中遠海運能源運輸股份有限公司

COSCO SHIPPING Energy Transportation Co., Ltd.

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

(Hong Kong Stock Exchange Stock Code: 1138)
(Shanghai Stock Exchange Stock Code: 600026)

INTERIM REPORT 2023

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(1) Industry and Characteristics

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

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

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

(2) The competitive position and operation model in industry engaged by the Group

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

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

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

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

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

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

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

2. ANALYSIS OF THE INTERNATIONAL AND DOMESTIC SHIPPING MARKET DURING THE REPORTING PERIOD

(1) International oil shipping market

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

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

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

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

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

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

(2) Domestic oil shipping market

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

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

(3) LNG shipping market

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

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

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

3. REVIEW OF OPERATING RESULTS DURING THE REPORTING PERIOD

As of the end of June 2023, the Group held 154 oil tankers with 22.42 million DWT, representing a decrease of 5 vessels with 0.92 million DWT as compared with that as of the end of 2022. In the first half of 2023, the Group realized a transportation volume (excluding time charters) of 86.1688 million tonnes with a year-on-year decrease of 3.3%; transportation turnover (excluding time charters) of 267.393 billion tonne-miles with a year-on-year increase of 0.5%; revenues from principal operations of RMB11.483 billion with a year-on-year increase of 53.6%; cost of principal operations of RMB7.466 billion with a year-on-year increase of 9.0%, and gross profit margin increased by 26.6 percentage points year-on-year. The net profit attributable to equity holders of the Company was RMB2.895 billion with a year-on-year increase of 1,530.67%, and EBITDA of RMB6.18 billion with a year-on-year increase of 188.8%.

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

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

(1) Revenues from Principal Operations

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

Principal Operations by Products Transported

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

Principal Operations by Geographical Regions

Geographical regions	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenues as compared with the same period in 2022	Increase/ (decrease) in operating costs as compared with the same period in 2022	Increase/ (decrease) in gross profit margin as compared with the same period in 2022
	(RMB'000)	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(percentage points)*
Domestic shipping	3,053,122	2,324,513	23.9	3.8	4.9	(0.7)
International shipping	8,430,369	5,140,988	39.0	85.9	10.9	41.2
Total	11,483,491	7,465,501	35.0	53.6	9.0	26.6

(2) Shipping Business – Oil and LNG Shipping

International oil shipping business:

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

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

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

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

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

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

Domestic oil shipping business:

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

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

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

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

LNG shipping business:

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

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

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

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

4. COST AND EXPENSES ANALYSIS

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

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

Reasons of the changes in cost and expenses:

Oil shipping costs

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

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

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

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

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

5. OPERATING RESULTS OF THE JOINT VENTURES AND THE ASSOCIATES

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

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

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

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

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

6. FINANCIAL ANALYSIS

(1) Net cash generated from operating activities

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

(2) Capital commitments

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

Note:

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

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

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

(3) Capital structure

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

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

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

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

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

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

(4) TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

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

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

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

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

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

(5) TRADE AND BILLS PAYABLES

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

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

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

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

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

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

(6) DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

(7) INTEREST-BEARING BANK AND OTHER BORROWINGS

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

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

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

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

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

(8) CONTINGENT LIABILITIES AND GUARANTEE

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

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

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

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

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

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

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

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

(9) Foreign exchange risk management

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

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

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

(10) Interest rate risk management

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

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

7. FLEET DEVELOPMENT

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

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

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

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

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

8. OUTLOOKS AND HIGHLIGHTS OF THE SECOND HALF OF 2023

(1) Competitive landscape and development trends in the industry

International oil shipping market

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

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

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

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

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

Domestic oil shipping market

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

LNG shipping market

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

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

(2) Highlights for the second half of 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. OTHER MATTERS

(1) Changes in Directors, supervisors (the "Supervisors") and senior management of the Company

(1) Retirement of Ms. Li Zhuoqiong ("**Ms. Li**")

Ms. Li has resigned as the General Counsel of the Company, due to her job changes, with effect from 27 June 2023.

(2) Appointment of Mr. Yu Bozheng ("**Mr. Yu**")

At the Board meeting of the Company held on 30 June 2023, the appointment of Mr. Yu as the General Counsel of the Company was approved by the Broad of Directors.

(3) Changes in Information of Ms. Wang Songwen ("**Ms. Wang**")

Ms. Wang, a non-executive Director of the Company, has been appointed as a director of COSCO SHIPPING Investment Dalian Co., Ltd. since May 2023.

(4) Changes in Information of Mr. Yang Lei ("**Mr. Yang**")

Mr. Yang, a Supervisor of the Company, ceased to be the deputy general manager of the Legal and Risk Management Department of China COSCO Shipping Group Company Limited with effect from June 2023 and has been appointed as the vice president of COSCO Shipping (Australia) Limited.

(5) Change of Employee Representative Supervisors

On 1 September 2023, Ms. Chen Hua and Mr. Wang Zhenming were democratically elected as employee representative supervisors for the tenth session of Supervisory Committee of the Company at the employee representative meeting of the Company with effect immediately thereafter. Mr. Xu Yifei and Mr. Zeng Xiangfeng, the original employee representative supervisors, resigned from their office with effect from 1 September 2023.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

(2) Substantial shareholders' and other persons' interests in shares and underlying shares

As at the 30 June 2023, so far as was known to the Directors, supervisors or chief executive(s) of the Company, the interests or short positions of the Shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director, supervisor or chief executive(s) of the Company) in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "**SFO**"), or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") were as follows:

Name of substantial shareholders	Class of shares[1]	Number of shares held[2]	Percentage of the total number shares of the relevant class	Percentage of the total number of issued shares
China Shipping Group Company Limited ("**China Shipping**")[3]	A	1,536,924,595 (L)	44.23%	32.22%
COSCO SHIPPING[3]	A	2,156,350,790 (L)	62.06%	45.20%
Citigroup Inc.[4]	H	94,546,310 (L)	7.29%	1.98%
		2,097,441 (S)	0.16%	0.04%
		90,876,101 (P)	7.01%	1.90%
BlackRock, Inc.[5]	H	69,587,895 (L)	5.37%	1.46%
		1,202,000 (S)	0.09%	0.03%

Note 1: A – A share
H – H share
L – Long position
S – Short position
P – Lending pool

Note 2: As at 30 June 2023, the total issued share capital of the Company was 4,770,776,395 shares of which 1,296,000,000 were H shares and 3,474,776,395 were A shares.

Note 3: China Shipping directly holds 1,536,924,595 A shares in its capacity as beneficial owner. COSCO SHIPPING directly holds 619,426,195 A shares in its capacity as beneficial owner, accounting for approximately 17.83% and 12.98% of the A shares and of the total issued share capital of the Company, respectively. COSCO SHIPPING is the sole shareholder of China Shipping. Therefore, COSCO SHIPPING (itself and through its subsidiaries) is interested in 2,156,350,790 shares in total.

Note 4: As at 30 June 2023, in accordance with the information disclosed to the Company by Divisions 2 and 3 of Part XV of the SFO, Citigroup Inc. held the H shares of the Company through a number of subsidiaries, of which 3,670,209 H shares (long position) and 2,097,441 H shares (short position) are held by it as interest of corporation controlled by it, 90,876,101 H shares (long position) are held in the capacity as approved lending agent.

Note 5: As at 30 June 2023, in accordance with the information disclosed to the Company by Divisions 2 and 3 of Part XV of the SFO, BlackRock, Inc. held H shares of the Company through a number of subsidiaries, of which 69,587,895 H shares (long position) and 1,202,000 H shares (short position) are held by it as interest of corporation controlled by it.

Save as disclosed above, as at 30 June 2023, no other person (other than Directors, Supervisors or chief executive(s) of the Company) had any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interests or short positions which have been notified to the Company and the Hong Kong Stock Exchange.

(3) Directors' and Supervisors' interests in contracts

As at 30 June 2023 or during the Reporting Period, none of the Directors or Supervisors, or an entity connected with a Director or a Supervisor, had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party.

