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

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

ANNOUNCEMENT OF 2022 INTERIM RESULTS

RESULTS HIGHLIGHTS

	Six months ended 30 June		
	2022	2021	Difference
	RMB'000	RMB'000	RMB'000
Revenues	210,784,853	139,264,347	71,520,506
Profit attributable to equity holders of the Company	<u>64,711,625</u>	<u>37,097,843</u>	<u>27,613,782</u>
	RMB	RMB	RMB
Basic earnings per share	<u>4.04</u>	<u>2.33</u>	<u>1.71</u>

The board of directors proposed an interim dividend of RMB2.01 per ordinary share (inclusive of applicable tax).

The Board of the Company hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022. The Group's interim financial information for the six months ended 30 June 2022 has been reviewed by the Audit Committee, comprising all independent non-executive Directors.

The following financial information, including the Group's unaudited condensed consolidated interim balance sheet, unaudited condensed consolidated interim income statement, unaudited condensed consolidated interim statement of comprehensive income and explanatory notes 1 to 12 as presented below are extracted from the interim financial information, which has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Revenues	3	210,784,853	139,264,347
Cost of services		<u>(112,738,319)</u>	<u>(86,136,374)</u>
Gross profit		98,046,534	53,127,973
Other income	4	1,090,713	654,197
Other expenses	4	(204,130)	(88,210)
Net impairment losses on financial assets		(449,258)	(62,886)
Selling, administrative and general expenses		<u>(6,551,154)</u>	<u>(5,568,015)</u>
Operating profit		91,932,705	48,063,059
Finance income	5	2,250,064	321,636
Finance costs	5	<u>(1,833,100)</u>	<u>(1,901,937)</u>
Net finance income/(costs)	5	<u>416,964</u>	<u>(1,580,301)</u>
		92,349,669	46,482,758
Share of profits less losses of			
– joint ventures		335,279	371,270
– associates		<u>839,548</u>	<u>914,417</u>
Profit before income tax		93,524,496	47,768,445
Income tax expenses	6	<u>(16,854,536)</u>	<u>(4,898,031)</u>
Profit for the period		<u>76,669,960</u>	<u>42,870,414</u>
Profit attributable to:			
– Equity holders of the Company		64,711,625	37,097,843
– Non-controlling interests		<u>11,958,335</u>	<u>5,772,571</u>
		<u>76,669,960</u>	<u>42,870,414</u>
Earnings per share attributable to equity holders of the Company:			
Basic earnings per share (in RMB)	8	<u>4.04</u>	<u>2.33</u>
Diluted earnings per share (in RMB)	8	<u>4.02</u>	<u>2.32</u>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Profit for the period	76,669,960	42,870,414
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss</i>		
Share of other comprehensive (loss)/income of joint ventures and associates	(27,582)	10,743
Cash flow hedges, net of tax	32,377	10,413
Release of reserve upon disposal of a subsidiary and an associate	(51,360)	–
Currency translation differences	2,648,757	(613,735)
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	54,047	(78,134)
Remeasurements of post-employment benefit obligations	5,985	93,474
Share of other comprehensive (loss)/income of an associate	(65,391)	20,640
Currency translation differences	1,234,802	(265,939)
Other comprehensive income/(loss) for the period, net of tax	3,831,635	(822,538)
Total comprehensive income for the period	80,501,595	42,047,876
Total comprehensive income for the period attributable to:		
– Equity holders of the Company	67,319,876	36,517,971
– Non-controlling interests	13,181,719	5,529,905
	80,501,595	42,047,876

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UNAUDITED)
AS AT 30 JUNE 2022**

	<i>Note</i>	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		109,340,129	106,444,191
Right-of-use assets		59,981,200	55,636,057
Investment properties		2,273,045	2,176,033
Intangible assets		4,739,627	4,795,515
Goodwill		5,868,937	5,638,475
Investments in joint ventures		8,621,044	8,571,651
Investments in associates		23,903,031	23,414,756
Financial assets at fair value through other comprehensive income		1,800,809	1,726,053
Financial assets at fair value through profit or loss		394,782	394,798
Financial assets at amortized cost		422,737	626,954
Restricted bank deposits		11,890	9,758
Deferred income tax assets		864,052	721,831
Loans to joint ventures and associates		627,312	765,644
Pension and retirement assets		103,926	78,090
Other non-current assets		193,554	161,608
Total non-current assets		219,146,075	211,161,414
Current assets			
Inventories		7,858,284	5,409,245
Trade and other receivables and contract assets	9	20,430,267	17,909,814
Financial assets at fair value through profit or loss		313,777	360,105
Financial assets at amortized cost		279,725	105,438
Derivative financial assets		4,214	–
Taxes recoverable		52,121	61,838
Restricted bank deposits		700,734	371,501
Cash and cash equivalents		247,150,892	177,946,969
Assets classified as held for sale		–	341,757
Total current assets		276,790,014	202,506,667
Total assets		495,936,089	413,668,081

