,000 or 1.01% as compared to the end of last year. The total liabilities amounted to RMB209,687,682,000, representing a decrease of RMB9,522,227,000 or 4.34% as compared to the end of last year.

As at 30 June 2024, the total outstanding borrowings of the Group were RMB35,091,882,000. The cash and cash equivalents, net of the total outstanding borrowings and total lease liabilities, amounted to net cash of RMB97,787,563,000, representing an increase of RMB1,059,731,000 as compared to the end of last year.

As at 30 June 2024, the Group's net current assets were RMB75,061,390,000, representing a decrease of RMB76,777,000 or 0.10% as compared to the end of last year. As at 30 June 2024, the net cash (debt) to equity ratio was 37.99%, representing a decrease of 1.78 percentage points as compared to the end of last year. The formula for calculating the net cash (debt) to equity ratio is as follows: net cash (debt) to equity ratio = (cash and cash equivalents – total borrowings – total lease liabilities)/owners' equity.

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

### Debt analysis

Categories	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Short-term borrowings	2,406,305	2,417,519
Long-term borrowings	32,685,577	40,859,399
Total of long-term and short-term borrowings	35,091,882	43,276,918
Among which:		
Interest payable – Short-term borrowings	3,507	1,052
– Long-term borrowings	282,044	287,147
The repayment terms of long-term borrowings are as follows:		
Less than one year	3,507,945	8,118,638
One to two years	2,006,048	6,593,829
Three to five years	13,420,944	13,260,597
Over five years	13,750,640	12,886,335
Total	32,685,577	40,859,399

# Management Discussion and Analysis

## Borrowings by categories

As at 30 June 2024, the Group had bank borrowings of RMB31,883,510,000 and other borrowings of RMB2,922,821,000, representing 91.60% and 8.40% of the total borrowings, respectively. Of the bank borrowings, secured borrowings amounted to RMB18,743,778,000 and unsecured borrowings amounted to RMB13,139,732,000, representing 53.85% and 37.75% of the total borrowings, respectively. Most of the borrowings of the Group bear interest at floating rate.

## Borrowings by currency

As at 30 June 2024, the borrowings of the Group denominated in US\$ were equivalent to RMB22,858,667,000, borrowings denominated in RMB amounted to RMB7,075,895,000, borrowings denominated in EUR were equivalent to RMB4,232,893,000, and borrowings denominated in HK\$ were equivalent to RMB638,876,000, representing 65.67%, 20.33%, 12.16% and 1.84% of the total borrowings, respectively.

## Secured borrowings

As at 30 June 2024, the secured borrowings of the Group totalled RMB18,743,778,000, including guaranteed borrowings, mortgaged borrowings and borrowings secured by both guarantees and asset pledges.

## Company's guarantees

As at 30 June 2024, the guarantees provided among the Group's consolidated entities amounted to RMB9,378,472,000 (as at 31 December 2023: RMB10,152,129,000) and guarantees provided to an associated company amounted to RMB341,712,000 (as at 31 December 2023: RMB265,241,000).

## Contingent liabilities

The Group was involved in a number of claims and litigations, including but not limited to claims and litigations on disputes arising from vessels damage, loss of cargoes, delivery delay, vessels collision during transportation, early termination of vessel lease contracts and pledge supervision business.

Based on the advice of legal counsel and/or the information available to the Group, the Directors are of the view that the amount of the claims should have no material impact on the Group's consolidated financial statements for the six months ended 30 June 2024.

## Foreign exchange risk

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

# Management Discussion and Analysis

## Capital commitments

As at 30 June 2024, the Group had a total of 29 container vessels under construction, the capital commitments for future construction of container vessels amounted to RMB28,682,434,000.

As at 30 June 2024, the Group's capital commitments for investment in terminals amounted to RMB3,710,048,000 in aggregate, of which the commitments for purchasing fixed assets amounted to RMB3,571,966,000 and the equity investment commitment of terminals amounted to RMB138,082,000.

## Facilities

As at 30 June 2024, the unutilized bank loan facilities of the Group were RMB17,286,473,000. The Group continued to strengthen the monitoring of the size of liabilities and gearing ratio of its subsidiaries and has repaid bank loans in full as scheduled.

## Financing plans

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

## (V) Investment Analysis

### 1. Analysis of external equity investments

As at 30 June 2024, the balance of the Group's investments in associated companies and joint ventures was RMB67,872,274,000, representing an increase of RMB988,836,000 as compared to the end of last year.

#### (1) Significant equity investment

Not applicable.

#### (2) Significant non-equity investment

Not applicable.

# Management Discussion and Analysis

## (3) Financial assets at fair value

RMB'000

Type of assets	Amount at the beginning of the period	Gain or loss on fair value change in current period	Cumulative fair value changes recorded in equity	Impairment provision for current period	Amount purchased in current period	Amount sold/redeemed in current period	Other changes	Amount at the end of the period
Shares, bonds and fund portfolio investments	95,000	-4,761	-	-	5,781	32,145	491	64,366
Ocean Hotel Shanghai Co., Ltd.	108,749	-	133	-	-	-	-	108,882
Guangzhou Port Co., Ltd.	1,535,854	-	-39,256	-	-	-	-	1,496,598
Yantai Port Co., Ltd.	141,023	-	-	-	-	-	-	141,023
Qinhuangdao Port Co., Ltd.	53,791	-	24,547	-	-	-	498	78,836
Convertible corporate bonds	380,662	10,657	-	-	-	-	-	391,319
Interest rate swaps	19,106	-	-19,106	-	-	-	-	-
Other	78,825	-	-6,596	-	-	-	-134	72,095
<b>Total</b>	<b>2,413,010</b>	<b>5,896</b>	<b>-40,278</b>	<b>-</b>	<b>5,781</b>	<b>32,145</b>	<b>855</b>	<b>2,353,119</b>

# Management Discussion and Analysis

## Investments in securities

RMB'000

Type of securities	Stock code	Stock abbreviation	Initial investment cost	Source of funds	Carrying amount at the beginning of the period	Gain or loss on fair value change in current period	Cumulative fair value changes recorded in equity	Amount purchased in current period	Amount sold in current period	Investment gain or loss for current period	Carrying amount at the end of the period	Accounting classification item
Stock	601228	Guangzhou Port	1,276,924	Self-owned funds	1,535,854	-	-39,256	-	-	21,100	1,496,598	Financial assets at fair value through other comprehensive income
Stock	3369.HK	QHD Port	212,194	Self-owned funds	53,791	-	24,547	-	-	3,673	78,836	Financial assets at fair value through other comprehensive income
Stock	000597	Northeast Pharm	200	Self-owned funds	1,481	-	-410	-	-	-	1,071	Financial assets at fair value through other comprehensive income
Stock	600821	NYOCOR	99	Self-owned funds	515	-	-82	-	-	15	432	Financial assets at fair value through other comprehensive income
Stock	600837	Haitong Securities	7,017	Self-owned funds	45,629	-	-3,944	-	-	-	41,685	Financial assets at fair value through other comprehensive income
Trust products	87001	Hui Xian Trust (匯賢信託)	97,178	Self-owned funds	26,959	-7,550	-	-	-	39	19,552	Financial assets at fair value through profit or loss
Convertible bonds	127039	Beigang convertible bond	321,492	Self-owned funds	380,662	10,657	-	-	-	3,215	391,319	Financial assets at fair value through profit or loss
Bonds	Multiple stock codes	Bond investment	378,978	Self-owned funds	380,610	-	-	-	-	9,542	382,840	Financial assets at amortized cost
Stock	Multiple stock codes	Stock investment	180,448	Self-owned funds	68,040	2,789	-	5,781	32,145	14,525	44,815	Financial assets at fair value through profit or loss
<b>Total</b>	/	/	2,474,530	/	2,493,541	5,896	-19,145	5,781	32,145	52,109	2,457,148	/

# Management Discussion and Analysis

## (VI) Industry Operation Information

### Container shipping business

#### (1) Shipping volume

Shipping volume of the Group (TEU)

<b>Routes</b>	<b>Current period</b>	Same period of last year	Percentage of change (%)
Trans-Pacific	<b>2,285,145</b>	2,106,765	8.47
Asia and Europe (including the Mediterranean)	<b>1,874,775</b>	2,202,295	-14.87
Asia Region (including Australia)	<b>4,272,529</b>	3,784,423	12.90
Other international regions (including the Atlantic)	<b>1,409,782</b>	1,292,017	9.11
Mainland China	<b>2,617,312</b>	2,009,828	30.23
<b>Total</b>	<b>12,459,543</b>	11,395,328	9.34

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

<b>Routes</b>	<b>Current period</b>	Same period of last year	Percentage of change (%)
Trans-Pacific	<b>1,312,001</b>	1,175,796	11.58
Asia and Europe (including the Mediterranean)	<b>1,164,821</b>	1,390,641	-16.24
Asia Region (including Australia)	<b>2,527,175</b>	2,183,511	15.74
Other international regions (including the Atlantic)	<b>1,161,589</b>	1,035,336	12.19
Mainland China	<b>2,617,312</b>	2,009,828	30.23
<b>Total</b>	<b>8,782,898</b>	7,795,112	12.67

# Management Discussion and Analysis

## (2) Revenue from routes

Revenue from routes by the Group (RMB'000)

<b>Routes</b>	<b>Current period</b>	Same period of last year	Percentage of change (%)
Trans-Pacific	<b>27,731,163</b>	20,307,433	36.56
Asia and Europe (including the Mediterranean)	<b>20,299,731</b>	18,469,693	9.91
Asia Region (including Australia)	<b>23,327,346</b>	22,964,799	1.58
Other international regions (including the Atlantic)	<b>13,291,789</b>	14,075,354	-5.57
Mainland China	<b>5,739,137</b>	5,719,036	0.35
<b>Total</b>	<b>90,389,166</b>	81,536,315	10.86

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

<b>Routes</b>	<b>Current period</b>	Same period of last year	Percentage of change (%)
Trans-Pacific	<b>15,970,518</b>	11,269,952	41.71
Asia and Europe (including the Mediterranean)	<b>13,596,493</b>	12,738,943	6.73
Asia Region (including Australia)	<b>14,667,857</b>	13,768,973	6.53
Other international regions (including the Atlantic)	<b>11,534,075</b>	11,137,540	3.56
Mainland China	<b>5,818,640</b>	5,799,518	0.33
<b>Total</b>	<b>61,587,583</b>	54,714,926	12.56

# Management Discussion and Analysis

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

<b>Routes</b>	<b>Current period</b>	Same period of last year	Percentage of change (%)
Trans-Pacific	<b>3,903,653</b>	2,914,134	33.96
Asia and Europe (including the Mediterranean)	<b>2,857,547</b>	2,650,417	7.81
Asia Region (including Australia)	<b>3,283,738</b>	3,295,468	-0.36
Other international regions (including the Atlantic)	<b>1,871,055</b>	2,019,825	-7.37
Mainland China	<b>807,886</b>	820,686	-1.56
<b>Total</b>	<b>12,723,879</b>	11,700,530	8.75

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

<b>Routes</b>	<b>Current period</b>	Same period of last year	Percentage of change (%)
Trans-Pacific	<b>2,248,134</b>	1,617,248	39.01
Asia and Europe (including the Mediterranean)	<b>1,913,948</b>	1,828,049	4.70
Asia Region (including Australia)	<b>2,064,761</b>	1,975,859	4.50
Other international regions (including the Atlantic)	<b>1,623,626</b>	1,598,246	1.59
Mainland China	<b>819,076</b>	832,236	-1.58
<b>Total</b>	<b>8,669,545</b>	7,851,638	10.42



# Management Discussion and Analysis

## (3) Major performance indicators

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business	97,477,271	88,287,136	9,190,135
Including: Supply chain revenue other than shipping fee	19,893,247	16,962,176	2,931,071
EBIT	20,851,364	20,775,332	76,032
EBIT margin	21.39%	23.53%	Decreased by 2.14 percentage points
Net profit	16,330,539	16,779,621	-449,082

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business	67,435,833	59,870,392	7,565,441
Including: Supply chain revenue other than shipping fee	13,205,841	10,464,607	2,741,234
EBIT	14,535,839	12,764,453	1,771,386
EBIT margin	21.56%	21.32%	Increased by 0.24 percentage points
Net profit	10,174,796	8,861,445	1,313,351

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business	13,721,656	12,669,279	1,052,377
Including: Supply chain revenue other than shipping fee	2,800,328	2,434,087	366,241
Revenue per TEU from international routes (USD/TEU)	1,210.70	1,159.22	51.48
EBIT	2,935,200	2,981,278	-46,078
Net profit	2,298,813	2,407,890	-109,077

# Management Discussion and Analysis

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business	9,492,790	8,591,452	901,338
Including: Supply chain revenue other than shipping fee	1,858,957	1,501,680	357,277
Revenue per TEU from international routes (US\$/TEU)	1,273.27	1,213.32	59.95
EBIT	2,046,177	1,831,710	214,467
Net profit	1,432,283	1,271,625	160,658

Notes:

“Supply chain revenue other than shipping fee” refers to container shipping related supply chain revenue excluding dual-brand shipping fee revenue, which includes non-shipping fee revenue as set out in the terms of dual-brand bills of lading. To fully reflect the data for these indicators, during the Reporting Period, the Group has further optimized and adjusted the calculation by separating the revenue from non-shipping supply chain under the through rate contracts (全程包乾合約) that were previously recognized as shipping fee revenue on a rational basis, and adjusted the figures for the corresponding period of last year accordingly.

The revenue from routes and major performance indicators above were translated into US\$ at an average exchange rate of RMB7.1039:US\$1 in the first half of 2024 and RMB6.9686:US\$1 in the first half of 2023.