(4) Incentive Scheme

On 17 December 2018, an A share option incentive scheme (the "**Incentive Scheme**") was approved by shareholders at the extraordinary general meeting and class meetings of, and adopted by, the Company. On 27 December 2018, pursuant to the authorisation granted by shareholders, the Board approved the grant of 35,460,000 share options to 133 participants.

The 133 participants of the Incentive Scheme include Directors (excluding independent non-executive Directors), senior management and other management and core technical personnel of the Group who have direct impact on the operation results and development of the Company. Such participants do not include substantial Shareholders or controllers of the Company who individually or jointly hold 5% or more of the Shares, or their spouse, parents or children or other associates. There were no participants with share options granted and to be granted in excess of the individual limit of 1% and no related entity participants or service providers.

Participants are not required to make any payment for the application or acceptance of the share option(s) under the Incentive Scheme.

The allocation of options granted to the participants of the Incentive Scheme is set out below:

Names	Positions	Share Options granted ('000)	Approximate percentage of the total number of Share Options under this grant
Liu Hanbo (劉漢波)	Former Director and former General Manager	475	1.34%
Lu Junshan (陸俊山)	Former Director and former Secretary of Party Committee	475	1.34%
Yang Shicheng (楊世成)	Former Deputy General Manager	427	1.20%
Qing Jiong (秦炯)	Deputy General Manager	427	1.20%
Xiang Yongmin (項永民)	Former General Accountant	427	1.20%
Luo Yuming (羅宇明)	Deputy General Manager	427	1.20%
Tu Shiming (屠士明)	Secretary of Committee for Discipline Inspection	427	1.20%
Zhao Jinwen (趙金文)	Former Deputy General Manager	427	1.20%
Li Zhuoqiong (李倬瓊)	Former General Counsel, Secretary of the Board	380	1.07%
Zhao Yuguang (趙宇光)	Former Assistant to General Manager	380	1.07%
Other management and core technical personnel (123 persons)		31,188	87.95%
Total (133 Participants):		35,460	100%

Details of movement of the options granted under the Incentive Scheme for the Reporting Period and up to the date of this report were as follows:

	Number of options									
Name or category of participants	As at 1 January 2023	Granted during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Exercised during the Reporting Period	Outstanding options as at 30 June 2023 and as at the date of this report	Date of grant	Vesting period	Exercise period	Exercise price (RMB)
Zhu Maijin (Director and General Manager)	141,440[1]		-	-	-	141,440	27 December 2018	2 years from date of grant	28 December 2020 to 27 December 2025	5.74[2]
Other management and core technical personnel (132 participants)	10,030,880[1]		-	-	-	10,030,880	27 December 2018	2 years from date of grant	28 December 2020 to 27 December 2025	5.74[2]
Total	10,172,320	-	-	-	-	10,172,320				

(1) The closing price of the A shares immediately before the date on which the options were granted was RMB4.50. No weighted average closing price for A shares immediately before the date on which the options were exercised is available since no share options were exercised during the Reporting Period. Save as disclosed above, there were no other Director, chief executive or their respective associates who held outstanding options or were granted options during the Reporting Period.

(2) The exercise price was adjusted from RMB6.00 to RMB5.98 at the Board meeting on 30 March 2020. The exercise price was adjusted from RMB5.98 to RMB5.94 at the Board meeting on 29 October 2020. The exercise price was adjusted from RMB5.94 to RMB5.74 at the Board meeting on 30 August 2021.

The exercise price of RMB5.74 represented approximately 38.08% discount of the closing market price of A shares of the Company on the trading day immediately preceding the date of issue of 8,084,510 A shares in 2022 (i.e. RMB9.27 per each A share).

Due to the payment of the Company's final dividend before option exercise, a cash dividend of RMB0.02 per share was distributed to holders of the A shares on 27 June 2019 as the date of record, the exercise price of the share options granted to the participants under the Incentive Scheme has been adjusted accordingly from RMB6.00 per share to RMB5.98 per share. Relevant issues have been reviewed and approved by the Company's second Board meeting in 2020.

The Company's final dividend before option exercise, a cash dividend of RMB0.04 per share was distributed to holders of the A shares on 9 July 2020 as the date of record, the exercise price of the share options granted to the participants under the Incentive Scheme has been adjusted accordingly from RMB5.98 per share to RMB5.94 per share. Relevant issues have been reviewed and approved by the Company's thirteenth Board meeting held on 29 October 2020.

The Company's final dividend before option exercise, a cash dividend of RMB0.20 per share was distributed to holders of the A shares on 15 July 2021 as the date of record, the exercise price of the share options granted to the participants under the Incentive Scheme has been adjusted accordingly from RMB5.94 per share to RMB5.74 per share. Relevant issues have been reviewed and approved by the Company's ninth Board meeting held on 30 August 2021.

At the Board meeting held on 29 April 2022, the Board considered that the exercise conditions of the second exercise period of the Company's incentive Scheme had been fulfilled and approved the exercise of share options by eligible incentive recipients, with a total of 105 exercisable persons and a total number of 8,992,170 exercisable shares at an exercise price of RMB5.74 per share. On 27 May 2022, the Company announced that the number of exercisers for the second exercise period of the Incentive Scheme was 100 and the number of exercisable shares was 8,084,510 with the listing date of 2 June 2022, the exercise price and the net price was RMB5.74 per share and the closing price of the A shares on the record day (26 May 2022) was RMB9.22 per share. As at 6 May 2022, the Company had received a total of RMB46,405,087.40 from 100 incentive recipients for the exercise of 8,084,510 shares, of which RMB8,084,510 was credited to share capital and RMB38,320,577.40 was credited to capital reserve. Pursuant to the terms of the Incentive Scheme, the proceeds of RMB46,405,087.40 raised from the exercise of the Incentive Scheme have been used to replenish the Company's working capital and no proceeds were brought forward to the Reporting Period. Further details of the results of the first exercise of the second exercise period of the Incentive Scheme and the listing of the Shares are set out in the overseas regulatory announcement of the Company dated 27 May 2022.

As at 30 June 2023, a total of 17,203,170 share options lapsed and were cancelled under the Incentive Scheme due to the retirement and termination of employment of the incentive recipients and the expiry of the stock option exercise period. During the Reporting Period, the exercise price of the share options under the Incentive Scheme (including any share option if cancelled) amounted to RMB5.74. No share options under the Incentive Scheme lapsed or were cancelled during the Reporting Period.

During the Reporting Period, the Company did not grant any new share options or awards. During the Reporting Period and as at the date of this report, the Company has no share options or awards outstanding to be granted, and apart from the Incentive Scheme, the Company had no other effective share schemes. Accordingly, the total number of shares available for issue under the Incentive Scheme is 10,172,320 shares, representing 0.21% of the total number of shares of the Company in issue as at the date of this report. The total number of A shares that may be issued in respect of options granted under the Incentive Scheme during the Reporting Period is 0 shares, representing 0.00% of the weighted average number of A shares in issue during the Reporting Period.