	<i>Note</i>	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		16,015,005	16,014,126
Reserves		170,639,034	117,080,199
		186,654,039	133,094,325
Non-controlling interests		53,977,818	45,766,217
Total equity		<u>240,631,857</u>	<u>178,860,542</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings		35,429,063	59,256,792
Lease liabilities		41,396,593	40,471,216
Provisions and other liabilities	<i>11</i>	4,905,908	4,558,851
Put option liability		1,581,384	1,480,838
Pension and retirement liabilities		409,381	406,431
Derivative financial liabilities		–	19,071
Deferred income tax liabilities		10,409,337	7,256,343
Total non-current liabilities		<u>94,131,666</u>	<u>113,449,542</u>
Current liabilities			
Trade and other payables and contract liabilities	<i>10</i>	119,976,254	87,050,918
Derivative financial liabilities		948	21,826
Short-term borrowings		1,198,800	1,655,659
Current portion of long-term borrowings		14,656,949	12,421,244
Current portion of lease liabilities		14,300,543	10,963,457
Current portion of provisions and other liabilities	<i>11</i>	22,063	40,988
Taxes payable		11,017,009	9,203,905
Total current liabilities		<u>161,172,566</u>	<u>121,357,997</u>
Total liabilities		<u>255,304,232</u>	<u>234,807,539</u>
Total equity and liabilities		<u>495,936,089</u>	<u>413,668,081</u>
Net current assets		<u>115,617,448</u>	<u>81,148,670</u>
Total assets less current liabilities		<u>334,763,523</u>	<u>292,310,084</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

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

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

The Interim Financial Information was approved for issue by the Directors on 30 August 2022.

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

2 Basis of preparation and significant accounting policies

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

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

The Interim Financial Information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2021 (the "2021 Annual Financial Statements") which were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earning, the significant accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with the 2021 Annual Financial Statements.

For the six months ended 30 June 2022, the Group adopted the following amendments and improvement to existing standards, which are relevant to its operations:

Amendments and improvements to existing standards

HKAS 16 (Amendment)	Property, Plant and Equipment – Proceeds before Intended Use
HKAS 37 (Amendment)	Onerous Contracts – Cost of Fulfilling a Contract
HKFRSs	Annual Improvements 2018 – 2020 Reporting Cycle
HKFRS 3 (Amendment)	Business Combinations
HKFRS 16 (Amendment)	COVID-19 Related Rent Concessions beyond 30th June 2021

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

2 Basis of preparation and significant accounting policies (Continued)

The HKICPA has issued certain new standards, amendments, interpretation and improvements which are not yet effective for the year ending 31 December 2022 and have not been early adopted by the Group. The Group will apply these standards, amendments, interpretation and improvements to existing standards as and when they become effective. These new standards, amendments, interpretation and improvements are not expected to have a material impact on the consolidated financial statements of the Group.

3 Revenues and segment information

Operating segments

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

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

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

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

3 Revenues and segment information (Continued)

Operating segments (Continued)

	Six months ended 30 June 2022				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Income statement					
Total revenues	207,176,224	4,616,086	–	(1,007,457)	210,784,853
Comprising:					
– Inter-segment revenues	5,018	1,002,439	–	(1,007,457)	–
– Revenues (from external customers)	<u>207,171,206</u>	<u>3,613,647</u>	<u>–</u>	<u>–</u>	<u>210,784,853</u>
Revenues from contracts with customers:					
Over time	<u>207,176,224</u>	<u>4,616,086</u>	<u>–</u>	<u>(1,007,457)</u>	<u>210,784,853</u>
Segment profit	90,966,977	603,362	362,366	–	91,932,705
Finance income	1,090,208	315,434	856,819	(12,397)	2,250,064
Finance costs	(956,968)	(376,978)	(511,551)	12,397	(1,833,100)
Share of profits less losses of					
– joint ventures	83,285	251,994	–	–	335,279
– associates	9,086	787,387	43,075	–	<u>839,548</u>
Profit before income tax	91,192,588	1,581,199	750,709	–	93,524,496
Income tax expenses	(13,517,295)	(198,858)	(3,138,383)	–	<u>(16,854,536)</u>
Profit/(loss) for the period	77,675,293	1,382,341	(2,387,674)	–	<u>76,669,960</u>
Gain on disposals of property, plant and equipment, net	401,566	6,526	–	–	408,092
Depreciation and amortization	8,633,454	821,381	548	–	9,455,383
Additions to non-current assets	<u>10,233,209</u>	<u>957,686</u>	<u>41</u>	<u>–</u>	<u>11,190,936</u>

3 Revenues and segment information (Continued)

Operating segments (Continued)