## Terminal business

In the first half of 2024, the total throughput of COSCO SHIPPING Ports amounted to 69.8585 million TEUs, representing an increase of 8.19% as compared to the same period of last year, of which the throughput of controlled terminals amounted to 15.9142 million TEUs, representing an increase of 8.03% as compared to the same period of last year; the throughput of non-controlled terminals amounted to 53.9443 million TEUs, representing an increase of 8.23% as compared to the same period of last year.

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

Location of terminal	Current period (TEU)	Same period of last year (TEU)	Percentage of change (%)
Bohai Rim Region	24,360,269	22,515,008	8.20
Yangtze River Delta Region	8,054,930	7,059,244	14.10
Southeast Coast and others	2,930,560	2,777,699	5.50
Pearl River Delta Region	13,669,963	12,744,315	7.26
Southwest Coast	4,320,100	3,607,500	19.75
Overseas	16,522,679	15,869,106	4.12
<b>Total</b>	<b>69,858,501</b>	<b>64,572,872</b>	<b>8.19</b>
Of which: Controlled terminals	15,914,213	14,731,490	8.03
Non-controlled terminals	53,944,288	49,841,382	8.23

# Management Discussion and Analysis

## SIGNIFICANT EVENTS

On 28 March 2024, the Board considered and approved the proposed reduction of registered share capital of the Company and the amendments to the Articles of Association and its appendixes, i.e. the Rules of Procedures of Shareholders' General Meeting and the Rules of Procedures of the Board of Directors. The above proposals and amendments were approved at the 2023 Annual General Meeting and the Class Meetings of the Company held on 29 May 2024. For further details, please refer to the announcement of the Company dated 28 March 2024, circular of the Company dated 9 May 2024 and announcement of the Company dated 29 May 2024.

## SUBSEQUENT EVENTS

On 18 July 2024, upon the completion of registration with the relevant market entity registration authority, the above proposed reduction of registered share capital of the Company and the amended Articles of Association became effective, and the appendixes to the amended Articles of Association, i.e. the Rules of Procedures of Shareholders' General Meeting and the Rules of Procedures of the Board of Directors, took effect at the same time. For further details, please refer to the Company's overseas regulatory announcement dated 18 July 2024.

Save as set out above and as disclosed in Note 22 to the Unaudited Interim Condensed Consolidated Financial Information, there is no other material subsequent event.

# Directors, Supervisors and Senior Management

## I. Changes in Equity

- (I) Changes in shares held by current Directors, Supervisors (the “Supervisors”) and senior management of the Company and those who resigned during the Reporting Period

Name	Position(s)	Number of shares held at the beginning of the period	Number of shares held at the end of the period or as of the date of resignation from the Company	Changes in number of shares held during the Reporting Period
YANG Zhijian (楊志堅) <sup>(1)</sup>	Executive Director, General Manager	803,088	1,216,800	413,712
ZHU Tao (朱濤) <sup>(2)</sup>	Deputy General Manager	404,030	0	-404,030

Notes:

- (1) On 29 May 2024, Mr. YANG Zhijian voluntarily resigned as an executive Director and general manager of the Company with immediate effect due to change in work arrangements. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 May 2024.
- (2) On 21 June 2024, the Company convened the fifth meeting of the seventh session of the Board and appointed Mr. ZHU Tao as a deputy general manager of the Company with immediate effect. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 21 June 2024.
- (II) Details of share option(s) granted to Directors, Supervisors and senior management during the Reporting Period

For details of the Share Option Incentive Scheme of the Company (the “**Share Option Incentive Scheme**”) and the change of options granted under the scheme during the Reporting Period, please refer to the subsection headed “A Share Option Incentive Scheme” under the section of “Other Information” in this report.

For details of the share option scheme of COSCO SHIPPING Ports (the “**COSCO SHIPPING Ports Share Option Scheme**”) and the change of options granted under the COSCO SHIPPING Ports Share Option Scheme during the Reporting Period, please refer to the subsection headed “COSCO SHIPPING Ports Share Option Scheme” under the section of “Other Information” in this report.

# Directors, Supervisors and Senior Management

## II. Changes in Directors, Supervisors and Senior Management during the Reporting Period

Name	Position(s)	Change	Reason for change
ZHANG Wei (張煒)	Executive Director, Deputy General Manager, Authorized Representative of the Company under Rule 3.05 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “ <b>Listing Rules</b> ”)	Resignation	Change in work arrangements
ZHANG Feng (張峰)	Executive Director, Deputy General Manager, Authorized Representative of the Company under Rule 3.05 of the Listing Rules	Election	–
YANG Zhijian (楊志堅)	Executive Director, General Manager	Resignation	Change in work arrangements
TAO Weidong (陶衛東)	General Manager	Appointment	–
YE Jianping (葉建平)	Deputy General Manager	Resignation	Change in work arrangements
CHEN Shuai (陳帥)	Deputy General Manager	Resignation	Change in work arrangements
ZHU Tao (朱濤)	Deputy General Manager	Appointment	–
QIN Jiangping (秦江平)	Deputy General Manager	Appointment	–

### 1. Appointment and Change of Directors

On 29 April 2024, Mr. ZHANG Wei voluntarily resigned as an executive Director with immediate effect due to change in work arrangements. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 April 2024.

On 29 May 2024, the Shareholders approved the election of Mr. ZHANG Feng as an executive Director at an extraordinary general meeting of the Company. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 May 2024.

On 29 May 2024, Mr. YANG Zhijian voluntarily resigned as an executive Director with immediate effect due to change in work arrangements. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 May 2024.

# Directors, Supervisors and Senior Management

## 2. Appointment and Change of Supervisors

Nil

## 3. Appointment and Change of Senior Management

On 29 April 2024, Mr. ZHANG Wei voluntarily resigned as a deputy general manager and an authorized representative of the Company under Rule 3.05 of the Listing Rules with immediate effect due to change in work arrangements. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 April 2024.

On 29 April 2024, the Company convened the third meeting of the seventh session of the Board and appointed Mr. ZHANG Feng as (i) a deputy general manager of the Company with immediate effect and (ii) an authorized representative of the Company under Rule 3.05 of the Listing Rules with effect from the date on which he becomes an executive Director of the Company (i.e. 29 May 2024). For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 April 2024.

On 29 May 2024, Mr. YANG Zhijian voluntarily resigned as the general manager of the Company with immediate effect due to change in work arrangements. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 May 2024.

On 29 May 2024, the Company convened the fourth meeting of the seventh session of the Board and appointed Mr. TAO Weidong as the general manager of the Company with immediate effect. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 29 May 2024.

On 21 June 2024, Mr. YE Jianping and Mr. CHEN Shuai voluntarily resigned as deputy general managers of the Company with immediate effect due to change in work arrangements. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 21 June 2024.

On 21 June 2024, the Company convened the fifth meeting of the seventh session of the Board and appointed Mr. ZHU Tao and Mr. QIN Jiangping as deputy general managers of the Company with immediate effect. For details, please refer to the announcement and the overseas regulatory announcement of the Company dated 21 June 2024.

## III. Changes of Directors, Supervisors and Senior Management after the Reporting Period

Nil

## IV. Changes in Information of Directors

The changes in the information required to be disclosed by the Directors pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Nil

# Other Information

## Employees and Remuneration Policies

As at 30 June 2024, there was no material change in the number of employees of the Group as compared to that as disclosed in the 2023 annual report of the Company published on 19 April 2024. As at 30 June 2024, there was no material change in the total staff costs of the Company (including the Directors' remuneration) and the remuneration and training policies as compared to those as disclosed in the 2023 annual report of the Company.

As at 30 June 2024, there were approximately 31,411 employees in the Group. Total staff costs of the Group for the Reporting Period, including Directors' remuneration, amounted to approximately RMB7,092,131,000 in aggregate.

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

## A Share Option Incentive Scheme

On 3 December 2018, the Board approved the Company's proposed adoption of the Share Option Incentive Scheme. In order to further optimize the Share Option Incentive Scheme, the Board approved the Company's proposed adoption of the further revised share option incentive scheme (the "**Further Revised Scheme**") on 7 May 2019. On 30 May 2019, the Further Revised Scheme was considered and approved by the extraordinary general meeting, A Share class meeting and H Share class meeting of the Company. Pursuant to the Further Revised Scheme, the total number of underlying A Shares in relation to the share options to be granted shall not exceed 218,236,900 A Shares, representing approximately 2.25% of the A share capital of the Company and approximately 1.78% of the total issued share capital of the Company as at 30 June 2020. According to the Further Revised Scheme, the exercise price of the first batch of share options was determined in accordance with the "Management Measures on Share Option Incentive Scheme" 《股票期權激勵計劃管理辦法》 of the Company and the relevant requirements under the laws and regulations of the PRC including the "Trial Measures for Implementing the Share Incentive System by the State-Controlled Listed Companies of the PRC (Domestic)" 《國有控股上市公司(境內)實施股權激勵試行辦法》, and represented the higher of the followings: (i) the average trading price of the A Shares on the last trading day immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; (ii) the average trading price of the A Shares during the last 20 trading days immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; (iii) the closing price of the A Shares on the last trading day immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; (iv) the average closing price of the A Shares for the last 30 trading days immediately preceding the date of the announcement of the draft of the Share Option Incentive Scheme and the summary thereof on the Shanghai Stock Exchange; and (v) the par value of the A Shares. When the reserved share options will be granted, the exercise price of reserved share options shall be determined by the Board in accordance with the principle of determining the exercise price of the first batch of share options.

On 3 June 2019 (the “**Date of Grant for the First Batch of the Share Options**”), pursuant to the authorization at the General Meetings, 192,291,000 share options were granted by the Board to 465 participants in the first batch under the Further Revised Scheme. The exercise price was RMB4.10 per A Share. The exercise price will be adjusted in accordance with the relevant requirements under the Further Revised Scheme upon occurrence of the adjustment events (including but not limited to the conversion of capital reserve into share capital, bonus issue, sub-division or consolidation of Shares, rights issue or distribution of dividends of the Company). On the Date of Grant for the First Batch of the Share Options, the closing price of A Shares was RMB4.82 per A Share. The closing price of A Shares on the trading day immediately before the Date of Grant for the First Batch of the Share Options was RMB4.78 per A Share.

In the process of registration after the Date of Grant for the First Batch of the Share Options, five participants (not being senior management of the Company) did not accept the share options granted to them due to personal reasons. Under the Further Revised Scheme, the number of participants who were granted share options in the first batch has been adjusted from 465 to 460 and the number of the share options granted in the first batch has been adjusted from 192,291,000 to 190,182,200. For details, please refer to the overseas regulatory announcement of the Company dated 19 July 2019. On 24 July 2019, COSCO SHIPPING Holdings completed the registration in respect of the grant of the share options in the first batch with 190,182,200 share options and 460 participants registered. For details, please refer to the overseas regulatory announcement of the Company dated 25 July 2019.

In order to further enhance the corporate governance of the Company and to promote the Company’s operating results and sustainable and healthy development, on 30 March 2020, the Board approved the inclusion of, among others, Directors (excluding independent Directors) in the scope of the participants of the Share Option Incentive Scheme (the “**Participant(s)**”). The relevant amendments were approved by the shareholders of the Company at the shareholders’ meetings and the class meetings on 18 May 2020 (the “**Share Option Incentive Scheme (Revised)**”). Please refer to the related announcements of the Company dated 30 March 2020 and 18 May 2020.

On 29 May 2020 (the “**Date of Grant for Reserved Share Options**”), 16,975,200 reserved share options were granted by the Board to 39 participants under the Share Option Incentive Scheme (Revised). The exercise price was RMB3.50 per A Share. The exercise price will be adjusted in accordance with the relevant requirements under the Share Option Incentive Scheme (Revised) upon occurrence of the adjustment events (including but not limited to the conversion of capital reserve into share capital, bonus issue, sub-division or consolidation of Shares, rights issue or distribution of dividends of the Company). On the Date of Grant for Reserved Share Options, the closing price of A Shares was RMB3.16 per A Share. The closing price of A Shares on the trading day immediately before the Date of Grant for Reserved Share Options was RMB3.19 per A Share. Please refer to the related announcement of the Company dated 29 May 2020. On 7 July 2020, COSCO SHIPPING Holdings completed the registration in respect of the grant of the Reserved Share Options with 16,975,200 share options and 39 participants registered. For details, please refer to the overseas regulatory announcement of the Company dated 8 July 2020.



## Other Information

On 17 May 2021, the Company convened the sixth meeting of the sixth session of the Board and the fourth meeting of the sixth session of the Supervisory Committee, where the Proposal on Adjusting the Scope of Participants of the Share Option Incentive Scheme, Number of Share Options and Cancellation of Partial Granted but Outstanding Share Options 《關於調整股票期權激勵計劃首次授予激勵對象名單、期權數量並註銷部分已獲授但未行權的股票期權的議案》 and the Proposal on Fulfillment of Exercise Conditions Under the First Grant of Share Option Incentive Scheme 《關於股票期權激勵計劃首次授予期權第一個行權期符合行權條件的議案》 were passed. It was agreed to cancel the 6,791,000 share options granted to the 17 participants in the first batch of participants who no longer complied with the conditions of such incentive due to reasons including resignation, retirement and dismissal, and the number of participants in the first batch and that of share options initially granted to be adjusted from 460 to 443, and from 190,182,200 to 183,391,200, respectively. It was also agreed to eliminate Sinotrans from the list of peer benchmark companies, along with the approval for the participants who have fulfilled the exercise conditions under the first grant of Share Option Incentive Scheme to exercise their share options.