(5) **Directors', Supervisors' and chief executives' interests and short positions in shares, underlying shares or debentures of the Company**

As at 30 June 2023, the Directors, Supervisors and chief executive(s) of the Company who had an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO that was required to be entered into the register kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules were as follows:

a. Long positions in the shares, underlying shares or debentures of the Company:

Name of Director Nature of interest	Nature of Beneficial owner	Class of shares(1)	Number of shares interested(2)	Approximate percentage of the total number of shares of the relevant class	Approximate percentage of the total number of issued shares
Zhu Maijin ("**Mr. Zhu**")(3)	Beneficial owner	A	244,420 (L)	0.00703%	0.00512%
Zhao Jinsong	Beneficial owner	H	6,000(L)	0.00046%	0.00013%

Notes:

(1) A – A Shares
H – H Shares

(2) L – Long position

(3) This represents 102,980 A Shares held by Mr. Zhu and Mr. Zhu's entitlement to purchase up to 141,440 A Shares of the Company pursuant to the exercise of 141,440 share options granted to him on 27 December 2018 under the Incentive Scheme, subject to fulfillment of the conditions of exercise of those share options.

b. Long positions in the shares, underlying shares or debentures of associated corporations of the Company:

Name of associated corporation	Name of Director	Nature of interes	Class of shares	Number of shares held	Approximate percentage of the number of shares of the relevant class of the relevant associated corporation	Approximate percentage of the total number of issued shares of the relevant associated corporation
COSCO SHIPPING Holdings Co., Ltd.	Mr. Yang Lei	Beneficial owner	H	131,400 (L)	0.00392%	0.00081%
		Interest of spouse(4)	H	2,000 (L)	0.00006%	0.00001%
		Interest of spouse(4)	A	8,000 (L)	0.00006%	0.00005%
COSCO SHIPPING Development Co., Ltd.	Mr. Yang Lei	Beneficial owner	H	213,000 (L)	0.00579%	0.00157%
COSCO SHIPPING Ports Limited	Mr. Yang Lei	Beneficial owner	Ordinary shares	26,597 (L)	0.00076%	0.00076%
COSCO SHIPPING International (Hong Kong) Co., Ltd.	Mr. Yang Lei	Beneficial owner	Ordinary shares	660,000 (L)	0.04500%	0.04500%

Notes: A – A Shares
H – H Shares
L – Long position

(4) The 2,000 H shares and 8,000 A shares in COSCO SHIPPING Holdings Co., Ltd. are held by Ms. Song Jianfang, the spouse of Mr. Yang Lei. Accordingly, by virtue of the SFO, Mr. Yang Lei is also deemed to be interested in the 10,000 shares in COSCO SHIPPING Holdings Co., Ltd. held by his spouse.

As at 30 June 2023, save as disclosed above, none of the Directors, Supervisors and chief executive(s) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be enter ed into the register kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

(6) Directors' and Supervisors' rights to acquire shares or debentures

Save for the abovementioned share options granted under the Incentive Scheme to Mr. Zhu on 27 December 2018, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Director or Supervisor or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement which enables the Directors or Supervisors to acquire such rights in any other body corporate.

(7) Purchase, sale or redemption of the Company's listed securities

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

(8) Compliance with the Corporate Governance Code

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

The Company has established five special committees under the Board, including the Audit Committee, the Remuneration and Appraisal Committee, the Strategy Committee, the Nomination Committee and the Risk Control Committee with defined terms of reference.

During the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Part 2 of Appendix 14 to the Listing Rules.

(9) Audit Committee

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

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

(10) Remuneration and Appraisal Committee

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

(11) Nomination Committee

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

(12) Strategy Committee

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

(13) Risk Control Committee

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

(14) Compliance with the Model Code as set out in Appendix 10 to the Listing Rules

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

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

(15) Employees

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

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

(16) Investor Relations

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

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

(17) SIGNIFICANT INVESTMENTS AND FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

(18) MATERIAL ACQUISITIONS AND DISPOSALS

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

(19) Events After the Reporting Period

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

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

Shanghai, the PRC
30 August 2023

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

羅兵咸永道

To the Board of Directors of COSCO SHIPPING Energy Transportation 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 44 to 94, which comprises the interim condensed consolidated statement of financial position of COSCO SHIPPING Energy Transportation Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") as at 30 June 2023 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows 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, 30 August 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
		(Unaudited)	(Unaudited/ Restated)
	Note	**RMB'000**	RMB'000
Revenues	5	**11,483,491**	7,474,982
Operating costs	8	**(7,465,501)**	(6,851,133)
Gross profit		**4,017,990**	623,849
Other income and net gains	6	**704,184**	239,554
Marketing expenses	8	**(28,987)**	(15,842)
Administrative expenses	8	**(479,330)**	(472,364)
Provision for impairment losses on financial and contract assets		**(14,226)**	(4,192)
Other expenses		**(70,711)**	(13,613)
Share of profits of associates		**212,474**	177,304
Share of profits of joint ventures		**356,844**	363,696
Finance costs	7	**(754,807)**	(462,745)
Profit before tax		**3,943,431**	435,647
Income tax expense	9	**(854,166)**	(92,072)
Profit for the period		**3,089,265**	343,575
Other comprehensive income			
Item that will not be reclassified to profit or loss, net of tax:			
Changes in the fair value of equity investments at fair value through other comprehensive loss		**(34,010)**	(51,238)
Remeasurement of defined benefit plan payable		**2,442**	899
Exchange differences from retranslation of financial statements of subsidiaries		**35,539**	31,661
Items that may be reclassified to profit or loss, net of tax:			
Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates		**382,797**	264,345
Net (loss)/gain on cash flow hedges		**(25,040)**	260,378
Hedging (loss)/gain reclassified to profit or loss		**(12,760)**	55,179
Share of other comprehensive income/(loss) of associates		**52,852**	(16,401)
Share of other comprehensive income of joint ventures		**179,107**	260,821
Other comprehensive income for the period		**580,927**	805,644
Total comprehensive income for the period		**3,670,192**	1,149,219

	Note	Six months ended 30 June 2023 (Unaudited) RMB'000	 2022 (Unaudited/ Restated) RMB'000
Profit for the period attributable to:			
Equity holders of the Company		**2,894,849**	177,525
Non-controlling interests		**194,416**	166,050
Profit for the period		**3,089,265**	343,575
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**3,459,893**	794,474
Non-controlling interests		**210,299**	354,745
		3,670,192	1,149,219
Earnings per share	10		
– Basic (RMB cents/share)		**60.68**	3.73
– Diluted (RMB cents/share)		**60.60**	3.72

The notes on pages 52 to 94 form an integral part of this interim condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited/ Restated) RMB'000
NON-CURRENT ASSETS			
Investment properties		**2,259**	2,259
Property, plant and equipment	12	**48,199,907**	47,179,133
Right-of-use assets	13	**761,427**	834,747
Goodwill		**73,325**	73,325
Investments in associates	14	**4,748,860**	4,392,639
Investments in joint ventures	15	**5,971,121**	5,377,379
Loan receivables	16	**1,338,902**	1,293,889
Financial assets at fair value through other comprehensive income	17	**341,744**	387,090
Deferred tax assets	18	**37,201**	38,645
Derivative financial instruments	23	**91,719**	116,525
Other non-current assets		**36,405**	172,236
		61,602,870	59,867,867
CURRENT ASSETS			
Current portion of loan receivables	16	**18,721**	19,046
Inventories	19	**1,063,861**	1,278,069
Contract assets	20	**1,104,394**	1,632,174
Trade and bills receivables	20	**1,306,411**	545,041
Prepayments, deposits and other receivables	21	**904,451**	668,099
Tax recoverable		**–**	40
Pledged bank deposits	22	**779**	778
Cash and bank	22	**5,254,932**	4,239,339
		9,653,549	8,382,586
TOTAL ASSETS		**71,256,419**	68,250,453

	Note	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited/ Restated) RMB'000
NON-CURRENT LIABILITIES			
Provision and other liabilities		**18,332**	18,634
Derivative financial instruments	23	**6,687**	–
Interest-bearing bank and other borrowings	24	**21,549,602**	20,746,728
Other loans	25	**953,149**	945,044
Employee benefits payable		**164,856**	159,908
Lease liabilities	13	**930,717**	1,086,548
Deferred tax liabilities	18	**1,438,585**	1,132,313
		25,061,928	24,089,175
CURRENT LIABILITIES			
Trade and bills payables	26	**1,734,193**	1,939,321
Other payables and accruals	27	**2,012,355**	1,000,003
Contract liabilities		**53,024**	18,894
Current portion of interest-bearing bank and other borrowings	24	**4,989,535**	7,018,242
Current portion of other loans	25	**51,710**	48,678
Current portion of bonds payable		**–**	–
Current portion of employee benefits payable		**24,747**	30,521
Current portion of lease liabilities	13	**389,835**	370,554
Income tax payable		**500,452**	164,304
		9,755,851	10,590,517
TOTAL LIABILITIES		**34,817,779**	34,679,692
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	28	**4,770,776**	4,770,776
Reserves		**29,541,962**	26,799,895
		34,312,738	31,570,671
Non-controlling interests		**2,125,902**	2,000,090
TOTAL EQUITY		**36,438,640**	33,570,761