	Six months ended 30 June 2021				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Income statement					
Total revenues	136,437,632	3,717,418	–	(890,703)	139,264,347
Comprising:					
– Inter-segment revenues	3,782	886,921	–	(890,703)	–
– Revenues (from external customers)	136,433,850	2,830,497	–	–	139,264,347
Revenues from contracts with customers:					
Over time	136,437,632	3,717,418	–	(890,703)	139,264,347
Segment profit					
Finance income	263,225	37,587	93,687	(72,863)	321,636
Finance costs	(1,009,793)	(364,962)	(600,045)	72,863	(1,901,937)
Share of profits less losses of					
– joint ventures	91,911	279,359	–	–	371,270
– associates	36,193	855,163	23,061	–	914,417
Profit/(loss) before income tax	46,730,120	1,488,362	(450,037)	–	47,768,445
Income tax expenses	(4,689,259)	(208,772)	–	–	(4,898,031)
Profit/(loss) for the period	42,040,861	1,279,590	(450,037)	–	42,870,414
Gain/(loss) on disposals of property, plant and equipment, net					
	81,158	(45)	1	–	81,114
Depreciation and amortization	4,960,664	714,685	1,114	–	5,676,463
Additions to non-current assets	5,488,404	593,057	90	–	6,081,551

3 Revenues and segment information (Continued)

Operating segments (Continued)

	As at 30 June 2022				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Balance sheet					
Segment operating assets	381,929,360	45,872,389	105,403,132	(73,632,009)	459,572,872
Investments in joint ventures	1,065,609	7,555,435	–	–	8,621,044
Investments in associates	1,591,778	22,308,068	72,673	(69,488)	23,903,031
Loans to joint ventures and associates	–	627,312	–	–	627,312
Financial assets at FVOCI	685,435	1,115,374	–	–	1,800,809
Financial assets at FVPL	313,777	394,782	–	–	708,559
Financial assets at amortized cost	702,462	–	–	–	702,462
Total assets	386,288,421	77,873,360	105,475,805	(73,701,497)	495,936,089
Segment operating liabilities & total liabilities	197,962,861	32,689,831	25,908,436	(1,256,896)	255,304,232
	As at 31 December 2021				
	Container shipping business <i>RMB'000</i>	Terminal business <i>RMB'000</i>	Corporate and other operations <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Balance sheet					
Segment operating assets	276,901,763	45,195,700	126,609,364	(71,345,902)	377,360,925
Investments in joint ventures	1,203,036	7,368,615	–	–	8,571,651
Investments in associates	1,533,763	21,884,169	66,328	(69,504)	23,414,756
Loans to joint ventures and associates	–	765,644	–	–	765,644
Financial assets at FVOCI	693,820	1,032,233	–	–	1,726,053
Financial assets at FVPL	360,105	394,798	–	–	754,903
Financial assets at amortized cost	732,392	–	–	–	732,392
Assets classified as held for sale	341,757	–	–	–	341,757
Total assets	281,766,636	76,641,159	126,675,692	(71,415,406)	413,668,081
Segment operating liabilities & total liabilities	161,952,764	32,469,326	41,725,777	(1,340,328)	234,807,539

3 Revenues and segment information (Continued)

Geographical information

(a) Revenues

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

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

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

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

	Six months ended 30 June 2022		
	Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
Container shipping business			
– America	64,489,542	–	64,489,542
– Europe	55,902,161	–	55,902,161
– Asia Pacific	49,169,378	–	49,169,378
– Mainland China	12,162,785	(5,018)	12,157,767
– Other international market	25,452,358	–	25,452,358
	207,176,224	(5,018)	207,171,206
Terminal business			
– Europe	2,233,954	(466,492)	1,767,462
– Asia Pacific	105,325	–	105,325
– Mainland China	2,276,807	(535,947)	1,740,860
	4,616,086	(1,002,439)	3,613,647
Total	<u>211,792,310</u>	<u>(1,007,457)</u>	<u>210,784,853</u>

3 Revenues and segment information (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

	Six months ended 30 June 2021		
	Total revenues <i>RMB'000</i>	Inter-segment revenues <i>RMB'000</i>	External revenues <i>RMB'000</i>
Container shipping business			
– America	34,031,807	–	34,031,807
– Europe	39,381,930	–	39,381,930
– Asia Pacific	33,391,608	–	33,391,608
– Mainland China	10,711,307	(3,782)	10,707,525
– Other international market	18,920,980	–	18,920,980
	136,437,632	(3,782)	136,433,850
Terminal business			
– Europe	2,054,287	(422,837)	1,631,450
– Asia Pacific	75,532	–	75,532
– Mainland China	1,587,599	(464,084)	1,123,515
	3,717,418	(886,921)	2,830,497
Total	140,155,050	(890,703)	139,264,347

3 Revenues and segment information (Continued)

Geographical information (Continued)

(b) Non-current assets

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

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

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

	As at 30 June 2022 RMB'000	As at 31 December 2021 RMB'000
Unallocated	135,011,684	128,531,957
Remaining assets		
– Mainland China	47,602,046	47,462,137
– Outside mainland China	32,306,837	30,844,192

4 Other income and other expenses

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Dividend income from investments at FVOCI	17,648	59,567
Gain on disposal of property, plant and equipment	431,598	89,895
Gain on disposal of subsidiaries	115,177	–
Income from portfolio investments at FVPL		
– Fair value gain (realized and unrealized)	–	2,314
– Interest income	4,556	8,429
– Distribution	789	1,909
– Dividend income	341	368
Interest income from investments at amortized cost	15,008	17,003
Government grants and other subsidies	351,384	352,810
Exchange gain	128,954	97,513
Others	25,258	24,389
Other income	1,090,713	654,197
Loss on disposal of property, plant and equipment	(23,506)	(8,781)
Loss on deemed disposal of an associate	(20,854)	–
Fair value loss on portfolio investments at FVPL (realized and unrealized)	(29,001)	–
Others	(130,769)	(79,429)
Other expenses	(204,130)	(88,210)