On 7 July 2021, the Company convened the seventh meeting of the sixth session of the Board and the fifth meeting of the sixth session of the Supervisory Committee, where the Proposal on Adjusting the Exercise Price and Number of Options under the Share Option Incentive Scheme 《關於調整股票期權激勵計劃行權價格及期權數量的議案》 and the Proposal on Adjusting the List of Participants and the Number of Share Options Granted for the First Time and Cancellation of Certain Share Options Granted but Not Exercised 《關於調整股票期權首次授予激勵對象名單和期權數量並註銷部分已獲授但未行權的股票期權的議案》 were passed. It was agreed that the Company would adjust both the exercise price and number of share options under the Share Option Incentive Scheme according to the actual circumstance of the capitalization of capital reserve in 2020. It was also agreed to cancel the 345,000 share options (equivalent to 448,500 share options upon the adjustment of the number of share options) granted to one participant in the first batch of participants who no longer complied with the conditions of such incentive due to his/her dismissal, and the number of participants in the first batch and that of the share options initially granted but not exercised (upon the adjustment of the number of share options) to be adjusted from 443 to 442 and from 164,997,999 to 164,549,499, respectively.

On 19 May 2022, the Company convened the 17th meeting of the sixth session of the Board and the 10th meeting of the sixth session of the Supervisory Committee, where it was resolved to cancel 1,905,800 options granted to 2 reserved participants who no longer met the incentive conditions due to the change in work arrangements and death respectively, thus adjusting the number of reserved participants from 39 to 37, and adjusting the number of reserved options from 22,067,760 to 20,161,960; approve the fulfillment of exercise conditions for the first exercise period of the reserved share options under the Share Option Incentive Scheme, and the participants who meet the exercise conditions to exercise options; to cancel 6,364,049 share options which were granted but not exercised for the 2nd and 3rd exercise periods of the share options for the first 16 participants who no longer met incentive conditions due to retirement and dismissal for disciplinary violation, thus adjusting the number of participants granted for the first time from 442 to 426, and adjusting the number of options granted but not exercised for the 2nd and 3rd exercise periods for the first time to 153,069,191.

## Other Information

On 10 June 2022, the Company convened the 18th meeting of the sixth session of the Board and the 11th meeting of the sixth session of the Supervisory Committee where it was resolved to adjust the exercise price of options granted for the first time from RMB3.15 per share to RMB2.28 per share, and adjust the exercise price of reserved options from RMB2.69 per share to RMB1.82 per share; to cancel the 461,630 share options which were granted but not exercised for the 2nd and 3rd exercise periods for one participant in the first grant who no longer met the incentive conditions due to death, thus adjusting the number of participants granted for the first time from 426 to 425, and adjusting the number of options granted but not exercised for the 2nd and 3rd exercise periods for the first time to 152,607,564.

On 4 July 2022, the Company issued the Implementation Announcement for the First Exercise Period and Eligibility of the Exercise Conditions for the Second Exercise Period Granted for the First Time under the Share Option Incentive Scheme 《股票期權激勵計劃預留授予期權第一個行權期及首次授予期權第二個行權期符合行權條件實施公告》, pursuant to which the reserved options for the first exercise period were 6,653,450 shares, the number of persons to exercise rights was 37 with the exercise price of RMB1.82 per share, and the first exercise period of reserved options was from 8 July 2022 to 26 May 2023. The exercisable number of options granted for the first time was 75,164,920 shares for the 2nd exercise period, the number of persons to exercise rights was 425 with the exercise price of RMB2.28 per share, and the second exercise period of options granted for the first time was from 8 July 2022 to 2 June 2023.

On 30 August 2022, the Company convened the 21st meeting of the sixth session of the Board and the 12th meeting of the sixth session of the Supervisory Committee, where it was resolved to cancel the 909,559 share options which were due but not exercised by the 11 participants.

On 12 December 2022, the Company convened the 24th meeting of the sixth session of the Board, where it was resolved to adjust the exercise price of options granted for the first time from RMB2.28 per share to RMB1 per share, and adjust the exercise price of reserved options from RMB1.82 per share to RMB1 per share in accordance with the Interim Profit Distribution Plan of 2022.

On 28 April 2023, the Company convened the 26th meeting of the sixth session of the Board and the 16th meeting of the sixth session of the Supervisory Committee, approved the adjustment to the list of Participants and the number of share options, and cancelled some granted but outstanding share options. During the first grant, the Company agreed that 32 Participants failed to satisfy the incentive conditions due to retirement, cancelled the 6,251,028 outstanding share options granted to the 32 Participants during the 3rd exercise period, and adjusted the number of Participants from 425 to 393. During the reserved grant, the Company agreed that one Participant failed to satisfy the incentive conditions due to resignation and one Participant failed to satisfy the incentive conditions due to the failure of performance appraisal during the 2nd exercise period, and cancelled the 225,937 outstanding share options granted to the resigned Participant during the 2nd and 3rd exercise periods and the 111,282 outstanding share options granted to the Participant failed performance appraisal during the 2nd exercise period, totaling 337,219 share options. The Company approved the exercise of share options by the eligible participants that satisfy the exercise conditions during the 3rd exercise period of the first grant. The Company approved the exercise of share options by the eligible participants that satisfy the exercise conditions and incentive conditions during the 2nd exercise period of the reserved grant.

## Other Information

On 23 May 2023, the Company issued the “Implementation Announcement on the Satisfaction of Exercise Conditions for the Third Exercise Period of First Grant and the Second Exercise Period of Reserved Grant under the Share Option Incentive Scheme of the Company” 《股票期權激勵計劃首次授予期權第三個行權期及預留授予期權第二個行權期符合行權條件的實施公告》, the proposed number of options to be exercised in the 3rd exercise period of the first grant would be 71,191,616 to be exercised by 393 Participants at the exercise price of RMB1 per share during the 3rd exercise period of the first grant from 5 June 2023 to 2 June 2026; the proposed number of options to be exercised in the 2nd exercise period of reserved grant would be 6,430,878 to be exercised by 35 Participants at the exercise price of RMB1 per share during the 2nd exercise period of the reserved grant from 29 May 2023 to 28 May 2024.

On 29 August 2023, after consideration at the 27th meeting of the sixth session of the Board and the 17th meeting of the sixth session of the Supervisory Committee, it was agreed to cancel 909,811 share options which were due but not exercised as held by seven Participants.

On 28 April 2024, the Company convened the 3rd meeting of the seventh session of the Board, where it was resolved that the third exercise period of share options granted under the reserved grant of the Share Option Incentive Scheme had satisfied the exercise conditions, and was resolved that eligible Participants of the Company could exercise the share options, and it was resolved to cancel 187,850 unexercised share options for the third exercise periods as such options were granted to one Participant who no longer satisfied the incentive conditions due to retirement. Upon the aforementioned adjustment, the number of eligible Participants for the reserved grant would be 35 persons and the number of granted but unexercised share options for the third exercise period of the reserved grant would be 6,552,563.

On 23 May 2024, the Company issued the “Implementation Announcement on the Satisfaction of Exercise Conditions for the Third Exercise Period of Reserved Grant under the Share Option Incentive Scheme of the Company” 《股票期權激勵計劃預留授予期權第三個行權期符合行權條件的實施公告》, pursuant to which the proposed number of share options to be exercised in the third exercise period of reserved grant would be: 6,552,563 share options to be exercised by 35 Participants at the exercise price of RMB1 per share during the exercise period from 29 May 2024 to 28 May 2027.

# Other Information

Movements of share options during the Reporting Period are set out below:

(1) Share options granted to the Directors and chief executives of the Company

Name of participant	Position of participant	Exercise price per share (RMB)	Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 30 June 2024 or the date the participant departed from the Company	Weighted average closing price immediately before the exercise date	Date of grant
TAO Weidong <i>Note(2)</i>	Director and General Manager	1	-	-	-	-	-	-	-	-	<i>Note (6), (7)</i>
ZHANG Feng <i>Note(3)</i>	Director and Deputy General Manager	1	-	-	-	-	-	-	-	-	<i>Note (6), (7)</i>
YANG Zhijian <i>Note (4)</i>	Director and General Manager	1	413,712	-	413,712	-	-	-	-	15.53	<i>Note (8)</i>
ZHANG Wei <i>Note (5)</i>	Director and Deputy General Manager	1	333,268	-	-	-	-	-	333,268	-	<i>Note (8)</i>

(2) Share options granted to all Participants

Participants	Number of participants (person-time) <i>Note(1)</i>	Exercise price per share (RMB)	Outstanding as at 1 January 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period <i>Note(1)</i>	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 30 June 2024 or the date the participant departed from the Company	Weighted average closing price immediately before the exercise date	Date of grant
Directors and chief executives of the Company	2	1	-	-	-	-	-	-	-	-	<i>Note(6), (7), (9)</i>
Senior management of the Company	8	1	-	-	-	-	-	-	-	-	<i>Note(6), (7)</i>
Key personnel of other business and management positions in the Company	383	1	1,011,542	-	62,065	-	-	-	949,477	9.90	<i>Note (6)</i>
	32	1	5,660,256	-	2,494,347	187,850	-	-	2,978,059	15.56	<i>Note (8)</i>
<b>Total</b>	<b>428</b>	<b>1</b>	<b>7,752,046</b>	<b>-</b>	<b>3,081,213</b>	<b>187,850</b>	<b>-</b>	<b>-</b>	<b>4,482,983</b>	<b>15.44</b>	

# Other Information

## Notes:

- (1) Please refer to the cancellation of share options as resolved by the 3rd meeting of the seventh session of the Board on 28 April 2024 as set out above in details.
- (2) Mr. TAO Weidong was appointed as the general manager of the Company on 29 May 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 May 2024.
- (3) Mr. ZHANG Feng was appointed as a deputy general manager of the Company on 29 April 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 April 2024. He was also appointed as an executive Director of the Company on 29 May 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 May 2024.
- (4) Mr. YANG Zhijian resigned as an executive Director and the general manager of the Company on 29 May 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 May 2024.
- (5) Mr. ZHANG Wei resigned as an executive Director and a deputy general manager of the Company on 29 April 2024. For details, please refer to the announcement and overseas regulatory announcement of the Company dated 29 April 2024.
- (6) Such A share options were granted on 3 June 2019 (i.e. the Date of Grant for the First Batch of the Share Options).
- (7) As at the end of the Reporting Period, no such A share option remained outstanding.
- (8) Such A share options were granted on 29 May 2020 (i.e. the Date of Grant for Reserved Share Options).
- (9) Such Participants included Mr. TAO Weidong and Mr. ZHANG Feng.
- (10) Such Participants included Mr. YANG Zhijian and Mr. ZHANG Wei.
- (11) During the Reporting Period, there were no Participants who were granted and would be granted share options in excess of 1% of the individual limit, nor were there any related entity Participants or service providers who were granted or would be granted share options in any 12-month period in excess of 0.1% of the relevant class of shares in issue of the Company. The grant of share options was completed on 29 May 2020. There were no outstanding ungranted share options as at the beginning and the end of the Reporting Period.
- (12) During the Reporting Period, the number of the A Shares which may be issued by the Company under the Share Option Incentive Scheme was 7,752,046 Shares, representing approximately 0.061% of the weighted average number of the Company's A Shares in issue during the Reporting Period. Among them, 3,081,213 A Shares were issued after the exercise of share options, 187,850 share options were cancelled and 4,482,983 share options would be exercisable in the future, representing 0.024%, 0.001% and 0.035% of the weighted average number of the Company's A Shares in issue during the Reporting Period, respectively.
- (13) As at the end of the Reporting Period, the total number of Shares which could be issued under the Share Option Incentive Scheme of the Company was 221,276,995 Shares, representing approximately 1.386% of the total number of Shares issued by the Company and approximately 1.73% of the total number of A Shares issued by the Company.
- (14) The cumulative equity interest of the Company granted to any one Participant through the Share Option Incentive Scheme shall not exceed 1% of the total number of A Shares in issue of the Company.
- (15) Only the Participants who satisfied the exercise conditions as at the end of the Reporting Period were counted.

## **Validity Period**

The Further Revised Scheme (subsequently revised as the “**Share Option Incentive Scheme (Revised)**”) shall be effective for 10 years upon approval by the shareholders meeting on 30 May 2019.

## **Exercise Period**

- (i) The exercise period in respect of the first batch of the share options commences on the first trading day after the expiration of the 24-month period (two years) from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options) and ending on the last trading day of the 36-month period from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options). The exercisable share options shall be 33% of the total number of share options granted;
- (ii) The exercise period in respect of the second batch of the share options commences on the first trading day after the expiration of the 36-month period (three years) from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options) and ending on the last trading day of the 48-month period from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options). The exercisable share options shall be 33% of the total number of share options granted; and
- (iii) The exercise period in respect of the third batch of the share options commences on the first trading day after the expiration of the 48-month period (four years) from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options) and ending on the last trading day of the 84-month period from the Date of Grant for the First Batch of the Share Options (or, as the case may be, the Date of Grant for Reserved Share Options). The exercisable share options shall be 34% of the total number of share options granted.