Ren Yongqiang
Director

Zhu Maijin
Director

The notes on pages 52 to 94 form an integral part of this interim condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY														
	Share capital RMB'000	Share Premium RMB'000	Revaluation Reserve RMB'000	Capital Reserve RMB'000	Merger Reserve RMB'000	Statutory Reserve RMB'000	Safety fund Reserve RMB'000	General surplus reserve RMB'000	Hedging Reserve RMB'000	FVOCI Revaluation reserve RMB'000	Translation Reserve RMB'000	Retained Profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2022 (as previously reported)	4,770,776	12,143,367	273,418	99,081	(286,027)	2,877,435	4,014	93,158	341,240	79,637	172,391	11,001,993	31,570,483	1,999,907	33,570,390
Effect of change in accounting policy	-	-	-	-	-	-	-	-	-	-	-	188	188	183	371
At 1 January 2023 (restated)	4,770,776	12,143,367	273,418	99,081	(286,027)	2,877,435	4,014	93,158	341,240	79,637	172,391	11,002,181	31,570,671	2,000,090	33,570,761
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	2,894,849	2,894,849	194,416	3,089,265
Remeasurement of defined benefit plan payable	-	-	-	-	-	-	-	-	-	-	-	2,442	2,442	-	2,442
Currency translation differences	-	-	-	-	-	-	-	-	-	-	382,797	-	382,797	35,539	418,336
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	(22,402)	-	-	-	(22,402)	(2,638)	(25,040)
Hedging loss reclassified to profit or loss	-	-	-	-	-	-	-	-	(2,427)	-	-	-	(2,427)	(10,333)	(12,760)
Fair value loss on financial assets at fair value through other comprehensive income ("FVOCI")	-	-	-	-	-	-	-	-	-	(17,345)	-	-	(17,345)	(16,665)	(34,010)
Share of other comprehensive profit of associates	-	-	-	-	-	-	-	-	25,049	(163)	17,986	-	42,872	9,980	52,852
Share of other comprehensive profit of joint ventures	-	-	-	-	-	-	-	-	142,640	-	36,467	-	179,107	-	179,107
Total comprehensive income for the period	-	-	-	-	-	-	-	-	142,860	(17,508)	437,250	2,897,291	3,459,893	210,299	3,670,192
Accrual of safety fund reserve	-	-	-	-	-	-	153,768	-	-	-	-	(157,471)	(3,703)	3,703	-
Utilisation of safety fund reserve	-	-	-	-	-	-	(67,366)	-	-	-	-	68,859	1,493	(1,493)	-
Dividends paid to noncontrolling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(113,337)	(113,337)
Dividends paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(715,616)	(715,616)	-	(715,616)
Contribution from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	26,640	26,640
At 30 June 2023 (unaudited)	4,770,776	12,143,367	273,418	99,081	(286,027)	2,877,435	90,416	93,158	484,100	62,129	609,641	13,095,244	34,312,738	2,125,902	36,438,640

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY														
	Share capital RMB'000	Share Premium RMB'000	Revaluation Reserve RMB'000	Capital Reserve RMB'000	Merger Reserve RMB'000	Statutory Reserve RMB'000	Safety fund Reserve RMB'000	General surplus reserve RMB'000	Hedging Reserve RMB'000	FVOCI Revaluation reserve RMB'000	Translation Reserve RMB'000	Retained Profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2021 (as previously reported)	4,762,692	12,096,153	273,418	105,426	(286,027)	2,877,435	4,484	93,158	(555,354)	125,235	(447,677)	9,542,103	28,591,046	1,331,237	29,922,283
Effect of change in accounting policy	-	-	-	-	-	-	-	-	-	-	-	444	444	427	871
At 1 January 2022 (restated)	4,762,692	12,096,153	273,418	105,426	(286,027)	2,877,435	4,484	93,158	(555,354)	125,235	(447,677)	9,542,547	28,591,490	1,331,664	29,923,154
Profit for the period (restated)	-	-	-	-	-	-	-	-	-	-	-	177,525	177,525	166,050	343,575
Remeasurement of defined benefit plan payable	-	-	-	-	-	-	-	-	-	-	-	899	899	-	899
Currency translation differences	-	-	-	-	-	-	-	-	-	-	264,345	-	264,345	31,661	296,006
Net gain on cash flow hedges	-	-	-	-	-	-	-	-	106,234	-	-	-	106,234	154,144	260,378
Hedging gain reclassified to profit or loss	-	-	-	-	-	-	-	-	22,513	-	-	-	22,513	32,666	55,179
Fair value loss on financial assets at fair value through other comprehensive income ("FVOCI")	-	-	-	-	-	-	-	-	-	(26,131)	-	-	(26,131)	(25,107)	(51,238)
Share of other comprehensive loss of associates	-	-	-	-	-	-	-	-	(18,805)	757	6,316	-	(11,732)	(4,669)	(16,401)
Share of other comprehensive profit of joint ventures	-	-	-	-	-	-	-	-	107,051	-	153,770	-	260,821	-	260,821
Total comprehensive income for the period (restated)	-	-	-	-	-	-	-	-	216,993	(25,374)	424,431	178,424	794,474	354,745	1,149,219
Issue of A shares in connection with the exercise of share options	8,084	38,321	-	-	-	-	-	-	-	-	-	-	46,405	-	46,405
Accrual of safety fund reserve	-	-	-	-	-	-	53,998	-	-	-	-	(58,082)	(4,084)	4,084	-
Utilisation of safety fund reserve	-	-	-	-	-	-	(38,610)	-	-	-	-	39,327	717	(717)	-
Dividends paid to noncontrolling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(142,270)	(142,270)
Fair value of share options granted	-	-	-	1,274	-	-	-	-	-	-	-	-	1,274	-	1,274
Contribution from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	132,509	132,509
At 30 June 2022 (unaudited/restated)	4,770,776	12,134,474	273,418	106,700	(286,027)	2,877,435	19,872	93,158	(338,361)	99,861	(23,246)	9,702,216	29,430,276	1,680,015	31,110,291

The notes on pages 52 to 94 form an integral part of this interim condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	**4,607,220**	812,851
INVESTING ACTIVITIES		
Interest received	**95,339**	38,673
Payments for construction in progress	**(1,627,485)**	(1,619,193)
Purchases of property, plant and equipment	**(909)**	(2,174)
Investments in a joint venture	**(310,911)**	(321,116)
Investments in associates	**(300,354)**	–
Proceeds from disposal of property, plant and equipment	**875,594**	109,122
Collection of loan receivables from associates	**10,182**	12,835
Collection of loan receivables from joint ventures	**28,735**	7,244
Dividends received from associates	**208,362**	–
Dividends received from joint ventures	**253,119**	129,884
Increase in pledged bank deposits	**(1)**	(1)
NET CASH USED IN INVESTING ACTIVITIES	**(768,329)**	(1,644,726)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
FINANCING ACTIVITIES		
Interest paid	**(693,503)**	(322,448)
Dividends paid to non-controlling interests of subsidiaries	**(114,034)**	(142,270)
Repayment of other loans	**(24,106)**	(21,388)
Increase in interest-bearing bank and other borrowings	**4,980,777**	7,945,845
Repayment of interest-bearing bank and other borrowings	**(6,968,576)**	(6,609,142)
Lease payments	**(213,009)**	(204,088)
Contribution from non-controlling interests of a subsidiary	**26,640**	132,509
Contribution from shareholders of the Company	**–**	46,405
Share issue cost and borrowings acquisition cost	**(603)**	(5,542)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(3,006,414)**	819,881
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**832,477**	(11,994)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,238,365**	3,523,889
Effect of foreign exchange rate changes, net	**182,597**	68,576
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5,253,439**	3,580,471

The notes on pages 52 to 94 form an integral part of this interim condensed consolidated financial information.