5 Finance income and costs

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income from:		
– deposits in related parties	584,838	115,838
– loans to joint ventures and associates	6,595	13,462
– other financial institutions	1,030,811	178,307
Net exchange gain	627,820	14,029
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Total finance income	2,250,064	321,636
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Finance costs		
Interest expenses on:		
– loans from third parties	(631,072)	(855,638)
– loans from related parties	(78,228)	(45,221)
– loans from non-controlling shareholders of subsidiaries	(3,380)	(1,571)
– lease liabilities	(869,777)	(771,355)
– notes/bonds	(233,091)	(172,030)
Transaction costs arising from borrowings	(70,228)	(82,901)
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	(1,885,776)	(1,928,716)
Less: amount capitalized in construction in progress	52,676	26,779
	<hr/>	<hr/>
Total finance costs	(1,833,100)	(1,901,937)
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Net finance income/(costs)	416,964	(1,580,301)
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6 Income tax expenses

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Current income tax (note):		
– PRC enterprise income tax	13,316,949	4,588,329
– Hong Kong profits tax	19,613	28,111
– Overseas taxation	616,328	366,413
Under/(over) provision in prior year	597	(38,055)
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	13,953,487	4,944,798
Deferred income tax	2,901,049	(46,767)
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	16,854,536	4,898,031

Note:

Current income tax

Taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates. These rates range from 2.5% to 34% (six months ended 30 June 2021: 5% to 35%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 5% to 20% (six months ended 30 June 2021: 5% to 20%).

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2021: 16.5%) on the estimated assessable profits derived from or arising in Hong Kong for the period.

7 Dividend

The board of directors proposed an interim dividend of RMB2.01 per ordinary share.

8 Earnings per share

(a) Basic

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

	Six months ended 30 June	
	2022	2021
Profit attributable to equity holders of the Company (RMB)	<u>64,711,625,000</u>	<u>37,097,843,000</u>
Weighted average number of ordinary shares	<u>16,014,346,641</u>	<u>15,947,414,786</u>
Basic earnings per share (RMB)	<u>4.04</u>	<u>2.33</u>

(b) Diluted

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

	Six months ended 30 June	
	2022	2021
Profit attributable to equity holders of the Company (RMB)	<u>64,711,625,000</u>	<u>37,097,843,000</u>
Weighted average number of ordinary shares	16,014,346,641	15,947,414,786
Adjustments for assumed issuance of shares on exercise of dilutive share options	<u>81,150,152</u>	<u>47,315,565</u>
	<u>16,095,496,793</u>	<u>15,994,730,351</u>
Diluted earnings per share (RMB)	<u>4.02</u>	<u>2.32</u>

For the six months ended 30 June 2022 and 2021, the outstanding share options granted by COSCO SHIPPING Ports did not have dilutive effect on the Company's diluted earnings per share.

9 Trade and other receivables and contract assets

	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
Trade receivables (note a)		
– third parties	12,463,741	10,664,733
– fellow subsidiaries	565,612	415,886
– joint ventures	12,260	32,015
– other related companies	134,138	162,549
	<u>13,175,751</u>	<u>11,275,183</u>
Bills receivables (note a)	425,868	384,401
Contract assets (note a)	506,199	549,648
	<u>14,107,818</u>	<u>12,209,232</u>
Prepayments, deposits and other receivables		
– third parties	4,534,758	4,765,388
– fellow subsidiaries (note b)	340,731	298,415
– joint ventures (note b)	906,561	524,644
– associates (note b)	524,052	104,051
– other related companies (note b)	16,347	8,084
	<u>6,322,449</u>	<u>5,700,582</u>
Total	<u><u>20,430,267</u></u>	<u><u>17,909,814</u></u>

Notes:

- (a) Trade receivables with related parties are unsecured and have similar credit periods as third party customers. The normal credit period granted to the trade receivables of the Group is generally within 90 days. Trade and bills receivables and contract assets primarily consisted of voyage-related receivables. As at 30 June 2022, the aging analysis of trade and bills receivables and contract assets on the basis of the date of relevant invoice or demand note is as follows:

	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
1-3 months	14,334,823	12,245,910
4-6 months	459,227	215,123
7-12 months	80,114	98,865
Over 1 year	245,925	181,441
	<u>15,120,089</u>	<u>12,741,339</u>
Trade, bills receivables and contract assets, gross		
Less: provision for impairment	<u>(1,012,271)</u>	<u>(532,107)</u>
	<u><u>14,107,818</u></u>	<u><u>12,209,232</u></u>