# Other Information

## Conditions of Exercise

The following conditions must be satisfied before the share options (including the share options granted on 3 June 2019 and the reserved share options granted on 29 May 2020 by the Company) become effective and exercisable by the Company and the Participants pursuant to the terms of the Share Option Incentive Scheme:

- (i) the Company having achieved the following performance targets, and none of the circumstances as stipulated in the relevant requirements of the SASAC and the CSRC that the share options shall not become effective having occurred:

<b>Exercise period</b>	<b>Performance targets</b>
Exercise period in respect of the first batch of the share options	<p>(a) the average cash return on net assets (EOE) for 2020 shall be no less than 12.15% and the 75th percentile of the peer benchmark companies;</p> <p>(b) the growth rate of the net profit attributable to the owners of the parent company for 2020 shall be no less than 8% as compared to that of the financial year ended 31 December 2018; and</p> <p>(c) the economic value added (EVA) for 2020 shall reach the appraisal target assigned by COSCO SHIPPING and the change in EVA is greater than 0.</p>
Exercise period in respect of the second batch of the share options	<p>(a) the average cash return on net assets (EOE) for 2021 shall be no less than 13% and the 75th percentile of the peer benchmark companies;</p> <p>(b) the growth rate of the net profit attributable to the owners of the parent company for 2021 shall be no less than 18% as compared to that of the financial year ended 31 December 2018; and</p> <p>(c) the economic value added (EVA) for 2021 shall reach the appraisal target assigned by COSCO SHIPPING and the change in EVA is greater than 0.</p>
Exercise period in respect of the third batch of the share options	<p>(a) the average cash return on net assets (EOE) for 2022 shall be no less than 13% and the 75th percentile of the peer benchmark companies;</p> <p>(b) the growth rate of the net profit attributable to the owners of the parent company for 2022 shall be no less than 30% as compared to that of the financial year ended 31 December 2018; and</p> <p>(c) the economic value added (EVA) for 2022 shall reach the appraisal target assigned by COSCO SHIPPING and the change in EVA is greater than 0.</p>

## Other Information

- (ii) the Participants of the share options granted on 3 June 2019 have met the following conditions conducted pursuant to the revised appraisal measures for the Share Option Incentive Scheme, and none of the circumstances under which a person shall not become a Participant as set out in the Share Option Incentive Scheme having occurred:

**Exercise of the first batch of share options**

The Participant having obtained an assessment grade of “qualified” (or equivalent to “qualified”) or above in his/her performance review for 2020

**Exercise of the second batch of share options**

The Participant having obtained an assessment grade of “qualified” (or equivalent to “qualified”) or above in his/her performance review for 2021

**Exercise of the third batch of share options**

The Participant having obtained an assessment grade of “qualified” (or equivalent to “qualified”) or above in his/her performance review for 2022

- (iii) the Participants of the reserved share options granted on 29 May 2020 having met the following conditions conducted pursuant to the revised appraisal measures for the Share Option Incentive Scheme, and none of the circumstances under which a person shall not become a Participant as set out in the Share Option Incentive Scheme having occurred:

**Exercise of the first batch of share options**

The Participant having obtained an assessment grade of “qualified” (or equivalent to “qualified”) or above in his/her performance review for 2021

**Exercise of the second batch of share options**

The Participant having obtained an assessment grade of “qualified” (or equivalent to “qualified”) or above in his/her performance review for 2022

**Exercise of the third batch of share options**

The Participant having obtained an assessment grade of “qualified” (or equivalent to “qualified”) or above in his/her performance review for 2023

- (iv) According to relevant regulations, in order to protect the interests of the minority Shareholders and potential shareholders of the Company, in connection with the non-public issuance of A Shares by the Company, the Directors (excluding independent non-executive Directors) and senior management of the Company have undertaken to ensure the Company’s strict implementation of the remedial measures for return of the current return. The Directors (excluding independent non-executive Directors) and senior management of the Company who are also Participants under the Share Option Incentive Scheme, in addition to fulfilling the conditions of exercise above, shall also fulfill the condition of the Company implementing the remedial measures of the current return. The remuneration committee of the Company will appraise the implementation of the remedial measures of the return by the Company.

If one or more of the conditions of exercise in respect of any exercise period are not satisfied, such part of the share options shall lapse and be cancelled by the Company.



# Other Information

## COSCO SHIPPING Ports Share Option Scheme

### General Information of COSCO SHIPPING Ports Share Option Scheme

On 26 October 2017, the Board of COSCO SHIPPING Ports approved the COSCO SHIPPING Ports Share Option Incentive Scheme Draft. On 8 June 2018, the Company and COSCO SHIPPING Ports held an annual general meeting and a special general meeting respectively to consider and approve the adoption of a share option scheme under the said draft (the “**COSCO SHIPPING Ports Share Option Scheme**”).

On 19 June 2018, the board of directors of COSCO SHIPPING Ports was of the view that all the conditions of the grant of options had been fulfilled, and determined the date of the initial grant of COSCO SHIPPING Ports Share Option be on 19 June 2018 for the granting of 53,483,200 share options to 238 participants, and handled all necessary issues regarding the grant of share options.

Pursuant to the relevant requirements under the COSCO SHIPPING Ports Share Option Scheme, within one year after the abovementioned initial grant, COSCO SHIPPING Ports had granted a total of 3,640,554 share options to 17 eligible participants in four times on 29 November 2018, 29 March 2019, 23 May 2019 and 17 June 2019, respectively, and had handled all necessary issues regarding the grant of share options.

The COSCO SHIPPING Ports Share Option Scheme is valid and effective for a period of 10 years commencing from the date of adoption and will expire on 7 June 2028.

Please refer to the circular of COSCO SHIPPING Ports dated 18 May 2018 and announcements of COSCO SHIPPING Ports dated 19 June 2018, 29 November 2018, 29 March 2019, 23 May 2019 and 17 June 2019 for details of the COSCO SHIPPING Ports Share Option Scheme and each grant.

There was no outstanding share option under the COSCO SHIPPING Ports Share Option Scheme as at 31 December 2023, 1 January 2024 and 30 June 2024, respectively. No share option was granted or exercised or cancelled or lapsed under the COSCO SHIPPING Ports Share Option Scheme during the Reporting Period.

As at the date of this report, all the above share options were lapsed pursuant to the terms of the COSCO SHIPPING Ports Share Option Scheme, and no share options were outstanding. According to the terms of the COSCO SHIPPING Ports Share Option Scheme, no share options can be granted under the COSCO SHIPPING Ports Share Option Scheme.

## Capital Increase and Employees' Participation Plan Implemented by Shanghai PANASIA Shipping Co., Ltd.

Pursuant to the "Opinion on Commencement of Pilot Employee Stock Ownership by Stated-Owned Holding Mixed Ownership Enterprises" (Guo Zi Fa Gai Ge [2016] No. 133) 《關於國有控股混合所有制企業開展員工持股試點的意見》(國資發改革[2016]133號)), during 2017, Shanghai PANASIA Shipping Company Limited (上海泛亞航運有限公司) ("**PANASIA Shipping**"), a subsidiary of COSCO SHIPPING Lines, decided to implement the capital increase and employees' participation plan. PANASIA Shipping introduced certain strategic investor(s) by participating in the public tender for subscribing for equity on the Shanghai United Assets and Equity Exchange. The subscription price per unit will be not less than the appraised net asset value (after the filing procedures having been completed) per unit of the registered capital of PANASIA Shipping. Meanwhile, it introduced employees' participation through the employees' participation platform, under which employees subscribed for equity interests at the final subscription price of strategic investor(s). Please refer to the announcement of COSCO SHIPPING Holdings dated 18 April 2017 for details.

As at the end of June 2017, COSCO SHIPPING Lines, PANASIA Shipping, Shanghai Fosun Industrial Investment Company Limited (上海復星產業投資有限公司) (a strategic investor) ("**Fosun Industrial Investment**") and Ningbo Hongyang Investment and Management LLP (寧波滬陽投資管理合夥企業(有限合夥)) (the employees' participation platform) ("**Hongyang**") signed an agreement on capital increase and completed the change of industrial and commercial registration.

As at 30 June 2024, the equity interest in PANASIA Shipping was held 62% by COSCO SHIPPING Lines, 20% by Shanghai International Port (Group) Co., Ltd., 6% by China Huarong Asset Management Co., Ltd. (renamed as China CITIC Financial Asset Management Co., Ltd. on 24 January 2024), 3% by Shenzhen Qianhai Huajian Equity Investment Co., Ltd. (深圳市前海華建股權投資有限公司), 0.9382% by Fosun Industrial Investment, 8% by Hongyang (renamed as Shanghai Yongyang Enterprise Management Partnership (Limited Partnership) (上海泳陽企業管理合夥企業(有限合夥)) on 10 July 2024) and 0.0618% by Gongqingcheng Huanhai Investment Management Partnership (Limited Partnership) (共青城寰海投資管理合夥企業(有限合夥)) (Fosun Group Project Team), respectively. The participating employees (including employees in subsidiaries), of a total number of 180, are core management personnel of PANASIA Shipping, accounting for approximately 27.95% of its total headcount.

# Other Information

## Directors, Supervisors and Chief Executives' interest in Shares, Underlying Shares and Debentures

As at 30 June 2024, the interests of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(a) Long positions in the Shares, underlying Shares and debentures of the Company:

Nil

(b) Long positions in shares, underlying shares and debentures of associated corporations of the Company:

Name of associated corporation	Name of Director/ Supervisor	Capacity	Number of shares held	Approximate percentage of total number of the relevant class of the issued share capital of the relevant associated corporation	Approximate percentage of total number of the Issued share capital of the relevant associated corporation
COSCO SHIPPING					
Development Co., Ltd. <i>Note</i>	Mr. WAN Min	Beneficial owner	200,000 H shares	0.00544%	0.00147%
		Interest of spouse	2,000 A shares	0.00005%	0.00001%
COSCO SHIPPING					
Ports	Mr. WAN Min	Beneficial owner	329,437 H shares	0.00897%	0.00897%

*Note:* A company listed on the Stock Exchange (Stock Code: 2866) and the Shanghai Stock Exchange (Stock Code: 601866).

Save as disclosed above, as at 30 June 2024, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

# Other Information

## Substantial Shareholders' Interests in the Shares and Underlying Shares of the Company

As at 30 June 2024, so far as was known to the Directors, Shareholders having interests in the A Shares and H Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name	Capacity and nature of interest	Number of shares/percentage of total issued share capital of the Company					
		Long position	%(approx.)	Short position	%(approx.)	Lending pool	%(approx.)
China Ocean Shipping Co., Ltd. (a State-owned enterprise in China and the direct controlling shareholder of the Company)	Beneficial owner	A Shares: 5,924,873,037	37.12	—	—	—	—
China COSCO SHIPPING Corporation Limited (a State-owned enterprise in China and an indirect controlling shareholder of the Company)	Beneficial owner	A Shares: 704,746,860	4.42				
	Interest of controlled corporation	A Shares: 5,924,873,037	37.12				
		H Shares: 380,000,000 <sup>(1)</sup>	2.38				
		Subtotal: 6,304,873,037	39.50	—	—	—	—
		<b>Total:</b> <b>7,009,619,897</b>	<b>43.92</b>	—	—	—	—
China Shipping Group Co., Ltd.	Interest of controlled corporation	H Shares: 380,000,000 <sup>(1)</sup>	2.38				
COSCO SHIPPING (Hong Kong) Co., Limited	Beneficial owner	H Shares: 158,328,000	0.99	—	—	—	—
	Interest of controlled corporation	H Shares: 221,672,000	1.39	—	—	—	—
		Sub-total: 380,000,000 <sup>(1)</sup>	2.38				
Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司)	Beneficial owner	A Shares: 804,700,000	5.04	—	—	—	—
BlackRock, Inc. <sup>(2)</sup>	Interest of controlled corporation	H Shares: 170,273,651	1.07	H Shares: 11,744,500	0.07		

# Other Information

## Notes:

- (1) Among those Shares, 221,672,000 H Shares and 158,328,000 H Shares were directly held by Peaktrade Investments Limited (“**Peaktrade**”) and COSCO SHIPPING (Hong Kong) Co., Limited, respectively, representing approximately 6.93% and 4.95% of the total issued H Shares as at 30 June 2024, respectively. Peaktrade was directly and wholly-owned by COSCO SHIPPING (Hong Kong) Co., Limited, which was directly and wholly-owned by China Shipping Group Co., Ltd., which was in turn directly and wholly-owned by China COSCO SHIPPING Corporation Limited.
- (2) BlackRock, Inc. held relevant interests and short positions in the H Shares through a series of its controlled corporations, representing approximately 5.32% and 0.37% of the total issued H Shares respectively as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, so far as was known to the Directors, there was no person (other than a Director, Supervisor or chief executive of the Company) who had any other interest or short positions in the Shares and underlying Shares of the Company required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

## Audit Committee

The Company has established the Audit Committee (the “**Audit Committee**”) in compliance with Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review the financial reporting process and the systems of internal controls of the Group (including the adequacy of resources, staff qualifications and experience, effectiveness of internal audit, corporate governance and control, and the training programs and budget of the Company’s accounting and financial reporting function), the completeness and accuracy of its accounts and to liaise on behalf of the Directors with external auditors. The Audit Committee consists of three independent non-executive Directors, namely Prof. MA Si-hang Frederick (chairman of the Audit Committee), Mr. SHEN Dou and Ms. HAI Chi-yuet, who meet regularly with the management of the Company and the Company’s external auditors, and review external auditors’ review and audit reports (as applicable) and the interim and annual financial statements, as the case may be. The Audit Committee has reviewed the unaudited interim financial information for the six months ended 30 June 2024, and recommended its adoption by the Board.

## Corporate Governance

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

The Company adopted the Company’s corporate governance code (the “**Code**”) which incorporates all the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and a majority of the recommended best practices therein. Having made specific enquiries, the Directors were not aware of any information which reasonably showed that the Company had not complied with the Code or any applicable code provisions therein at any time during the Reporting Period.

## Employees and Remuneration Policies

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

## Model Code for Securities Transactions by Directors

Since the listing of the Company on the Main Board of the Stock Exchange in 2005, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by the Directors and Supervisors. After making specific enquiries with all Directors and Supervisors, each of them has confirmed that they had complied with the required standard set out in the Model Code during the Reporting Period.

## Purchase, Sale or Redemption of Listed Securities

On 25 May 2023, the Annual General Meeting, the A Share Class Meeting and the H Share Class Meeting of the Company considered and approved the grant of the general mandate to the Board to repurchase A Shares and H Shares of no more than 10% of the number of A Shares in issue and the number of H Shares in issue as at the date of the Annual General Meeting, the A Share Class Meeting and the H Share Class Meeting. On 29 August 2023, the 27th meeting of the sixth session of the Board considered and approved the Resolution on the Share Repurchase Plan of COSCO SHIPPING Holdings 《關於中遠海控回購公司股份方案的議案》 to implement the share repurchase plan for the purpose of safeguarding the Company's value and Shareholders' rights and interests and to carry out the share repurchase in accordance with the law under the framework of the general repurchase mandate approved at the general meeting, and that all repurchased Shares shall be cancelled and the registered share capital shall be reduced accordingly.