1. CORPORATE INFORMATION

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

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

(a) investment holding;

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

(c) vessel chartering; and/or

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

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

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

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

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

The Interim Financial Information has not been audited.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants(the "HKICPA").

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

Going concern

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

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

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

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

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

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

2. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

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

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

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

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

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

2. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

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

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

	As previously reported RMB'000	Effect of change RMB'000	As restated RMB'000
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
For the six months ended 30 June 2022			
Income tax expense	(91,926)	(146)	(92,072)
Profit for the period attributable to:			
Equity holders of the Company	177,600	(75)	177,525
Non-controlling interests	166,121	(71)	166,050
Profit for the period	**343,721**	**(146)**	**343,575**
Total comprehensive income for the period attributable to:			
Equity holders of the Company	794,549	(75)	794,474
Non-controlling interests	354,816	(71)	354,745
	1,149,365	**(146)**	**1,149,219**
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 31 December 2022			
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	38,274	371	38,645
TOTAL ASSETS	**38,274**	**371**	**38,645**
EQUITY			
Equity attributable to equity holders of the Company			
Reserves	26,799,707	188	26,799,895
Non-controlling interests	1,999,907	183	2,000,090
TOTAL EQUITY	**28,799,614**	**371**	**28,799,985**

2. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

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

	As previously reported RMB'000	Effect of change RMB'000	As restated RMB'000
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
As at 1 January 2022			
ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	40,387	871	41,258
TOTAL ASSETS	**40,387**	**871**	**41,258**
EQUITY			
Equity attributable to equity holders of the Company			
Reserves	23,828,354	444	23,828,798
Non-controlling interests	1,331,237	427	1,331,664
TOTAL EQUITY	**25,159,591**	**871**	**25,160,462**

3. ESTIMATES

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

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

3. ESTIMATES (continued)

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

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

4. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

There have been no changes in the major risk management policies since the last year end.

(b) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Over 2 years RMB'000	Total RMB'000
As at 30 June 2023				
Trade and bills payables	1,734,193	–	–	1,734,193
Financial liabilities included in other payables and accruals (excluding interest payable)	2,012,355	–	–	2,012,355
Interest payable in relation to borrowings and bonds	117,864	–	–	117,864
Derivative financial instruments	–	–	6,687	6,687
Lease liabilities	436,459	426,771	561,721	1,424,951
Interest-bearing bank and other borrowings	6,193,394	3,197,752	24,552,389	33,943,535
Other loans	106,508	106,536	1,084,472	1,297,516
Financial guarantee	–	–	2,120,487	2,120,487
	10,600,773	3,731,059	28,325,756	42,657,588

4. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years RMB'000	Total RMB'000
At 31 December 2022				
Trade and bills payables	1,939,321	–	–	1,939,321
Financial liabilities included in other payables and accruals	1,000,003	–	–	1,000,003
Interest payable in relation to borrowings and bonds	120,314	–	–	120,314
Lease liabilities	423,350	419,702	743,059	1,586,111
Interest-bearing bank and other borrowings	7,879,741	3,175,216	21,815,197	32,870,154
Other loans	102,882	102,737	1,079,381	1,285,000
Financial guarantee	–	–	2,152,363	2,152,363
	11,465,611	3,697,655	25,790,000	40,953,266

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value at the end of the reporting period by level of the fair value hierarchy:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2023				
Financial assets:				
Derivative financial instruments	**–**	**91,719**	**–**	**91,719**
Financial assets at FVOCI	**341,744**	**–**	**–**	**341,744**
Financial liabilities:				
Derivative financial instruments	**–**	**6,687**	**–**	**6,687**
At 31 December 2022				
Financial assets:				
Derivative financial instruments	–	116,525	–	116,525
Financial assets at FVOCI	387,090	–	–	387,090

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

Fair value hierarchy has been defined in the Group's consolidated financial statements disclosed in the Company's 2022 annual report. There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 in the current and prior periods.

The fair values of the listed equity investments are based on the current bid price.

The fair value of interest rate swap agreements as derivative financial instruments is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account the current interest rates and the current creditworthiness of the swap counterparties.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2023 and 31 December 2022.

5. REVENUES AND SEGMENT INFORMATION

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

The Group's business segments are categorised as follows:

(a) oil shipment

- oil shipment
- vessel chartering

(b) LNG shipping

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

5. REVENUES AND SEGMENT INFORMATION (continued)

Business segments

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

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

5 REVENUES AND SEGMENT INFORMATION (continued)

Business segments (continued)

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

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

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

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

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

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

5 REVENUES AND SEGMENT INFORMATION (continued)

Geographical segments

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

Other information

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

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

6. OTHER INCOME AND NET GAINS

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

Note:

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

(ii) During the period, the net gains on disposal of property, plant and equipment are approximately 398 million.

7. FINANCE COSTS

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

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

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Bunker oil inventories consumed	**2,579,249**	2,358,562
Staff costs (a)	**1,735,777**	1,682,507
Depreciation of property, plant and equipment	**1,415,780**	1,242,271
Vessel operating lease rentals	**799,574**	850,886
Port fees	**451,297**	458,521
Repairs	**272,121**	205,760
Ship insurance premiums	**106,919**	100,577
Amortisation of right-of-use assets	**110,302**	97,467
Commissions	**73,031**	32,485
Other expenses	**429,768**	310,303
Total operating costs, marketing expenses and administrative expenses	**7,973,818**	7,339,339

8. EXPENSES BY NATURE (continued)

(a)

	Six months ended 30 June 2023 RMB'000	2022 RMB'000
Staff costs		
Wages, salaries, crew expenses and related expenses (including bonus and share-based payments)	**1,693,262**	1,646,849
Costs for defined benefit plan	**6,189**	3,312
Pension scheme contributions	**36,326**	32,346
	1,735,777	1,682,507

9. INCOME TAX EXPENSE

	Note	Six months ended 30 June 2023 RMB'000	2022 RMB'000 (Restated)
Current income tax			
PRC			
– provision for the period	(i)	**581,336**	59,606
– adjustments for current tax of prior periods		**(47,083)**	99
Other districts			
– provision for the period	(ii)	**850**	617
		535,103	60,322
Deferred income tax			
Decrease in deferred tax assets (Note 18)		**1,454**	1,310
Increase in deferred tax liabilities (Note 18)		**317,609**	30,440
		319,063	31,750
Total income tax expense		**854,166**	92,072

Note:

(i) PRC Corporate Income Tax

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

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

10. EARNINGS PER SHARE

(a) Basic

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

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

(b) Diluted

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

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

Note:

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

11. DIVIDENDS

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

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

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

12. PROPERTY, PLANT AND EQUIPMENT

	30 June 2023	31 December 2022
	RMB'000	RMB'000
Opening net book value as at 1 January	**47,179,133**	43,286,633
Currency translation differences	**1,038,766**	2,322,084
Additions	**1,821,944**	4,457,544
Transfer from investment properties	**–**	8,128
Disposals	**(424,156)**	(295,245)
Depreciation/amortisation	**(1,415,780)**	(2,600,011)
Closing net book value as at 30 June/31 December	**48,199,907**	47,179,133

13. LEASE

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 June 2023 RMB'000	31 December 2022 RMB'000
Right-of-use assets		
Vessels	**725,155**	795,691
Prepaid land lease payments*	**30,379**	31,028
Properties	**5,304**	7,303
Vehicles	**589**	725
	761,427	834,747
Lease liabilities		
Current	**389,835**	370,554
Non-current	**930,717**	1,086,548
	1,320,552	1,457,102

* The Group has land lease arrangement with mainland China government.

13. LEASE (continued)

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Vessels	**107,739**	95,358
Properties	**1,779**	1,460
Prepaid land lease payments	**649**	649
Vehicles	**135**	–
	110,302	97,467
Interest expense (included in finance cost)	**28,362**	33,377
Expense relating to short-term leases	**8,078**	8,055

The total cash outflow for leases during the period was RMB213,009,000 (for the six months ended 30 June 2022: RMB204,088,000).