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

10 Trade and other payables and contract liabilities

	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
Trade payables (note)		
– third parties	19,468,180	16,088,316
– fellow subsidiaries	786,212	1,172,728
– joint ventures	152,082	162,584
– associates	43,157	38,705
– other related companies	133,788	142,236
	<u>20,583,419</u>	<u>17,604,569</u>
Other payables and accruals	<u>96,340,857</u>	<u>66,553,215</u>
Contract liabilities	<u>1,331,843</u>	<u>1,417,755</u>
Due to related companies		
– fellow subsidiaries	142,752	135,159
– joint ventures	538,364	391,932
– associates	160,392	140,391
– other related companies	878,627	807,897
	<u>1,720,135</u>	<u>1,475,379</u>
Total	<u><u>119,976,254</u></u>	<u><u>87,050,918</u></u>

Note:

As at 30 June 2022, the aging analysis of trade payables on the basis of the date of relevant invoice or demand note is as follows:

	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
1-6 months	20,406,633	17,300,293
7-12 months	149,344	182,213
1-2 years	8,237	54,985
2-3 years	6,035	36,789
Above 3 years	13,170	30,289
	<u>20,583,419</u>	<u>17,604,569</u>

11 Provisions and other liabilities

	As at 30 June 2022			As at 31 December 2021		
	Current <i>RMB'000</i>	Non- current <i>RMB'000</i>	Total <i>RMB'000</i>	Current <i>RMB'000</i>	Non- current <i>RMB'000</i>	Total <i>RMB'000</i>
Provision for onerous contracts (note)	–	4,374,122	4,374,122	–	4,155,332	4,155,332
Deferred income and others	22,063	531,786	553,849	40,988	403,519	444,507
Total	<u>22,063</u>	<u>4,905,908</u>	<u>4,927,971</u>	<u>40,988</u>	<u>4,558,851</u>	<u>4,599,839</u>

Note :

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

As at 30 June 2022, OOIL reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain under the COVID-19 pandemic. It is expected that a slower economy growth would affect the demand/import of the USA for some time as the economy shall take years to recover from various pandemic impact. The operational results for the LBCT routes were very strong in 2022, which were primarily due to the remarkable freight rates, driven by the terminal congestion and shortage in supply of container vessels. However, management does not expect such high freight rates are sustainable in the medium to long term. As at 30 June 2022, with these uncertainties over such long-term contract period, management reassessed that the projected vessel lifts in LBCT would continue lead to a shortfall on minimum volume commitment over the remaining contract period. Based on the assessment, OOIL estimated an onerous contract provision of US\$651.7 million (equivalent to approximately RMB4,374.1 million) (31 December 2021: US\$651.7 million (equivalent to approximately RMB4,155.3 million)).

12 Subsequent events

The board of directors proposed an interim dividend of RMB2.01 per ordinary share on 30 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Period from 1 January to 30 June 2022 RMB'000	Period from 1 January to 30 June 2021 RMB'000	Difference RMB'000
Revenues	210,784,853	139,264,347	71,520,506
Operating Profit	91,932,705	48,063,059	43,869,646
Profit before income tax	93,524,496	47,768,445	45,756,051
Profit after income tax	76,669,960	42,870,414	33,799,546
Profit for the period	76,669,960	42,870,414	33,799,546
Profit attributable to equity holders of the Company	64,711,625	37,097,843	27,613,782
Basic earnings per Share (RMB)	4.04	2.33	1.71

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

In the first half of 2022, under the guidance of the Board of the Company and the joint efforts of our managements and staffs, both onshore and offshore, COSCO SHIPPING Holdings overcomes geopolitical conflict, the global economic downturn, adverse influence on the fleet operations from the COVID-19 outbreaks which are common in many places. The Company intends to build a stable and reliable container transportation service supply chain in the world through giving full play to the advantages of industry chain management and dual brand synergy and continuing to optimize the course structure and global network layout. Meanwhile, the Company quickly adapts to market changes, and launches the supply chain services mode with the market as the center and the customer as the drive, to constantly enhance the layout, operation ability and deliver ability of the globalized and digital supply chain and preliminarily achieve the steady growth in wheeled power benefits. Through promoting business model upgrade with science and technology leading and ensuring smooth business operations with risk control, the Company enhances its sustainable development ability.

During the Reporting Period, the industrial competitiveness of the Group continued to increase, the overall development of the Group showed a good trend with steady progress and stability, and the Group achieved the best half-year performance and recorded a steady growth in its major performance indicators. Under Hong Kong Financial Reporting Standards, the Group recorded EBIT of RMB95.287 billion, representing a period-on-period increase of 92.16%, taking the lead in the entire industry; the total profit before tax of RMB93.524 billion, representing a period-on-period increase of 95.79%; net profit attributable to equity holders of the Company was RMB64.712 billion, representing a period-on-period increase of 74.44%; and basic earnings per share was RMB4.04. During the year, the Group continued to optimize its financial structure. As at the end of the Reporting Period, the Group's asset-liability ratio was reduced to 51.48%, representing a decrease of 5.28 percentage points as compared to that as at the end of the previous year. Cash and cash equivalents amounted to RMB247.151 billion, representing an increase of RMB69.204 billion as compared to that as at the end of the previous year, demonstrating a strong financial foundation.