On 31 August 2023, the Company commenced the repurchase of A Shares and H Shares. As at 30 June 2024, the Company had repurchased a total of 59,999,924 A Shares, and the total amount paid was approximately RMB583,328,594 (excluding transaction fees); and had repurchased a total of 155,000,000 H Shares, and the total amount paid was approximately HK\$1,201,957,510 (excluding transaction fees). The Company did not repurchase any A Shares during the Reporting Period. The monthly report on repurchase of H Shares during the Reporting Period is as follows:

# Other Information

## Repurchase of H Shares

Month of repurchase	Number of Shares repurchased	Purchase price per Share		Total price (HK\$)
		Highest (HK\$/Share)	Lowest (HK\$/Share)	
2024				
January	34,032,000	8.44	7.60	271,275,105.00
February	23,019,000	8.80	7.71	190,659,075.00
	<b>57,051,000</b>			<b>461,934,180.00</b>

The Company cancelled 41,467,000 repurchased H Shares, 59,999,924 repurchased A Shares and 113,533,000 repurchased H Shares on 17 November 2023, 29 November 2023 and 29 February 2024, respectively. Accordingly, as at 30 June 2024, the Company had cancelled all of the aforesaid 59,999,924 repurchased A Shares and 155,000,000 repurchased H Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries had repurchased or sold any listed securities of the Company during the Reporting Period. The Company had not redeemed the Company's securities during the Reporting Period.

## Interim Dividend

On 29 August 2024, the 7th meeting of the seventh session of the Board considered and approved the 2024 interim profit distribution plan of COSCO SHIPPING Holdings: to distribute a cash dividend of RMB0.52 per Share (tax inclusive) to all Shareholders; as calculated based on the Company's total share capital of 15,960,605,965 Shares as at 30 June 2024, the total 2024 interim cash dividend payable shall amount to approximately RMB8.3 billion (tax inclusive), accounting for approximately 49.20% of the net profit attributable to the equity holders of the Company realized in the first half of 2024. In the event of any change in the number of total share capital of the Company during the period between the beginning of July 2024 and the record date of dividend distribution, the amount of dividend per Share shall remain unchanged, and the total amount of distribution shall be adjusted accordingly based on the total number of Shares registered as at the record date for entitlement to the distribution. According to the relevant authorization for the 2024 interim profit distribution as approved at the 2023 Annual General Meeting of the Company, this profit distribution plan is not required to be submitted to Shareholders' general meeting for consideration. For further details of the aforementioned Board authorization, please refer to the circular of the Company dated 9 May 2024 and the announcement of the Company dated 29 May 2024.

In respect of the 2023 interim dividend of RMB0.51 per Share (tax inclusive) paid to all Shareholders, the total cash dividend paid amounted to RMB8.196 billion, which accounts for approximately 49.49% of the Company's net profit attributable to equity holders of the Company realized in the first half of 2023.

The interim dividend will be paid to A Shareholders and domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in RMB and to H Shareholders in HK\$. The actual amount of the interim dividend to be distributed and paid to H Shareholders in HK\$ is calculated in accordance with the average middle exchange rate of RMB1 to HK\$1.094477 as quoted by the People's Bank of China for the period of one week before 29 August 2024. Accordingly, the amount of the interim dividend payable per H Share is HK\$0.569128 (tax inclusive). The ex-dividend date is expected to be 8 October 2024 and the interim dividend in respect of the H Shares will be distributed and paid on 25 October 2024.

# Other Information

The interim dividend will be paid by the receiving agent of the Company in Hong Kong and relevant cheques will be despatched by Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company, to the H Shareholders who are entitled to receive the interim dividend, by ordinary post at their own risk on 25 October 2024.

For the purpose of determining the H Shareholders' entitlement to the 2024 interim dividend, the register of members of the Company will be closed from 10 October 2024 to 15 October 2024 (both days inclusive) and no transfer of H Shares of the Company will be registered during the period. The H Shareholders whose names appear on the register of members of the Company on 10 October 2024 are entitled to receive the 2024 interim dividend. In order to qualify for the 2024 interim dividend, the H Shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 9 October 2024.

For further details of the payment of interim dividend, please refer to the announcement of the Company dated 30 August 2024.

## Investor Relations

The Company highly values investor relations at all times and considers the maintenance of investor relations as part of its ongoing strategic management task.

In the first half of 2024, the Group communicated extensively with the capital market through holding performance briefings, participating in investor conferences organized by domestic and foreign brokerages, reverse roadshows, receiving visitors and teleconferences, a total of 153 one-to-one and group meetings were held with engagement to 1,711 investors, and actively responded to the concerns of small and medium-sized investors through telephone, email, designated online platforms and other channels.

The Group publishes announcements, periodic reports and promotional materials of the Group on the website and updates them in a timely manner. At the same time, subject to compliance with laws and regulations, we will try our best to assist the domestic and foreign media to obtain public information.

While actively communicating with external parties, the Group also attaches great importance to the opinions of the capital market. The Investor Relations Department actively collects relevant opinions and suggestions and reports to the senior management in a timely manner, so that the opinions of the capital market become an important reference for the Group's decision-making.

During the above-mentioned work process, the senior management and relevant staff involved in the relevant work strictly abide by the various regulatory requirements at home and abroad, and actively carry out their work in compliance with laws and regulations.

The Value Investing section on the website of the Company (<http://hold.coscoshipping.com>) addresses investor enquiries.



# Other Information

## Corporate Culture

The Board leads and shapes the Company's corporate culture, which is based on the Company's goals, strategies, values and capabilities and is rooted in the principles of legal, ethical and responsible conduct at all levels of the Group. COSCO SHIPPING Holdings is positioned as a global digital supply chain operation and investment platform centered on container shipping, and is the core company that undertakes COSCO SHIPPING's vision of "creating a world-class global integrated logistics supply chain service ecosystem". The Group has always adhered to the concept of green, low-carbon and sustainable development, and is committed to building a three-in-one digital supply chain service ecosystem of "container shipping + port + related logistics" with worldwide coverage, strengthening global and full-process cooperation with strategic partners, and promoting deep integration between related supply chains and industrial chains to create personalized, customized, green and low-carbon supply chain logistic solutions for customers. The Company's corporate culture has been fully integrated into the above-mentioned corporate goals, strategies and values.

# Unaudited Interim Condensed Consolidated Balance Sheet

AS AT 30 JUNE 2024

	Note	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	140,038,166	129,793,884
Right-of-use assets	7	42,304,613	44,643,967
Investment properties	7	3,215,438	3,254,220
Intangible assets	7	4,571,349	4,705,737
Goodwill		6,369,499	6,358,223
Investments in joint ventures		8,809,004	8,680,100
Investments in associates		59,063,270	58,203,338
Financial assets at fair value through other comprehensive income		1,897,434	1,918,241
Financial assets at fair value through profit or loss		391,319	380,662
Financial assets at amortized cost		377,057	374,862
Restricted bank deposits		17,322	16,439
Deferred income tax assets		984,647	918,504
Loans to associates		222,204	227,932
Pension and retirement assets		112,575	95,546
Other non-current assets		292,387	392,780
<b>Total non-current assets</b>		<b>268,666,284</b>	<b>259,964,435</b>
<b>Current assets</b>			
Inventories		6,802,656	6,561,355
Trade and other receivables and contract assets	8	17,898,525	13,392,866
Financial assets at fair value through profit or loss		64,366	95,000
Financial assets at amortized cost		5,783	5,747
Derivative financial assets		–	19,106
Taxes recoverable		95,872	103,298
Restricted bank deposits		1,234,352	1,174,258
Cash and cash equivalents		172,350,141	181,113,316
<b>Total current assets</b>		<b>198,451,695</b>	<b>202,464,946</b>
<b>Total assets</b>		<b>467,117,979</b>	<b>462,429,381</b>

# Unaudited Interim Condensed Consolidated Balance Sheet

AS AT 30 JUNE 2024

	Note	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
<b>EQUITY</b>			
<b>Equity attributable to the equity holders of the Company</b>			
Share capital	9	15,960,606	16,071,058
Reserves		194,521,720	180,044,199
		210,482,326	196,115,257
<b>Non-controlling interests</b>		46,947,971	47,104,215
<b>Total equity</b>		257,430,297	243,219,472
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	10	29,177,632	32,740,761
Lease liabilities		31,002,284	31,841,919
Provisions and other liabilities	11	7,065,793	7,005,654
Put option liability		–	1,742,435
Pension and retirement liabilities		336,652	320,849
Deferred income tax liabilities		18,715,016	18,231,512
<b>Total non-current liabilities</b>		86,297,377	91,883,130
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	12	103,880,491	106,040,447
Short-term borrowings	10	2,406,305	2,417,519
Current portion of long-term borrowings	10	3,507,945	8,118,638
Current portion of lease liabilities		8,468,412	9,266,647
Current portion of provisions and other liabilities	11	26,925	36,999
Put option liability		1,778,676	–
Taxes payable		3,321,551	1,446,529
<b>Total current liabilities</b>		123,390,305	127,326,779
<b>Total liabilities</b>		209,687,682	219,209,909
<b>Total equity and liabilities</b>		467,117,979	462,429,381
<b>Net current assets</b>		75,061,390	75,138,167
<b>Total assets less current liabilities</b>		343,727,674	335,102,602

# Unaudited Interim Condensed Consolidated Income Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenues	6	101,201,055	91,842,797
Cost of services		(78,043,130)	(72,061,762)
Gross profit		23,157,925	19,781,035
Other income	13	592,009	2,303,223
Other expenses	13	(40,716)	(49,560)
(Provision for)/reversal of impairment losses on financial assets, net	14	(82,790)	181,670
Selling, administrative and general expenses		(4,574,968)	(4,086,896)
Operating profit		19,051,460	18,129,472
Finance income	15	3,091,049	4,178,631
Finance costs	15	(1,664,536)	(1,826,653)
Net finance income	15	1,426,513	2,351,978
		20,477,973	20,481,450
Share of profits less losses of			
– joint ventures		294,360	306,241
– associates		2,287,899	2,145,060
Profit before income tax		23,060,232	22,932,751
Income tax expenses	16	(3,804,865)	(3,256,970)
<b>Profit for the period</b>		<b>19,255,367</b>	19,675,781
<b>Profit attributable to:</b>			
– Equity holders of the Company		16,870,080	16,560,637
– Non-controlling interests		2,385,287	3,115,144
		19,255,367	19,675,781
Earnings per share attributable to equity holders of the Company:			
Basic earnings per share (in RMB)	17	1.05	1.03
Diluted earnings per share (in RMB)	17	1.05	1.02

# Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Profit for the period</b>	<b>19,255,367</b>	19,675,781
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified to profit or loss</i>		
Share of other comprehensive loss of joint ventures and associates, net	(1,520)	(243,371)
Cash flow hedges, net of tax	(14,371)	(3,631)
Currency translation differences	465,804	3,645,180
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	(9,739)	42,598
Remeasurements of post-employment benefit obligations	9,618	(6,567)
Share of other comprehensive loss of associates	(25,869)	(10,425)
Currency translation differences	88,839	1,077,621
<b>Other comprehensive income for the period, net of tax</b>	<b>512,762</b>	4,501,405
<b>Total comprehensive income for the period</b>	<b>19,768,129</b>	24,177,186
<b>Total comprehensive income for the period attributable to:</b>		
– Equity holders of the Company	17,305,627	20,075,155
– Non-controlling interests	2,462,502	4,102,031
	<b>19,768,129</b>	24,177,186

# Unaudited Interim Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity holders of the Company			Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Reserves RMB'000	Sub-total RMB'000		
<b>Balance at 1 January 2024</b>	16,071,058	180,044,199	196,115,257	47,104,215	243,219,472
<b>Comprehensive income</b>					
Profit for the period	-	16,870,080	16,870,080	2,385,287	19,255,367
<b>Other comprehensive income/(loss):</b>					
Share of other comprehensive loss of joint ventures and associates, net	-	(20,371)	(20,371)	(7,018)	(27,389)
Cash flow hedges, net of tax	-	(5,328)	(5,328)	(9,043)	(14,371)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	(12,546)	(12,546)	2,807	(9,739)
Remeasurements of post-employment benefit obligations	-	7,988	7,988	1,630	9,618
Currency translation differences	-	465,804	465,804	88,839	554,643
<b>Total other comprehensive income</b>	-	435,547	435,547	77,215	512,762
<b>Total comprehensive income for the period</b>	-	17,305,627	17,305,627	2,462,502	19,768,129
<b>Transactions with owners:</b>					
Issue of A-shares in connection with the exercise of share options	3,081	-	3,081	-	3,081
Transactions with non-controlling shareholders of subsidiaries	-	1,195,201	1,195,201	(1,923,740)	(728,539)
Dividends declared to shareholders of the Company	-	(3,670,925)	(3,670,925)	-	(3,670,925)
Dividends declared to non-controlling shareholders of subsidiaries	-	-	-	(677,746)	(677,746)
Fair value of share options granted	-	612	612	29	641
Put option liability movement	-	(18,023)	(18,023)	(7,287)	(25,310)
Repurchase and cancellation of shares	(113,533)	(306,954)	(420,487)	-	(420,487)
Others	-	(28,017)	(28,017)	(10,002)	(38,019)
<b>Total transactions with owners</b>	(110,452)	(2,828,106)	(2,938,558)	(2,618,746)	(5,557,304)
<b>As at 30 June 2024</b>	15,960,606	194,521,720	210,482,326	46,947,971	257,430,297