14. INVESTMENTS IN ASSOCIATES

	30 June	31 December
	2023	2022
	RMB'000	RMB'000
Share of net assets	**3,913,755**	3,557,534
Goodwill	**835,105**	835,105
	4,748,860	4,392,639

14. INVESTMENTS IN ASSOCIATES (continued)

As at 30 June 2023, the Group had investments in the following associates which are all unlisted corporate entities whose quoted market price is not available:

Name	Place of incorporation and operations/ legal status	Issued/ registered capital	Proportion of ownership interest held by the Group		Proportion of voting power held by the Group		Principal activities
			2023	2022	**2023**	2022	
Shanghai Beihai Shipping Company Limited ("**Shanghai Beihai**")	The PRC/Limited liability company	RMB763,750,000	**40%**	40%	**40%**	40%	Petroleum product transportation and vessel chartering
COSCO Shipping Finance Co., Limited ("**CS Finance**")	The PRC/Limited liability company	RMB19,500,000,000	**11%**	11%	**11%**	11%	Banking and related financial services
Aquarius LNG Shipping Limited ("**Aquarius LNG**")	Hong Kong/Limited liability company	USD1,000	**21%**	21%	**30%**	30%	LNG vessel chartering
Aries LNG Shipping Limited ("**Aries LNG**")	Hong Kong/Limited liability company	USD1,000	**27%**	27%	**30%**	30%	LNG vessel chartering
Capricorn LNG Shipping Limited ("**Capricorn LNG**")	Hong Kong/Limited liability company	USD1,000	**27%**	27%	**30%**	30%	LNG vessel chartering
Gemini LNG Shipping Limited ("**Gemini LNG**")	Hong Kong/Limited liability company	USD1,000	**21%**	21%	**30%**	30%	LNG vessel chartering
TRADEGO.PTE.Limited ("**TRADEGO**")	Singapore/Limited liability company	USD1,650,001	**11%**	11%	**10%**	10%	Development Of Other Software and Programming Activities N.E.C
Huaqiang LNG Transport Pte. Limited ("**Huaqiang LNG**")	Singapore/Limited liability company	EUR35,400,000	**25%**	-	**25%**	-	LNG vessel chartering
Huafu LNG Transport Pte. Limited ("**Huafu LNG**")	Singapore/Limited liability company	EUR51,000,000	**25%**	-	**25%**	-	LNG vessel chartering
Huawen LNG Transport Pte. Limited ("**Huawen LNG**")	Singapore/Limited liability company	EUR17,600,000	**25%**	-	**25%**	-	LNG vessel chartering
Huaming LNG Transport Pte. Limited ("**Huaming LNG**")	Singapore/Limited liability company	EUR17,600,000	**25%**	-	**25%**	-	LNG vessel chartering
Huahe LNG Transport Pte. Limited ("**Huahe LNG**")	Singapore/Limited liability company	EUR17,600,000	**25%**	-	**25%**	-	LNG vessel chartering
Huaping LNG Transport Pte. Limited ("**Huaping LNG**")	Singapore/Limited liability company	EUR17,600,000	**25%**	-	**25%**	-	LNG vessel chartering

14. INVESTMENTS IN ASSOCIATES (continued)

All of the above associates are accounted for using the equity method in the condensed consolidated interim financial information.

The Company has significant influence even though it holds less than 20 per cent of the voting rights of CS Finance and TRADEGO.

Summarised financial information of an associate that is material to the Group and reconciliation to the carrying amount of the Group's interest in the associate is disclosed as follows:

	Shanghai Beihai	
	30 June 2023 RMB'000	31 December 2022 RMB'000
Non-current assets	**2,736,565**	2,331,129
Current assets	**568,175**	593,409
Non-current liabilities	**(754,798)**	(293,207)
Current liabilities	**(323,312)**	(227,661)
Net assets	**2,226,630**	2,403,670
Proportion of the Group's ownership interest	**40%**	40%
Group's share of net assets	**890,652**	961,468
Goodwill	**835,105**	835,105
Carrying amount of the Group's interest in the associate	**1,725,757**	1,796,573

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Revenues	**1,054,945**	951,520
Profit for the period	**302,698**	275,142
Other comprehensive income	**17,059**	15,805
Total comprehensive income for the period	**319,757**	290,947
Dividends received from the associate	**200,000**	200,000

14. INVESTMENTS IN ASSOCIATES (continued)

The aggregate information of the Group's associates that are not individually material to the Group is disclosed as follows:

	30 June 2023 RMB'000	31 December 2022 RMB'000
Aggregate carrying amount of individually immaterial associates in the condensed consolidated financial statements	**3,016,867**	2,596,066

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Aggregate amounts of the Group's share of:		
Profit for the period	**90,112**	65,016
Other comprehensive income/(loss)	**46,028**	(22,723)
Total comprehensive income for the period	**136,140**	42,293

15. INVESTMENTS IN JOINT VENTURES

	30 June 2023 RMB'000	31 December 2022 RMB'000
Share of net assets	**5,494,016**	4,900,274
Goodwill	**477,105**	477,105
	5,971,121	5,377,379

15. INVESTMENTS IN JOINT VENTURES (continued)

As at 30 June 2023, the Group had investments in the following joint ventures which are all unlisted corporate entities whose quoted market price is not available:

Name	Place of incorporation and operations/legal status	Issued/registered capital	Proportion of ownership interest, voting power and profit sharing attributable to the Group		Principal activities
			2023	2022	
China LNG Shipping (Holdings) Limited ("**CLNG**")	Hong Kong/Limited liability company	USD602,885,382 (2022: USD513,439,182)	**50%**	50%	Investment holding
Arctic Blue LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Green LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Purple LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Red LNG Shipping Limited ("**Red LNG**")	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Orange LNG Shipping Limited ("**Orange LNG**")	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Yellow LNG Shipping Limited ("**Yellow LNG**")	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Indigo LNG Shipping Limited ("**Indigo LNG**")	Hong Kong/Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Gold LNG Shipping Limited ("**Gold LNG**")	Hong Kong/Limited liability company	USD93,075,962	**50%**	50%	Vessel holding
Arctic Silver LNG Shipping Limited ("**Silver LNG**")	Hong Kong/Limited liability company	USD93,075,962	**50%**	50%	Vessel holding
Arctic Bronze LNG Shipping Limited ("**Bronze LNG**")	Hong Kong/Limited liability company	USD93,075,962	**50%**	50%	Vessel holding

All of the above joint ventures are accounted for using the equity method in the condensed consolidated interim financial information.

15. INVESTMENTS IN JOINT VENTURES (continued)

Summarised financial information of a joint venture that is material to the Group and reconciliation to the carrying amount of the Group's interest in the joint venture is disclosed as follows:

	CLNG	
	30 June 2023	31 December 2022
Non-current assets	**9,848,706**	9,488,411
Current assets	**912,809**	947,712
Cash and bank	**888,137**	937,138
Other current assets	**24,672**	10,574
Non-current liabilities	**(1,439,980)**	(1,871,869)
Current liabilities	**(1,371,634)**	(1,418,957)
Net assets	**7,949,901**	7,145,297
Non-controlling interests	**(1,125,473)**	(1,081,943)
	6,824,428	6,063,354
Proportion of the Group's ownership interest	**50%**	50%
Group's share of net assets	**3,412,214**	3,031,677
Goodwill	**477,105**	477,105
Carrying amount of the Group's interest in the joint venture	**3,889,319**	3,508,782

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Revenues	**638,113**	500,489
Profit for the period	**572,596**	551,831
Other comprehensive income	**172,289**	462,137
Total comprehensive income for the period	**744,885**	1,013,968
Dividends received from the joint venture	**253,119**	183,816

15. INVESTMENTS IN JOINT VENTURES (continued)

The aggregate information of the Group's joint ventures that are not individually material to the Group is disclosed as follows:

	30 June 2023 RMB'000	31 December 2022 RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the condensed consolidated financial statements	**2,081,802**	1,868,596

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Aggregate amounts of the Group's share of:		
Profit for the period	**120,244**	127,115
Other comprehensive income	**92,962**	29,752
Total comprehensive income for the period	**213,206**	156,867

16. LOAN RECEIVABLES

	Note	**30 June 2023 RMB'000**	31 December 2022 RMB'000
Loans to associates	(i)	**353,839**	346,992
Loans to joint ventures	(ii)	**1,003,784**	965,943
		1,357,623	1,312,935
Less: current portion		**(18,721)**	(19,046)
Non-current portion		**1,338,902**	1,293,889

16. LOAN RECEIVABLES (continued)

Note:

(i) As at 30 June 2023, loans to associates are unsecured, interest-bearing at approximately 0.52% to 1.93% over 3-month London Inter-bank Offered Rate ("**LIBOR**") (31 December 2022: approximately 1.29% to 6.48% over 3-month LIBOR) per annum and repayable in 2030 and 2031.