In view of the remarkable operating results, the board of directors proposed an interim dividend of RMB2.01 per share (tax inclusive) to all shareholders in cash for the year of 2022, with a total cash dividend of approximately RMB32.344 billion, representing approximately 50% of the net profit attributable to the shareholders of the listed company in the first half of 2022. In order to improve the sustainable, stable and scientific dividend plan and mechanism for investors, ensure the continuity and stability of the Company's profit distribution policy, and take into account the overall interests of all shareholders and the long-term interests and sustainable development of the Company, the board of directors proposed that in the next three years (i.e. from 2022 to 2024), subject to the Articles of Association, the total amount of cash dividends to be distributed by the Group for a year shall account for 30% to 50% of the net profit attributable to the shareholders of the listed company realized by the Company in the year.

During the Reporting Period, the advantages of the Group in traditional container shipping markets such as trans-Pacific trade and Asia-Europe trade were further reinforced. The Group's dual brand, together with the OCEAN Alliance, launched the brand new and upgraded DAY 6 products, building a more stable, flexible and extensive shipping route service network for customers. For overseas emerging markets, the Group paid close attention to and took advantage of the RCEP agreement coming into effect and the establishment and improvement of NAFTA and other regional economic and trade systems, and continuously upgraded the services and products of multiple routes such as providing refrigerated containers in the Middle East, South Asia, and Peru, firmly securing their access to global trade.

Faced with the challenge of severe delays in the global supply chain, the Group continuously innovated the land-sea integrated operation model and customised diversified container supply chain logistics services and products for customers. In the first half of 2022, the Group took advantage of water and railway resources to provide the "Land to Water (陸改水)" and "Land to Rail (陸改鐵)" transportation alternatives for customers, achieving the favourable outcome of maintaining smooth service with improved efficiency. The Group's dual brand fleet strengthened the development of cargo sources and logistics channels in Europe and successfully carried out overseas warehouse distribution business in Greece. The newly added Iberia Sea-Rail Express further enhanced the competitiveness and coverage of the whole logistics products of the China-Europe Sea-rail Express. From January to June 2022, the freight volume of China Western Sea-rail Express increased by 38.3% on a period-on-period basis.

During the Reporting Period, the pace of digital transformation of the Group has been accelerating. In respect of the application of blockchain technology, the core product "Cargo Release" of Global Shipping Business Network (GSBN) jointly initiated by COSCO SHIPPING Lines, OOCL, COSCO SHIPPING Ports (each of which is a subsidiary of the Company) and five other internationally renowned liner companies and port operators has completed its pilot program in Rotterdam, the Netherlands following its successful launch in China and Southeast Asia. "Cargo Release" has played a positive role in simplifying trade processes, connecting partners and optimising customer experience. The Group has upgraded the full-process and digitalised logistics operation plan with some customers, and used the original visual cooperation platform to achieve the full-process EDI connection between shipping companies and cargo owners from billing, reconciliation, invoicing and payment.

During the pandemic, in respect of the problems and difficulties of the customers, the Group took advantage of the digitization of its e-commerce platform to provide the whole process and contactless services of online booking, winning the recognition and trust from more customers. During the Reporting Period, the transaction cargo volume of “SynCon Hub”, an e-commerce platform for foreign trade, recorded a period-on-period growth of 48%, and the platform's end-to-end container volume, registrations and shipments of small and medium-sized enterprises continued to grow. At the same time, the Group voluntarily reduced or waived DND, Amendment Fee, B/L Release Elsewhere Fee and other fees for customers during the epidemic blockade and control period, which was well received by the community, demonstrating the Group’s commitment to social responsibility and adherence to customer-centricity.

In recent years, green and low-carbon development has become the common direction of global economic and social development. During the Reporting Period, the Group continued to develop innovative technologies in green energy, low carbon and emission reduction, and accelerated the green and low-carbon development of the fleet and ports. The Group developed its own energy efficiency management system platform, implemented the Ship Energy Efficiency Management Plan (SEEMP), and obtained the “Energy Management System Certification (EMSC)” issued by DNV. The Group actively promoted the use of shore power system during berthing and at berth, and carried out shore power conversion works for 44 vessels as planned during the Reporting Period. The safe, economical and reliable clean energy solutions of COSCO SHIPPING Holdings are making substantial progress.

Looking forward to the second half of the year, the external environment will become more complicated and difficult, and geopolitics and high inflation will create uncertainties for the global economic development and commodity trade, we need to pay close attention to the impact of inflation on consumer demand and behavior. However, it is expected that the growth rate of global container transportation demand will remain at a relatively stable level. In terms of capacity supply, with the gradual improvement of the operational efficiency of the container fleet, the global effective capacity supply has increased. Combined with the changes in the delivery of new vessels in the second half of the year, the supply side of the industry will face a new situation, and the global supply chain will be further stabilized. Although the future macro environment is full of challenges and uncertainties, the long-term favorable fundamentals of the China’s economy will remain unchanged. After the new international environmental protection regulations, such as the Energy Efficiency Existing Ship Index (EEXI) and the operational carbon intensity indicator (CII), come into effect, they will impose certain constraints on the effective supply of the shipping industry for a long period of time. From its own point of view, the Group has achieved remarkable results in promoting the high-quality development of enterprises and strengthening risk prevention and control capabilities in recent years. The Group has not only accumulated capabilities but also enhanced its strengths, and its sustainable development capabilities and stable pressure-resisting capabilities have been significantly enhanced.