# Unaudited Interim Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity holders of the Company			Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Reserves RMB'000	Sub-total RMB'000		
<b>Balance at 1 January 2023, as previously reported</b>	16,094,862	184,287,911	200,382,773	53,140,695	253,523,468
<b>Change in accounting policy</b>	–	207,894	207,894	61,732	269,626
<b>Balance at 1 January 2023, as restated</b>	16,094,862	184,495,805	200,590,667	53,202,427	253,793,094
<b>Comprehensive income</b>					
Profit for the period	–	16,560,637	16,560,637	3,115,144	19,675,781
<b>Other comprehensive income/(loss):</b>					
Share of other comprehensive loss of joint ventures and associates, net	–	(157,274)	(157,274)	(96,522)	(253,796)
Cash flow hedges, net of tax	–	(746)	(746)	(2,885)	(3,631)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	32,667	32,667	9,931	42,598
Remeasurements of post-employment benefit obligations	–	(5,309)	(5,309)	(1,258)	(6,567)
Currency translation differences	–	3,645,180	3,645,180	1,077,621	4,722,801
<b>Total other comprehensive income</b>	–	3,514,518	3,514,518	986,887	4,501,405
<b>Total comprehensive income for the period</b>	–	20,075,155	20,075,155	4,102,031	24,177,186
<b>Transactions with owners:</b>					
Issue of A-shares in connection with the exercise of share options	75,392	–	75,392	–	75,392
Transactions with non-controlling shareholders of subsidiaries	–	419,771	419,771	(1,644,043)	(1,224,272)
Dividends declared to shareholders of the Company	–	(22,476,653)	(22,476,653)	–	(22,476,653)
Dividends declared to non-controlling shareholders of subsidiaries	–	–	–	(6,423,480)	(6,423,480)
Fair value of share options granted	–	11,354	11,354	225	11,579
Put option liability movement	–	(14,697)	(14,697)	(9,429)	(24,126)
Others	–	(1,276)	(1,276)	518,542	517,266
<b>Total transactions with owners</b>	75,392	(22,061,501)	(21,986,109)	(7,558,185)	(29,544,294)
<b>As at 30 June 2023</b>	16,170,254	182,509,459	198,679,713	49,746,273	248,425,986

# Unaudited Interim Condensed Consolidated Cash Flow Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	21,129,511	16,123,714
Interest received	3,071,865	3,997,365
Income tax paid	(1,562,880)	(6,859,473)
Net cash generated from operating activities	22,638,496	13,261,606
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, investment properties and intangible assets	(11,826,842)	(7,433,785)
Acquisition of a subsidiary, net cash paid	–	(546,091)
Proceeds from disposal of property, plant and equipment, investment properties and intangible assets	231,094	140,210
Investments in associates	(536,197)	(5,677,314)
Cash received from disposal of investments in an associate	–	20,291
Cash received from disposal of financial assets	40,512	176,661
Dividends received from joint ventures	197,808	192,488
Dividends received from associates	1,481,579	809,497
Dividends received from financial assets	39,106	1,143
Interest income from financial assets	5,926	13,018
Others	10,782	30,599
Net cash used in investing activities	(10,356,232)	(12,273,283)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	5,850,687	4,102,582
Repayment of borrowings	(14,081,548)	(5,324,209)
Repayment of loans from an associate and a joint venture	(150,446)	–
Repurchase of shares of the Company	(419,764)	–
Dividends paid to shareholders of the Company	(3,719,350)	(22,515,634)
Dividends paid to non-controlling shareholders of subsidiaries	(515,166)	(6,759,066)
Interest paid	(1,022,865)	(1,014,645)
Issue of A-shares in connection with the exercise of share options	3,081	75,392
Payment of lease liabilities	(6,595,085)	(8,353,433)
Loans from an associate	–	120,069
Transactions with non-controlling shareholders of subsidiaries	(843,189)	(1,246,070)
Others	(4,407)	(281,963)
Net cash used in financing activities	(21,498,052)	(41,196,977)
<b>Net decrease in cash and cash equivalents</b>	<b>(9,215,788)</b>	<b>(40,208,654)</b>
Cash and cash equivalents as at 1 January	181,113,316	235,613,923
Exchange differences	452,613	2,820,998
<b>Cash and cash equivalents as at 30 June</b>	<b>172,350,141</b>	<b>198,226,267</b>



# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 1 General information

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

The businesses of the Company and its subsidiaries (the “Group”) mainly include the provisions of a range of container shipping, managing and operating container terminals services on a worldwide basis.

The directors of the Company (the “Directors”) regard China COSCO SHIPPING Corporation Limited (“COSCO SHIPPING”), a state-owned enterprise incorporated in the PRC, as being the Company’s ultimate parent company. COSCO SHIPPING and its subsidiaries (other than the Group) are collectively referred to as “COSCO SHIPPING Group”. The Directors regard China Ocean SHIPPING Company Limited (“COSCO”) as the immediate parent company.

This unaudited interim financial information for the six months ended 30 June 2024 (the “Interim Financial Information”) is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. The Interim Financial Information was approved for issue by the Directors on 29 August 2024.

## 2 Basis of preparation

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

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention except for certain financial assets and liabilities (including derivative instruments) which have been stated at fair value.

The Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2023 (the “2023 Annual Financial Statements”) which were prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) issued by the HKICPA.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 3 Changes in accounting policies

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earning, the material accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with the 2023 Annual Financial Statements.

- (a) [New standards, amendments and interpretation to existing standards which are effective in 2024 and adopted by the Group](#)

### **New standards, amendments and interpretation to existing standards**

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
HK Int 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendment)	Supplier Finance Arrangements
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback

The adoption of the above new standards, amendments and interpretation to existing HKFRS does not have a material impact on the consolidated financial statements of the Group.

- (b) [New standards, amendments, interpretation and improvements to existing standards which have not been adopted](#)

The HKICPA has issued certain new standards, amendments, interpretation and improvements which are not yet effective for the six months ended 30 June 2024 and have not been early adopted by the Group. The Group will apply these standards, amendments, interpretation and improvements as and when they become effective. These new standards, amendments, interpretation and improvements are not expected to have a material impact on the consolidated financial statements of the Group.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 4 Financial risk management

### (a) Financial risk factors

All aspects of the Group's financial risk management objectives and practices are consistent with those disclosed in the 2023 Annual Financial Statements.

### (b) Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss ("FVPL")				
– Equity securities	64,366	–	–	64,366
– Listed convertible bonds	391,319	–	–	391,319
Financial assets at fair value through other comprehensive income ("FVOCI")	1,618,621	–	278,813	1,897,434

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 4 Financial risk management (Continued)

### (b) Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVPL				
– Equity securities	95,000	–	–	95,000
– Listed convertible bonds	380,662	–	–	380,662
Financial assets at FVOCI	1,637,274	–	280,967	1,918,241
Derivative financial assets	–	19,106	–	19,106

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regular occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as financial assets at FVOCI.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 4 Financial risk management (Continued)

### (b) Fair value estimation (Continued)

Movements of financial instruments classified as level 3 recognized in the Interim Financial Information are as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Financial assets at FVOCI		
As at 1 January	280,967	275,496
Fair value change	(2,027)	1,094
Currency translation differences	(127)	316
As at 30 June	278,813	276,906

As at 30 June 2024, description of the valuation techniques and the inputs used in the fair value measurement in level 3 include:

- The fair value of investments in unlisted property management companies and a hotel are determined using valuation techniques (including asset-based approach and market comparable approach). The inputs are mainly prices per square meter.
- The fair value of other unlisted financial assets is determined by reference to valuation report or the valuation performed by management using valuation techniques (including price/book multiple method and direct market quote). The inputs are mainly price/book multiples. A discount rate of 20% is applied to computing the fair value on top of market price/book multiples.

Financial assets and liabilities approximate their carrying amounts including: trade and other receivables and contract assets, financial assets at amortized cost, cash equivalents, restricted bank deposits, loans to associates, trade and other payables and contract liabilities, lease liabilities, short-term and long-term borrowings.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 5 Critical accounting estimates and judgements

The preparation of the 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 expenses. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were basically the same as those that applied to the 2023 Annual Financial Statements.

## 6 Revenues and segment information

### Operating segments

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

- Container shipping business
- Terminal business
- Corporate and other operations that primarily comprise investment holding, management services and financing

Segment assets are those operating assets that are employed by a segment in its operating activities. They exclude investments in joint ventures, investments in associates, loans to associates, FVOCI, FVPL and financial assets at amortized cost not related to the segment. Segment liabilities are these operating liabilities that result from the operating activities of a segment.

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

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 6 Revenues and segment information (Continued)

Operating segments (Continued)

	Six months ended 30 June 2024				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
<b>Income statement</b>					
Total revenues	97,477,271	5,091,135	-	(1,367,351)	101,201,055
Comprising:					
– Inter-segment revenues	40,615	1,326,736	-	(1,367,351)	-
– Revenues (from external customers)	97,436,656	3,764,399	-	-	101,201,055
<b>Revenues from contracts with customers:</b>					
Recognized over time	97,477,271	5,091,135	-	(1,367,351)	101,201,055
<b>Segment profit</b>	18,297,395	827,981	(73,916)	-	19,051,460
Finance income	2,476,878	131,300	482,892	(21)	3,091,049
Finance costs	(1,035,286)	(598,269)	(31,002)	21	(1,664,536)
Share of profits less losses of					
– joint ventures	83,093	211,267	-	-	294,360
– associates	40,123	892,322	1,409,527	(54,073)	2,287,899
Profit before income tax	19,862,203	1,464,601	1,787,501	(54,073)	23,060,232
Income tax expenses	(3,531,664)	(279,574)	6,373	-	(3,804,865)
Profit for the period	16,330,539	1,185,027	1,793,874	(54,073)	19,255,367
Gain on disposals of property, plant and equipment, net	62,267	135	-	-	62,402
Depreciation and amortization	8,450,586	914,353	556	-	9,365,495
Additions to non-current assets	14,922,011	1,791,345	-	-	16,713,356

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 6 Revenues and segment information (Continued)

Operating segments (Continued)

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



# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 6 Revenues and segment information (Continued)

Operating segments (Continued)

	As at 30 June 2024				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
<b>Balance sheet</b>					
Segment operating assets	327,489,164	51,649,235	101,225,036	(84,075,893)	396,287,542
Investments in joint ventures	1,176,727	7,632,277	-	-	8,809,004
Investments in associates	3,582,733	23,984,324	31,820,133	(323,920)	59,063,270
Loans to associates	-	222,204	-	-	222,204
Financial assets at FVOCI	163,074	989,838	744,522	-	1,897,434
Financial assets at FVPL	64,369	391,316	-	-	455,685
Financial assets at amortized cost	382,840	-	-	-	382,840
Total assets	332,858,907	84,869,194	133,789,691	(84,399,813)	467,117,979
Segment operating liabilities & total liabilities	165,820,430	35,850,146	13,368,461	(5,351,355)	209,687,682

	As at 31 December 2023				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
<b>Balance sheet</b>					
Segment operating assets	308,942,457	51,587,824	109,763,160	(77,749,942)	392,543,499
Investments in joint ventures	1,161,998	7,518,102	-	-	8,680,100
Investments in associates	3,569,890	23,694,446	31,009,518	(70,516)	58,203,338
Loans to associates	-	227,932	-	-	227,932
Financial assets at FVOCI	169,535	984,656	764,050	-	1,918,241
Financial assets at FVPL	95,000	380,662	-	-	475,662
Financial assets at amortized cost	380,609	-	-	-	380,609
Total assets	314,319,489	84,393,622	141,536,728	(77,820,458)	462,429,381
Segment operating liabilities & total liabilities	163,336,827	36,046,395	20,056,894	(230,207)	219,209,909

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 6 Revenues and segment information (Continued)

### Geographical information

#### (a) Revenues

The Group's businesses are managed on a worldwide basis. The revenues generated from the world's major trade lanes for container shipping business mainly include Trans-Pacific, Asia-Europe, Intra-Asia, within Mainland China, other international region (including the Atlantic) which are reported as follows:

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

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

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

	Six months ended 30 June 2024		
	Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
<b>Container shipping business</b>			
– America	27,965,756	–	27,965,756
– Europe	21,448,120	–	21,448,120
– Asia Pacific	23,852,077	–	23,852,077
– Mainland China	10,848,953	(40,615)	10,808,338
– Other international market	13,362,365	–	13,362,365
	97,477,271	(40,615)	97,436,656
<b>Terminal business</b>			
– Europe	2,270,429	(539,384)	1,731,045
– Asia Pacific	258,449	(67,755)	190,694
– Mainland China	2,542,889	(719,597)	1,823,292
– Other international market	19,368	–	19,368
	5,091,135	(1,326,736)	3,764,399
<b>Total</b>	<b>102,568,406</b>	<b>(1,367,351)</b>	<b>101,201,055</b>

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 6 Revenues and segment information (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

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

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 6 Revenues and segment information (Continued)

### Geographical information (Continued)

#### (b) Non-current assets

The Group's non-current assets, other than financial instruments and deferred income tax assets ("Geographical Non-Current Assets"), consist of its property, plant and equipment, investment properties, intangible assets, right-of-use assets, goodwill, investments in joint ventures, investments in associates and other non-current assets.

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

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

	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
<b>Unallocated</b>	<b>138,012,743</b>	136,371,096
<b>Remaining assets</b>		
– Mainland China	<b>87,319,436</b>	86,022,448
– Outside mainland China	<b>39,331,547</b>	33,638,705

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 7 Tangible and intangible assets

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Property, plant and equipment (note)	140,038,166	129,793,884
Right-of-use assets	42,304,613	44,643,967
Investment properties	3,215,438	3,254,220
Intangible assets	4,571,349	4,705,737
Total tangible and intangible assets	190,129,566	182,397,808

Note: As at 30 June 2024, property, plant and equipment included container vessels, buildings, containers, trucks, chassis and motor vehicles, computer, office and other equipment, and assets under construction.