(ii) As at 30 June 2023 and 31 December 2022, loans to joint ventures are unsecured, interest-bearing at 3-month LIBOR plus 0.80% per annum, 3-month LIBOR plus 1.30% per annum and Euro Interbank Offered Rate plus 0.50% per annum and repayable within 20 years after the joint ventures' vessels construction projects.

As at 30 June 2023 and 31 December 2022, all loan receivables are denominated in USD.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investments at FVOCI comprise the following investments in listed equity:

	30 June 2023 RMB'000	31 December 2022 RMB'000
Listed equity investments in the PRC	**341,744**	387,090

During the period, the following loss were recognised in other comprehensive income (net of tax).

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Loss recognised in other comprehensive income	**(34,010)**	(51,238)

18. DEFERRED TAX ASSETS AND LIABILITIES

(a) An analysis of the deferred tax balances for the condensed consolidated statement of financial position are disclosed as follows:

	30 June 2023 RMB'000	31 December 2022 RMB'000 (Restated)
Deferred tax assets	**37,201**	38,645
Deferred tax liabilities	**(1,438,585)**	(1,132,313)
	(1,401,384)	(1,093,668)

As at 30 June 2023, deferred tax assets in respect of tax losses of RMB2,604,000, which will expire within five years (31 December 2022: RMB2,673,000) has not been recognised as deferred tax assets in the consolidated financial statements as it is not certain that future taxable profit will be available against which these losses can be utilised.

As at 30 June 2023, there were no unrecognised deferred income tax liabilities (31 December 2022: RMB186,382,000).

18. DEFERRED TAX ASSETS AND LIABILITIES (continued)

(b) Components of deferred tax assets and deferred tax liabilities (prior to offsetting balances within the same taxation jurisdiction) recognised in the condensed consolidated statement of financial position and the movements during the period are as follows:

Deferred tax assets	**Lease liabilities** RMB'000	**Accelerated tax depreciation** RMB'000	**Others** RMB'000	**Total** RMB'000
At 31 December 2021 (as previously reported)	–	40,387	–	40,387
Effect of change in accounting policy	2,105	–	–	2,105
At 1 January 2022 (restated)	2,105	40,387	–	42,492
(Charge)/credit to profit or loss (restated)	(260)	(2,389)	276	(2,373)
At 31 December 2022 (as previously reported)	**–**	**37,998**	**276**	**38,274**
Effect of change in accounting policy	**1,845**	**–**	**–**	**1,845**
At 31 December 2022 and 1 January 2023 (restated)	**1,845**	**37,998**	**276**	**40,119**
Charge to profit or loss	**(732)**	**(1,194)**	**–**	**(1,926)**
Exchange realignment	**–**	**–**	**10**	**10**
At 30 June 2023	**1,113**	**36,804**	**286**	**38,203**

18. DEFERRED TAX ASSETS AND LIABILITIES (continued)

(b) Components of deferred tax assets and deferred tax liabilities (prior to offsetting balances within the same taxation jurisdiction) recognised in the condensed consolidated statement of financial position and the movements during the period are as follows (continued):

Deferred tax liabilities	Right-of-use assets RMB'000	Revaluation of investment properties RMB'000	Fair value change on FVOCI RMB'000	Accelerated tax depreciation RMB'000	Unremitted earnings RMB'000	Others RMB'000	Total RMB'000
At 31 December 2021 (as previously reported)	–	1,195	118,916	167,162	191,605	4,261	483,139
Effect of change in accounting policy	1,234	–	–	–	–	–	1,234
At 1 January 2022 (restated)	1,234	1,195	118,916	167,162	191,605	4,261	484,373
Charge/(credit) to profit or loss (restated)	240	(467)	–	(5,118)	684,854	(304)	679,205
Credit to other comprehensive income	–	–	(29,787)	–	–	–	(29,787)
Exchange realignment	–	–	–	–	–	(4)	(4)
At 31 December 2022 (as previously reported)	–	**728**	**89,129**	**162,044**	**876,459**	**3,953**	**1,132,313**
Effect of change in accounting policy	**1,474**	–	–	–	–	–	**1,474**
At 31 December 2022 and 1 January 2023 (restated)	**1,474**	**728**	**89,129**	**162,044**	**876,459**	**3,953**	**1,133,787**
Charge/(credit) to profit or loss	(472)	(280)	–	(5,778)	323,747	(80)	317,137
Credit to other comprehensive income	–	–	(11,337)	–	–	–	(11,337)
At 30 June 2023	**1,002**	**448**	**77,792**	**156,266**	**1,200,206**	**3,873**	**1,439,587**

19. INVENTORIES

	30 June 2023 RMB'000	31 December 2022 RMB'000
Bunker oil inventories	**815,574**	1,030,462
Ship stores and spare parts	**248,287**	247,607
	1,063,861	1,278,069

20. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

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

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

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

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

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

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2023 RMB'000	31 December 2022 RMB'000
Deposits and other receivables	**301,692**	293,832
Prepayments	**42,571**	76,801
Due from fellow subsidiaries	**324,347**	266,370
Due from joint ventures	**209,785**	1,363
Due from associates	**195**	109
Due from related companies (Note)	**40,400**	43,900
	918,990	682,375
Less: impairment of other receivables	**(14,539)**	(14,276)
	904,451	668,099

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

22. PLEDGED BANK DEPOSITS AND CASH AND BANK

	30 June 2023 RMB'000	31 December 2022 RMB'000
Pledged bank deposits	**779**	778
Balances placed with CS Finance (Note)	**2,674,313**	2,041,881
Unpledged bank balances and cash	**2,579,126**	2,196,484
Cash and cash equivalents	**5,253,439**	4,238,365
Interest receivable	**1,493**	974
Total pledged bank deposits and cash and bank	**5,255,711**	4,240,117

Note:

CS Finance is an associate of the Company, and balances placed bear interest of prevailing market rates.

23. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

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

	Maturity	30 June 2023 RMB'000	31 December 2022 RMB'000
Current liabilities			
(i) Bank borrowings			
Secured	2023 to 2024	**1,679,759**	1,455,208
Unsecured	2023 to 2024	**2,258,110**	4,457,924
		3,937,869	5,913,132
(ii) Other borrowings			
Unsecured	2023 to 2024	**1,051,666**	1,105,110
Interest-bearing bank and other borrowings – current portion		**4,989,535**	7,018,242

	Maturity	30 June 2023 RMB'000	31 December 2022 RMB'000
Non-current liabilities			
(i) Bank borrowings			
Secured	2024 to 2036	**14,235,237**	14,116,081
Unsecured	2024 to 2026	**5,461,881**	4,771,273
		19,697,118	18,887,354
(ii) Other borrowings			
Unsecured	2025 to 2032	**1,852,484**	1,859,374
Interest-bearing bank and other borrowings – non-current portion		**21,549,602**	20,746,728

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

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

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

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

25. OTHER LOANS

	Note	**30 June 2023 RMB'000**	31 December 2022 RMB'000
Kantons International Investment Limited ("**Kantons International**")	(i)	**656,918**	649,782
Mitsui O.S.K. Lines, Ltd. ("**MOL**")	(ii)	**336,125**	331,616
Petrochina International Co., Limited ("**Petrochina International**")	(iii)	**11,816**	12,324
		1,004,859	993,722
Less: current portion		**(51,710)**	(48,678)
Non-current portion		**953,149**	945,044

Note:

(i) As at 30 June 2023, other loans amounted to RMB34,129,000 (31 December 2022: RMB34,529,000) was borrowed by East China LNG Shipping Investment Co., Limited **("ELNG")**, a non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Kantons International, to finance certain vessels construction projects being carried out by the associates held by ELNG. As at 30 June 2023, the loan is unsecured, interest-bearing at approximately 1.19% to 1.93% over 3-month LIBOR (31 December 2022: approximately 2.25% to 6.48% over 3-month LIBOR) per annum and repayable within 20 years after the aforementioned vessels construction projects are completed.