Meanwhile, global customers have higher demands for the stability and resilience of the supply chain and have higher expectations of the whole process logistics and delivery capability of shipping liners. In light of this backdrop, the Group has recently optimised and adjusted its organisational structure to further enhance its ability to expand and supplement its own chain, serve customers and create value. Following such adjustments, the Company will be positioned as a global digital supply chain operation and investment platform with a focus of container shipping, which provides supply chain solutions of container shipping + ports + related logistics services to customers and become the core company which takes on COSCO SHIPPING Group's vision of "building a world-leading business entity that provides integrated logistics and supply chain services."

In the second half of the year, the Group will focus on the following aspects:

Firstly, the Group will fulfil its mission and make every effort to ensure a stable supply chain. The Group will continue to help customers to solve their problems, improve our customer services, use resource advantages to remove the "blocking points" in the supply chain, and gradually form a strong connection with our customers in deepening cooperation.

Secondly, the Group will strengthen its digital intelligence empowerment and actively promote the establishment of a global digital supply chain platform. The Group will actively meet customers' needs for industrial chain upgrading, further enrich the digital service product matrix, promote the further integration of various parts of the industrial chain, and promote the sustainable development of the Company through the construction of global digital supply chain.

Thirdly, the Group will keep abreast of development trends and continue to promote green, low-carbon and intelligent development. The Group will continue to improve the sustainable development framework, accelerate the building of green and low-carbon fleet, build a green and low-carbon fuel supply chain guarantee system, optimize energy efficiency management of route layout and fleet to adapt to the new environmental protection rules, and promote application of renewable energy in the port and shipping logistics industries.

Fourthly, the Group will implement cost control and improve the level of refined management. With the gradual return of the supply chain to normal, the Group will focus on strengthening the management and control of major operating cost items such as empty container transportation, fuel costs, and cargo costs, strictly implement cost control, and improve its ability to respond to market changes and inflationary pressures.

In the future, the Company will actively respond to the global economic and trade changes and strive to lead reforms and development of the industry. By implementing specific operational measures such as ensuring and stabilising the supply chain, strengthening cooperation with customers, improving global deployment, strengthening digital and intelligence empowerment, promoting low-carbon transformation, and implementing cost control, the Company continues to establish and improve a globalised and digitalised container supply chain service system for customers, and plays an important role in world trade, in order to ensure the stability of the global supply chain, provide better services to customers, and create greater value for shareholders.

(II) Major Profit or Loss Items and Cashflow Analysis

In the first half of 2022, the Group generated revenues of RMB210,784,853,000, representing an increase of RMB71,520,506,000 or 51.36% as compared to that for the same period of last year. In the first half of 2022, profit attributable to equity holders of the Group was RMB64,711,625,000, representing an increase of RMB27,613,782,000 or 74.44% as compared to that for the same period of last year.

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

Items	Period from 1 January to 30 June 2022 <i>RMB'000</i>	Period from 1 January to 30 June 2021 <i>RMB'000</i>	Difference <i>RMB'000</i>	Percentage change (%)
Revenues	210,784,853	139,264,347	71,520,506	51.36
Cost of services	(112,738,319)	(86,136,374)	(26,601,945)	30.88
Other income and expense, net	886,583	565,987	320,596	56.64
Other income	1,090,713	654,197	436,516	66.73
Other expenses	(204,130)	(88,210)	(115,920)	131.41
Net impairment losses on financial assets	(449,258)	(62,886)	(386,372)	614.40
Selling, administrative and general expenses	(6,551,154)	(5,568,015)	(983,139)	17.66
Finance income	2,250,064	321,636	1,928,428	599.57
Finance costs	(1,833,100)	(1,901,937)	68,837	-3.62
Share of profits less losses of				
– joint ventures	335,279	371,270	(35,991)	-9.69
– associated companies	839,548	914,417	(74,869)	-8.19
Income tax expenses	(16,854,536)	(4,898,031)	(11,956,505)	244.11
Net cash flows generated from operating activities	112,538,743	63,887,646	48,651,097	76.15
Net cash flows used in investing activities	(229,353)	(1,354,931)	1,125,578	-83.07
Net cash flows used in financing activities	(47,743,444)	(12,732,865)	(35,010,579)	274.96

2. Revenues

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

Overview

In the first half of 2022, the revenues of the Group amounted to RMB210,784,853,000, representing an increase of RMB71,520,506,000 or 51.36% as compared to that for the same period of last year.

Revenue from container shipping business

In the first half of 2022, the revenue from container shipping business amounted to RMB207,176,224,000, representing an increase of RMB70,738,592,000 or 51.85% as compared to that for the same period of last year, of which COSCO SHIPPING Lines generated revenues of RMB138,666,529,000 from container shipping business, representing an increase of RMB46,091,354,000 or 49.79% as compared to that for the same period of last year.