Movement of the tangible and intangible assets during the period is set out below:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
As at 1 January	182,397,808	181,907,309
Currency translation differences	591,978	5,654,096
Acquisition of subsidiaries	774	1,333,937
Additions	16,712,582	7,118,334
Disposals/write-off	(269,605)	(208,068)
Depreciation/amortization	(9,364,863)	(10,085,706)
Others	60,892	55,852
Closing net book value as at 30 June	190,129,566	185,775,754

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 8 Trade and other receivables and contract assets

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Trade receivables (note a)		
– third parties	9,641,580	6,346,952
– fellow subsidiaries	575,437	176,541
– joint ventures	118,723	18,860
– other related companies	230,596	192,212
	<b>10,566,336</b>	6,734,565
Bills receivables (note a)	202,850	175,916
Contract assets (note a)	265,181	179,386
	<b>11,034,367</b>	7,089,867
Prepayments, deposits and other receivables		
– third parties	5,115,879	4,598,018
– fellow subsidiaries (note b)	287,994	327,920
– joint ventures (note b)	233,592	507,256
– associates (note b)	1,190,508	850,033
– other related companies (note b)	36,185	19,772
	<b>6,864,158</b>	6,302,999
Total	<b>17,898,525</b>	13,392,866

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 8 Trade and other receivables and contract assets (Continued)

Notes:

- a) Trade receivables with related parties are unsecured and have similar credit periods as third party customers. The normal credit period granted to the trade receivables of the Group is generally within 90 days. Trade and bills receivables and contract assets primarily consisted of voyage-related receivables. As at 30 June 2024, the aging analysis of trade and bills receivables and contract assets on the basis of the date of relevant invoice or demand note is as follows:

	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Within 1 year	<b>11,265,619</b>	7,231,474
1 to 2 years	<b>50,658</b>	56,877
2 to 3 years	<b>26,399</b>	35,842
Over 3 years	<b>145,637</b>	137,418
Trade, bills receivables and contract assets, gross	<b>11,488,313</b>	7,461,611
Within 1 year	<b>(232,430)</b>	(156,777)
1 to 2 years	<b>(49,830)</b>	(51,195)
2 to 3 years	<b>(26,054)</b>	(26,354)
Over 3 years	<b>(145,632)</b>	(137,418)
Total provision for impairment	<b>(453,946)</b>	(371,744)
Trade, bills receivables and contract assets, net	<b>11,034,367</b>	7,089,867

- b) As at 30 June 2024, balance of US\$90,305,000 (equivalent to approximately RMB643,586,000) (31 December 2023: US\$93,209,000 (equivalent to approximately RMB660,171,000)) is unsecured, which bears interest at the aggregate of 2.0% per annum and EURIBOR, and is repayable in 2024. Other amounts due from related companies are unsecured, interest free and have no fixed terms of repayment.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 9 Share capital and equity linked benefits

### (a) Share capital

	Number of shares (thousands)	Nominal Value RMB'000
H-Shares of RMB1.00 each		
As at 31 December 2023	3,313,313	3,313,313
Cancellation of shares (note)	(113,533)	(113,533)
As at 30 June 2024	<b>3,199,780</b>	<b>3,199,780</b>
A-Shares of RMB1.00 each		
As at 31 December 2023	12,757,745	12,757,745
Issue of shares by exercising share options (Note (b)(iv))	3,081	3,081
As at 30 June 2024	<b>12,760,826</b>	<b>12,760,826</b>

Note:

During the year 2024, the Company repurchased a total of 57,051,000 its own ordinary shares on the Stock Exchange of Hong Kong Limited at an aggregate consideration of approximately RMB419,764,000 and recognized as treasury share of the Company.

During the year 2024, the Company cancelled a total of 113,533,000 shares amount of approximately RMB793,856,000 on the Stock Exchange of Hong Kong Limited. Stock cancellation resulted in a decrease of share capital of RMB113,533,000, a decrease of treasury shares of RMB793,856,000, and a decrease of reserves of RMB681,046,000 of the Company.

### (b) Share options of the Company

The Company operates share option schemes whereby options are granted to eligible employees or any participants (as defined in the relevant share option schemes) of the Group, to subscribe for its shares. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

Pursuant to a resolution dated on 30 May 2019, the Company adopted a share option scheme (the "2019 Share Option Scheme"). The purposes of the 2019 Share Option Scheme are to enable the Company to establish and cultivate a performance-oriented culture, under which value is created for the Shareholders, and to establish an interests-sharing and restraining mechanism between the Shareholders and the Company's management. No consideration was paid by the grantees for the acceptance of share options.



# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 9 Share capital and equity linked benefits (Continued)

### (b) Share options of the Company (Continued)

Pursuant to a resolution dated on 29 May 2020, the Company adopted a share option scheme (the “2020 Share Option Scheme”). The purposes of the 2020 Share Option Scheme are to enable the Company to establish and cultivate a performance-oriented culture, under which value is created for the Shareholders, and to establish an interests-sharing and restraining mechanism between the Shareholders and the Company’s management. No consideration was paid by the grantees for the acceptance of share options.

Under the 2019 Share Option Scheme and 2020 Share Option Scheme, the exercises of the options of three batches are subject to two-year, three-year and four-year vesting periods respectively during which a participant is not allowed to exercise any option granted. After the expiration of each vesting period, the participant may exercise the options in three batches in the one year, one year and three years after the expiration of each vesting period respectively. Within the exercise period of the share options, and subject to the fulfilment of the vesting conditions and the exercise arrangement of the share options, grant of each share option entitles the grantee to subscribe for one A share at relevant exercise price in three batches evenly after the expiry of each vesting period.

Movements of the share options granted by the Company during the six months ended 30 June 2024 and 2023 are set out below:

Date of grant	Exercisable Period	Six months ended 30 June 2024			
		Outstanding as at 1 January 2024	Exercised during the period	Forfeited during the period	Outstanding as at 30 June 2024
3 June 2019	Note (i)	1,011,542	(62,065)	–	949,477
29 May 2020	Note (ii)	6,740,504	(3,019,148)	(187,850)	3,533,506
		7,752,046	(3,081,213)	(187,850)	4,482,983

  

Date of grant	Exercisable Period	Six months ended 30 June 2023			
		Outstanding as at 1 January 2023	Exercised during the period	Forfeited during the period	Outstanding as at 30 June 2023
3 June 2019	Note (i)	79,177,264	(68,845,427)	(7,160,839)	3,170,998
29 May 2020	Note (ii)	13,735,880	(6,546,875)	(337,219)	6,851,786
		92,913,144	(75,392,302)	(7,498,058)	10,022,784

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 9 Share capital and equity linked benefits (Continued)

### (b) Share options of the Company (Continued)

Notes:

- (i) The share options were granted on 3 June 2019 under the 2019 Share Option Scheme at an exercise price of RMB4.10 per share. According to the provisions of the 2019 Share Option Scheme, share options under each grant have a validity period of ten years commencing from the date of grant and cannot be exercised evenly during the two-year, three-year and four-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of one year, one year and three years after the expiry of each Restriction Period, i.e. 33%, 33% and 34%.

The exercise price was adjusted from RMB4.10 per share to RMB3.15 per share according to the capitalization issue of 3 shares for every 10 shares in July 2021 and was further adjusted to RMB1.00 per share according to the 2021 and 2022 profit distribution plan.

- (ii) The share options were granted on 29 May 2020 under the 2020 Share Option Scheme at an exercise price of RMB3.50 per share. According to the provisions of the 2020 Share Option Scheme, share options under each grant have a validity period of ten years commencing from the date of grant and cannot be exercised evenly during the two-year, three-year and four-year period commencing from the date of grant (the "Restriction Period"). Besides, subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of one year, one year and three years after the expiry of each Restriction Period, i.e. 33%, 33% and 34%.

The exercise price was adjusted from RMB3.50 per share to RMB2.69 per share according to the capitalization issue of 3 shares for every 10 shares in July 2021 and was further adjusted to RMB1.00 per share according to the 2021 and 2022 profit distribution plan.

- (iii) 949,477 A Shares under the 2019 Share Option Scheme and 3,533,506 A Shares under the 2020 Share Option Scheme were vested and exercisable as at 30 June 2024. The Company has no legal or constructive obligation to repurchase or settle the options in cash.
- (iv) For the six months ended 30 June 2024, the Company completed the registration of 62,065 A shares due to exercise of A Share Option of the Company under the 2019 Share Option Scheme and 3,019,148 A shares due to exercise of A Share Option of the Company under the 2020 Share Option Scheme. For details, please refer to the overseas regulatory announcement of the Company dated 2 April 2024 and 2 July 2024.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 9 Share capital and equity linked benefits (Continued)

### (c) Share options of a subsidiary

The Company's subsidiary, COSCO SHIPPING Ports Limited ("COSCO SHIPPING Ports"), operates share option schemes whereby options are granted to eligible employees and directors or any participant of the Group to subscribe for its share.

There are no outstanding share options as at 30 June 2024. Movements of the share options granted by COSCO SHIPPING Ports during the six months ended 30 June 2023 are set out below:

Date of grant	Exercise price	Six months ended 30 June 2023				Outstanding as at 30 June 2023
		Outstanding as at 1 January 2023	Granted during the period	Exercised during the period	Forfeited during the period	
19 June 2018	HK\$7.27	30,518,454	–	–	(30,518,454)	–
29 November 2018	HK\$8.02	398,404	–	–	–	398,404
29 March 2019	HK\$8.48	225,201	–	–	–	225,201
23 May 2019	HK\$7.27	67,673	–	–	–	67,673
17 June 2019	HK\$7.57	425,350	–	–	(58,464)	366,886
		31,635,082	–	–	(30,576,918)	1,058,164

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 10 Borrowings

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
<b>Long term borrowings</b>		
Bank loans		
– secured (note b, c)	18,743,778	14,517,085
– unsecured	10,736,934	23,111,710
Loans from COSCO SHIPPING Finance Co., Ltd. ("COSCO SHIPPING Finance")		
– unsecured	1,950,816	1,945,491
Loans from non-controlling shareholders of subsidiaries	425,235	436,196
Other loans		
– unsecured	546,770	561,770
Interest payables of long-term borrowings	282,044	287,147
Total long-term borrowings	32,685,577	40,859,399
Current portion of long-term borrowings	(3,507,945)	(8,118,638)
	29,177,632	32,740,761
<b>Short term borrowings</b>		
Bank loans		
– unsecured	2,402,798	2,416,467
Interest payables of short-term borrowings	3,507	1,052
	2,406,305	2,417,519

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 10 Borrowings (Continued)

Notes:

(a) Movements in long-term borrowings for the period is analyzed as follows:

	RMB'000
<b>Six months ended 30 June 2024</b>	
As at 1 January 2024	40,859,399
Repayments of borrowings	(12,904,952)
Drawdown of borrowings	4,717,994
Currency translation differences	48,584
Amortized amount of transaction costs on long-term borrowings	(21,256)
Interest	(14,192)
As at 30 June 2024	32,685,577
<b>Six months ended 30 June 2023</b>	
As at 1 January 2023	40,565,859
Repayments of borrowings	(4,337,579)
Drawdown of borrowings	4,032,752
Currency translation differences	1,100,458
Amortized amount of transaction costs on long-term borrowings	4,721
Amortized amount of discount on issue of notes	281
Interest	2,116
As at 30 June 2023	41,368,608

(b) The secured bank loans as at 30 June 2024 are secured, inter alia, by one or more of the following:

- (i) First legal mortgages over certain property, plant and equipment of the Group with aggregate net book value of RMB30,175,357,000 (31 December 2023: RMB28,913,602,000);
- (ii) Assignment of the charter, rental income and earnings, requisition compensation, insurance relating to certain container vessels;
- (iii) Shares of certain subsidiaries; and
- (iv) Restricted bank deposit of certain subsidiaries.

(c) As at 30 June 2024, bank loans of RMB6,643,029,000 (31 December 2023: RMB3,576,343,000) are guaranteed by COSCO SHIPPING Ports for its subsidiaries.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 11 Provisions and other liabilities

	As at 30 June 2024			As at 31 December 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Provision for one-off housing subsidies	-	40,078	40,078	-	40,078	40,078
Provision for onerous contracts (note)	-	6,533,459	6,533,459	-	6,493,030	6,493,030
Deferred income and others	26,925	492,256	519,181	36,999	472,546	509,545
<b>Total</b>	<b>26,925</b>	<b>7,065,793</b>	<b>7,092,718</b>	<b>36,999</b>	<b>7,005,654</b>	<b>7,042,653</b>

Note:

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

As at 30 June 2024, OOIL reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain, and it is expected that high inflation and interest rate environment would slow down the USA economy growth and would have some negative impact to the demand/import of the USA in the near future. As at 30 June 2024, with these uncertainties over such a long-term contract period, management reassessed that the projected vessel lifts in LBCT would result in a shortfall on minimum volume commitment over the remaining contract period. OOIL estimated an onerous contract provision of US\$916.7 million (equivalent to approximately RMB6,533.5 million) as at 30 June 2024 (31 December 2023: US\$916.7 million (equivalent to approximately RMB6,493.0 million)).