As at 30 June 2023, other loans amounted to RMB622,789,000 (31 December 2022: RMB615,253,000) was borrowed by China Energy Shipping Investment Co., Limited **("China Energy")**, an indirect and non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Kantons International, to finance certain vessels construction projects being carried out by the subsidiaries of China Energy. As at 30 June 2023, the loan is unsecured, interest-bearing at a weighted average of 3-month LIBOR plus 2.20% and fixed rate of 4.80% (31 December 2022: 3-month LIBOR plus 2.20% and fixed rate of 4.80%) per annum and repayable within 20 years after the aforementioned vessels construction projects are completed.

25. OTHER LOANS (continued)

Note: (continued)

(ii) As at 30 June 2023, other loans was borrowed by the subsidiaries of China Energy from their non- controlling shareholder, MOL, to finance certain vessels construction projects being carried out by them. As at 30 June 2023, the loans are unsecured, interest-bearing at a weighted average of 3-month LIBOR plus 2.20% and fixed rate of 4.80% (31 December 2022: 3-month LIBOR plus 2.20% and fixed rate of 4.80%) per annum and repayable within 15 years after the aforementioned vessels construction projects are completed.

(iii) As at 30 June 2023, other loans was borrowed by North China LNG Shipping Investment Co., Limited **("NLNG")**, a non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Petrochina International, to finance certain vessels construction projects being carried out by the associates held by NLNG. As at 30 June 2023, the loan is unsecured, interest-bearing at approximately 0.52% to 1.07% over 3-month LIBOR (31 December 2022: approximately 1.29% to 5.51% over 3-month LIBOR) per annum and repayable within 20 years after the aforementioned vessels construction projects are completed.

26. TRADE AND BILLS PAYABLES

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

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

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

26. TRADE AND BILLS PAYABLES (continued)

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

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

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

27. OTHER PAYABLES AND ACCRUALS

	30 June 2023 RMB'000	31 December 2022 RMB'000
Accruals	**499,305**	526,545
Other payables	**930,108**	311,658
Due to the ultimate holding company	**92,914**	2,434
Due to the immediate holding company	**230,539**	–
Due to fellow subsidiaries	**241,623**	141,070
Due to joint ventures	**4,263**	4,120
Due to associates	**13**	12
Due to other related companies (Note)	**13,590**	14,164
	2,012,355	1,000,003

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

The amounts due to fellow subsidiaries, joint ventures, associates and other related companies are unsecured, non-interest-bearing and repayable on demand.

28. SHARE CAPITAL

	30 June 2023		31 December 2022	
	Number of shares (thousand)	**Nominal value RMB'000**	Number of shares (thousand)	Nominal value RMB'000
Registered, issued and fully paid:				
Listed H-Shares of RMB1 each	**1,296,000**	**1,296,000**	1,296,000	1,296,000
Listed A-Shares of RMB1 each	**3,474,776**	**3,474,776**	3,474,776	3,474,776
Total	**4,770,776**	**4,770,776**	4,770,776	4,770,776

29. CONTINGENT LIABILITIES AND GUARANTEE

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

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

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

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

29. CONTINGENT LIABILITIES AND GUARANTEE (continued)

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

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

c. Subsequent to the approval by shareholders at the annual general meeting held on 8 June 2017, the Company entered into 3 financing guarantees with 2 banks (the "**Banks**"), to the extent of amount of USD377,500,000 (equivalent to approximately RMB2,727,740,000), in respect of 50% of the bank borrowings provided by the Banks to each of the Three Joint Ventures and was determined on a pro rata basis of the Company's indirect ownership interest in each of the Three Joint Ventures. As at 30 June 2023, the actual guarantee amount provided by the Company is USD293,460,000, equivalent to approximately RMB2,120,487,000 (31 December 2022: USD309,043,000, equivalent to approximately RMB2,152,363,000). The guarantee period provided by the Company for each of the Three Joint Ventures is limited to 12 years after the vessel construction project of each of the Three Joint Ventures is completed.

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

30. OPERATING LEASE ARRANGEMENTS AS LESSOR

The Group leases certain of its vessels and buildings under operating lease arrangements, with leases negotiated for an initial period of one to twenty (31 December 2022: one to twenty) years.

As at 30 June 2023, the Group had total future minimum lease rental receivables under non-cancellable operating leases falling due as follows:

	30 June 2023 RMB'000	31 December 2022 RMB'000
Within one year	**1,949,382**	1,957,331
In the second to fifth years, inclusive	**5,668,087**	5,515,722
Over five years	**12,075,991**	12,298,327
	19,693,460	19,771,380

31 CAPITAL COMMITMENTS

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

Note:

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

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

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

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Company is controlled by China Shipping and COSCO Shipping, the immediate parent company and the parent company, both of which are government-related enterprises established in the PRC. The PRC government indirectly controls COSCO Shipping and its subsidiaries. In accordance with HKAS (Revised), "Related Party Disclosure", issued by the HKICPA, government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significant influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO Shipping and it its subsidiaries (other than the Group), other government related entities and their subsidiaries, other entities and corporations in which the Group is able to exercise significant influence and key management personnel of the Company and as well as their close family members. The Group's significant transactions and balances with the PRC government and other entities controlled, jointly controlled or significantly influenced by the PRC government mainly include sales or purchases of assets, goods and services, bank deposits and bank borrowings and related trade and other receivables, trade and other payables, borrowings, pledged bank deposits, cash and bank.

For the purpose of the related party transaction disclosures, the Board believes that it is meaningful to disclose the related party transactions with COSCO Shipping Group companies for the interests of financial statements users, although certain of those transactions which are individually or collectively not significant, are exempted from disclosure. The Board believes that the information of related party transactions has been adequately disclosed in the Interim Financial Information.

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.

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Transactions with fellow subsidiaries and the related entities of COSCO Shipping		
Revenues		
Shipping services and ship charter services	**18,059**	64,740
Rental income, including surcharge	**295**	224
Expenses		
Supply of marine lubricant, fuel, material, painting, spare part and ship equipment etc.	**2,781,132**	2,525,980
Electrical, telecommunication, ship repair and technical improvements services etc.	**520,121**	339,033
Ship and related business insurance and insurance brokerage services	**49,252**	73,210
Ship and shipping agency services	**48,021**	29,488
Management services of sea crew	**1,099,414**	1,043,509
Rental expenses	**1,634**	1,952
Miscellaneous services	**15,541**	7,460
Others		
Construction of vessels	**175,601**	175,601

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Transactions with joint ventures of the Group		
Revenues		
Interest income from joint ventures	**30,289**	8,534
Transactions with associates of the Group		
Revenues		
Interest income from associates	**37,832**	17,100
Vessel chartering income	**58,753**	54,098
Key management compensation		
Salaries, bonuses and other allowances	**5,892**	6,009
Share options	**–**	130

Note: These transactions were conducted either based on terms as governed by the master agreements and subsisting agreements entered into the Group and COSCO Shipping Group or 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.

As at 30 June 2023 and 31 December 2022, majority of the Group's bank balances and bank borrowings are with state-owned banks.