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 12 Trade and other payables and contract liabilities

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Trade and bills payables (note a)		
– third parties	19,252,090	17,527,658
– fellow subsidiaries	1,601,984	497,933
– joint ventures	176,669	170,187
– associates	49,996	84,147
– other related companies	170,544	218,020
	<b>21,251,283</b>	18,497,945
Accrued expenses	<b>68,155,636</b>	73,004,716
Other payables		
– third parties	13,122,344	12,867,421
– fellow subsidiaries	29,308	75,773
– joint ventures (note b)	170,583	368,590
– associates (note c)	1,387	30,869
– other related companies (note d)	558,302	518,646
	<b>13,881,924</b>	13,861,299
Contract liabilities	<b>591,648</b>	676,487
Total	<b>103,880,491</b>	106,040,447

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 12 Trade and other payables and contract liabilities (Continued)

Notes:

- a) As at 30 June 2024, the aging analysis of trade and bills payables on the basis of the date of relevant invoice or demand note is as follows:

	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Within 1 year	21,127,964	18,378,636
1 to 2 years	59,533	55,260
2 to 3 years	34,540	34,526
Over 3 years	29,246	29,523
	<b>21,251,283</b>	18,497,945

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

- b) The balance included loans from a joint venture that were unsecured, borne interest at 2.3% per annum and were fully repaid in 2024.
- c) The balance included loans from an associate that were unsecured, borne interest at 2.3% per annum and were fully repaid in 2024.
- d) The balance includes loans from non-controlling shareholders of subsidiaries of US\$59,129,000 (equivalent to approximately RMB421,401,000) (31 December 2023: US\$61,030,000 (equivalent to approximately RMB432,257,000)) are unsecured, bearing interest at 1% (31 December 2023: 1%) above the 3 months EURIBOR and repayable within twelve months. Balance of US\$3,978,000 (equivalent to approximately RMB28,230,000) (31 December 2023: US\$2,588,000 (equivalent to approximately RMB18,330,000)) represents interest payable on long-term loans from non-controlling shareholders of subsidiaries.

The remaining balances are unsecured, interest free and have no fixed terms of repayment.



# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 13 Other income and other expenses

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Dividend income from financial assets at FVOCI	24,961	25,670
Gain on disposal of property, plant and equipment	88,468	33,214
Income from financial assets at FVPL		
– Fair value gain (realized and unrealized)	14,213	32,120
– Distribution	39	949
– Dividend income	6,208	3,944
Interest income from financial assets at amortized cost	9,542	11,028
Exchange gain	259,361	1,914,851
Others	189,217	281,447
<b>Other income</b>	<b>592,009</b>	<b>2,303,223</b>
Loss on disposal of property, plant and equipment	(26,066)	(3,951)
Others	(14,650)	(45,609)
<b>Other expenses</b>	<b>(40,716)</b>	<b>(49,560)</b>

## 14 (Provision for)/reversal of impairment losses on financial assets, net

Net impairment losses on financial assets are (provision for)/reversal of impairment from trade and other receivables and contract assets.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 15 Finance income and costs

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Finance income</b>		
Interest income from:		
– other financial institutions	2,240,933	2,700,404
– deposits in related parties	805,059	1,278,757
– loans to a joint venture and associates	25,873	18,204
Net exchange gain	19,184	181,266
<b>Total finance income</b>	<b>3,091,049</b>	<b>4,178,631</b>
<b>Finance costs</b>		
Interest expenses on:		
– loans from third parties	(978,634)	(998,808)
– loans from related parties	(29,623)	(54,132)
– loans from non-controlling shareholders of subsidiaries	(10,663)	(8,362)
– lease liabilities	(855,877)	(908,184)
– notes/bonds	–	(17,145)
Transaction costs arising from borrowings	(69,681)	(58,781)
	<b>(1,944,478)</b>	<b>(2,045,412)</b>
Less: amount capitalized in construction in progress	279,942	218,759
<b>Total finance costs</b>	<b>(1,664,536)</b>	<b>(1,826,653)</b>
<b>Net finance income</b>	<b>1,426,513</b>	<b>2,351,978</b>

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 16 Income tax expenses

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Current income tax (note a):		
– PRC enterprise income tax	3,119,158	2,548,689
– Hong Kong profits tax	6,974	19,169
– Overseas taxation	232,814	226,552
Under/(over) provision in prior years	38,330	(63,818)
	<b>3,397,276</b>	2,730,592
Deferred income tax	407,589	526,378
	<b>3,804,865</b>	3,256,970

Notes:

(a) Current income tax

Taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates. These rates range from 5% to 39% (six months ended 30 June 2023: 2.5% to 34.2%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 5% to 20% (six months ended 30 June 2023: 5% to 20%).

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2023: 16.5%) on the estimated assessable profits derived from or arising in Hong Kong for the period.

(b) OECD Pillar Two model rules

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules (the Global Anti-Base Erosion Proposal, or “GloBE”), and it applies the HKAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate.

For container shipping business, international shipping income and certain qualified ancillary international shipping income are excluded from GloBE. For terminal business, the Group has estimated that the weighted average effective tax rates exceed 15% in jurisdictions in which it operates and have Pillar Two legislation enacted or substantively enacted. Based on the current assessment, income tax exposure is not expected to be material for the relevant jurisdictions.

As the Group operates worldwide and the types of international shipping income and ancillary income covered by the exclusion are subject to complicated rules and restrictions, these bring high complexities in applying the legislation and calculating the income under the rules. As such, the Group is in the process of working together with its parent company continue to assess the full impact of the rules.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 17 Earnings per share

### a) Basic

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

	Six months ended 30 June	
	2024	2023
Profit attributable to equity holders of the Company (RMB)	<b>16,870,080,000</b>	16,560,637,000
Weighted average number of ordinary shares	<b>16,023,215,797</b>	16,105,939,186
Basic earnings per share (RMB)	<b>1.05</b>	1.03

### b) Diluted

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

	Six months ended 30 June	
	2024	2023
Profit attributable to equity holders of the Company (RMB)	<b>16,870,080,000</b>	16,560,637,000
Weighted average number of ordinary shares	<b>16,023,215,797</b>	16,105,939,186
Adjustments for assumed issuance of shares on exercise of dilutive share options	<b>6,513,533</b>	70,933,588
	<b>16,029,729,330</b>	16,176,872,774
Diluted earnings per share (RMB)	<b>1.05</b>	1.02

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 18 Dividend

On 29 August 2024, the 7th meeting of the seventh session of the Board considered and approved the 2024 interim profit distribution plan of COSCO SHIPPING Holdings: to distribute a cash dividend of RMB0.52 per Share (tax inclusive) to all Shareholders; as calculated based on the Company's total share capital of 15,960,605,965 Shares as at 30 June 2024, the total 2024 interim cash dividend payable shall amount to approximately RMB8.3 billion (tax inclusive), accounting for approximately 49.20% of the net profit attributable to the equity holders of the listed company realized in the first half of 2024. In the event of any change in the number of total share capital of the Company during the period between the beginning of July 2024 and the record date of dividend distribution, the amount of dividend per Share shall remain unchanged, and the total amount of distribution shall be adjusted accordingly based on the total number of Shares registered as at the record date for entitlement to the distribution. According to the relevant authorization for the 2024 interim profit distribution as approved at the 2023 Annual General Meeting of the Company, this profit distribution plan is not required to be submitted to Shareholders' general meeting for consideration.

In respect of the 2023 interim dividend of RMB0.51 per Share (tax inclusive) paid to all Shareholders, the total cash dividend paid amounted to be RMB8.196 billion, which accounts for approximately 49.49% of the Company's net profit attributable to equity holders of the listed company realized in the first half of 2023.

## 19 Contingent liabilities

a) As at 30 June 2024, the Group was involved in a number of claims. The Group was unable to ascertain the likelihood and amounts of these claims. However, based on advice of legal counsel and/or information available to the Group, the Directors are of the opinion that the related claims amounts should not be material to the Group's consolidated financial information for the year ended 30 June 2024.

### b) Guarantee

A subsidiary of COSCO SHIPPING Ports provided corporate guarantee to an associate. The Directors consider that it is not probable for a claim to be made against the Group and the fair value of the guarantee contract is not significant to the Group, and has not been recognized at the balance sheet date.

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 20 Commitments

### (a) Capital commitments

	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Contracted but not provided for		
Containers	<b>102,056</b>	–
Container vessels	<b>28,682,434</b>	36,821,081
Terminal equipment	<b>3,571,966</b>	4,539,921
Other property, plant and equipment	<b>3,872</b>	32,847
Investments in terminals and other companies	<b>138,082</b>	1,830,099
Intangible assets	<b>126,106</b>	12,333
	<b>32,624,516</b>	43,236,281

Amounts of capital commitments relating to the Group's interest in the joint ventures not included in the above are as follows:

	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
Contracted but not provided for	<b>18,018</b>	60,522

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 20 Commitments (Continued)

### (b) Lease commitments

The future aggregate minimum lease rental expenses under non-cancellable short-term leases or low-value leases are payable in the following years:

	As at 30 June 2024		
	Containers and container vessels RMB'000	Leasehold land, buildings and other property, plant and equipment RMB'000	Total RMB'000
– not later than one year	2,258,840	30,803	2,289,643
– later than one year	6,437,289	21,941	6,459,230
	8,696,129	52,744	8,748,873

	As at 31 December 2023		
	Containers and container vessels RMB'000	Leasehold land, buildings and other property, plant and equipment RMB'000	Total RMB'000
– not later than one year	3,080,951	114,492	3,195,443
– later than one year	5,165,582	116,364	5,281,946
	8,246,533	230,856	8,477,389

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 21 Significant related party transactions

The Company is controlled by COSCO SHIPPING, the ultimate parent company and a state-owned enterprise established in the PRC.

COSCO SHIPPING itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. Government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING Group, other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members.

The disclosure in relation to related party transactions and outstanding balances with other government-related entities and their subsidiaries are exempted. The Group's transaction with other state-controlled entities include but are not limited to sales or purchases of goods, purchases or sales of property and other assets, rendering or receiving of services, lease of assets, provision of guarantees and receiving of bank deposits and borrowings. The detailed disclosure in relation to these transactions and outstanding balances are exempted. The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

In addition to the related party information and transactions disclosed elsewhere in the Interim Financial Information, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the period.



# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 21 Significant related party transactions (Continued)

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Transactions with COSCO SHIPPING</b>		
<u>Revenues</u>		
Vessel service income	175	1,238
<b>Transactions with subsidiaries of COSCO SHIPPING Group and its related entities (including joint ventures and associates of COSCO SHIPPING)</b>		
<u>Revenues</u>		
Container shipping income	1,426,568	1,004,340
Freight forwarding income	557,427	436,658
Vessel services income	58,813	84,391
Terminal handling fee and storage income	93,753	93,220
Other income	37	783
<u>Expenses</u>		
Vessel costs		
Vessel services expenses	5,734,338	940,869
Crew expenses	1,187,580	1,190,012
Voyage costs		
Bunker costs	10,123,815	9,250,629
Port charges	1,080,770	1,361,490
Equipment and cargo transportation costs		
Commission and rebates	49,603	38,587
Cargo and transshipment and equipment and repositioning expenses	702,937	480,241
Freight forwarding expenses	185,501	166,361
General service expenses	224,189	159,689
Expenses relating to short-term leases and leases with low-value assets	809,522	866,844
Other expenses	56,525	25,902
<u>Others</u>		
Payment of lease liabilities	1,209,370	1,329,612
Concession fee	229,977	255,622
Purchase of containers	521,359	1,280
Installments of vessels under construction	2,472,771	2,554,968

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 21 Significant related party transactions (Continued)

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Transactions with joint ventures of the Group</b>		
<u>Revenues</u>		
Management fee and service fee income	13,739	12,039
Other income	78,958	19,900
<u>Expenses</u>		
Port charges	1,360,822	2,006,042
Expenses relating to short-term leases or leases with low-value assets	2,411	2,350
Equipment and cargo transportation costs		
Commission and rebates	862	778
Cargo and transshipment and equipment and repositioning expenses	9,504	11,396
<b>Transactions with associates of the Group</b>		
<u>Revenues</u>		
Interest income	938,952	1,292,351
Other income	96,239	60,994
<u>Expenses</u>		
Interest expense	29,303	21,859
Port charges	1,018,452	965,913
Other handling fee	–	20,680

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 21 Significant related party transactions (Continued)

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Transactions with other non-controlling shareholders of subsidiaries</b>		
<u>Revenues</u>		
Terminal handling and storage income	1,127,838	394,612
<u>Expenses</u>		
Port charges	179,188	150,254
Electricity charge and supply of fuel	4,740	4,360
Other expenses	42,164	50,171
<b>Transactions with other related parties</b>		
<u>Revenues</u>		
Shipping service income	34,924	30,653
<u>Expenses</u>		
Expenses relating to short-term leases	23,151	6,720

Note:

These transactions were conducted either (i) based on terms as governed by the master agreements and subsisting agreements entered into between the Group and COSCO SHIPPING Group or (ii) based on terms as set out in the underlying agreements, statutory rates or market prices or actual cost incurred, or as mutually agreed between the Group and the parties in concern.

### Key management compensation

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Salaries, bonuses and other allowances	18,373	46,939
Contribution to retirement benefit scheme	1,048	2,736
Share-based payments	72	4,449
	19,493	54,124

# Notes to the Unaudited Interim Condensed Consolidated Financial Information

## 21 Significant related party transactions (Continued)

As at 30 June 2024 and 31 December 2023, cash and cash equivalents deposited in COSCO SHIPPING group companies were as follow:

	<b>As at 30 June 2024 RMB'000</b>	As at 31 December 2023 RMB'000
COSCO SHIPPING Finance	<b>88,404,128</b>	89,075,504

## 22 Subsequent events

The board of directors proposed an interim dividend of RMB0.52 per ordinary share (tax inclusive) on 29 August 2024.

# Report on Review of Interim Financial Information

## **TO THE BOARD OF DIRECTORS OF COSCO SHIPPING HOLDINGS CO., LTD.**

(Incorporated in the People's Republic of China with limited liability)

### **INTRODUCTION**

We have reviewed the interim financial information set out on pages 49 to 91, which comprises the interim condensed consolidated balance sheet of COSCO SHIPPING Holdings Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2024 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated cash flow statement for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 29 August 2024



**COSCO SHIPPING Holdings Co., Ltd.**

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