Revenue from terminal business

In the first half of 2022, revenue generated from the terminal business amounted to RMB4,616,086,000, representing an increase of RMB898,668,000 or 24.17% as compared to that for the same period of last year.

Major customers

Total sales to the top five customers of the first half of 2022 amounted to RMB9,993,153,000, accounting for 4.74% of the total sales for the year.

3. Costs

Cost analysis

Components of cost	Period from 1 January to 30 June 2022 RMB' 000	Period from 1 January to 30 June 2021 RMB' 000	Difference RMB' 000	Percentage change (%)
Equipment and cargo transportation costs	63,466,938	49,560,249	13,906,689	28.06
Voyage costs	20,890,486	15,209,121	5,681,365	37.35
Vessel costs	16,584,764	12,944,083	3,640,681	28.13
Other related business costs	8,188,797	6,485,126	1,703,671	26.27
Tax	1,362,842	105,867	1,256,975	1187.32
Sub-total	110,493,827	84,304,446	26,189,381	31.07
Container terminal and related business costs	3,226,553	2,698,865	527,688	19.55
Tax and surcharges	22,472	20,849	1,623	7.78
Sub-total	3,249,025	2,719,714	529,311	19.46
Elimination between different businesses	(1,004,533)	(887,786)	(116,747)	13.15
Total operating costs	<u>112,738,319</u>	<u>86,136,374</u>	<u>26,601,945</u>	<u>30.88</u>

Overview

In the first half of 2022, the operating cost of the Group amounted to RMB112,738,319,000, representing an increase of RMB26,601,945,000 or 30.88% as compared to that for the same period of last year.

Container shipping business cost

In the first half of 2022, the container shipping business cost amounted to RMB110,493,827,000, representing an increase of RMB26,189,381,000 or 31.07% as compared to that for the same period of last year, of which, the container shipping business cost incurred by COSCO SHIPPING Lines in the first half of 2022 amounted to RMB81,547,816,000, representing an increase of RMB20,047,647,000 or 32.60% as compared to that for the same period of last year.

Terminal business cost

In the first half of 2022, the terminal business cost amounted to RMB3,249,025,000, representing an increase of RMB529,311,000 or 19.46% as compared to that for the same period of last year.

4. Other profit or loss items

Other income and expense, net

In the first half of 2022, the other income and expense, net was RMB886,583,000, representing an increase of RMB320,596,000 as compared to that for the same period of last year. The gain on disposal of property, plant and equipment of reporting period amounted to RMB431,598,000, representing a period-on-period increase of RMB341,703,000, mainly due to the increase in the number and price of old containers being disposed of. In the first half of 2022, OOIL transferred the 20% equity interest in Tianjin Port Alliance International Container Terminal Co., Ltd. held by OOCL Terminal (Tianjin) Limited, its wholly-owned subsidiary, through the disposal of such subsidiary, with a gain from disposal of RMB115,177,000.

Selling, administrative and general expenses

In the first half of 2022, the selling, administrative and general expenses of the Group amounted to RMB6,551,154,000, representing an increase of RMB983,139,000 or 17.66% as compared to that for the same period of last year. With the continuous expansion of the Company's business, the administrative expenses increased period-on-period.

Finance income

In the first half of 2022, the finance income of the Group amounted to RMB2,250,064,000, representing an increase of RMB1,928,428,000 or 599.57% as compared to that for the same period of last year. Amongst which, interest income amounted to RMB1,622,244,000, representing a period-on-period increase of RMB1,314,637,000 or 427.38%. The net exchange gain from borrowings denominated in non-functional currencies amounted to RMB627,820,000, representing a period-on-period increase of RMB613,791,000.

Finance costs

In the first half of 2022, the finance costs of the Group amounted to RMB1,833,100,000, representing a decrease of RMB68,837,000 or 3.62% as compared to that for the same period of last year. The decrease was mainly due to the decrease of interest expense as the scale of debts continued to decrease.

Share of profits of joint ventures and associated companies

In the first half of 2022, the Group's share of profits of joint ventures and associated companies in aggregate amounted to RMB1,174,827,000, representing a decrease of RMB110,860,000 as compared to that for the same period of last year, mainly due to the impact of the COVID-19 pandemic.

Income tax expenses

In the first half of 2022, the income tax expenses of the Group amounted to RMB16,854,536,000, representing an increase of RMB11,956,505,000 or 244.11% as compared to that for the same period of last year. The significant period-on-period increase in the Group's income tax expenses was mainly due to the significant period-on-period increase in operating efficiency in the first half of 2022 and the recoverable tax losses of the relevant units within the consolidation scope of the Group in the same period of the previous year.

Major suppliers

Total purchases from the top five suppliers of the Group in the first half of 2022 amounted to RMB15,607,845,000, accounting for 14.02% of the total purchases for the year.

5. Cash flow

As at 30 June 2022, the cash and cash equivalents amounted to RMB247,150,892,000, representing an increase of RMB69,203,923,000 or 38.89% from the end of last year. The cash and cash equivalents of the Group were principally denominated in RMB and US\$, and the rest were denominated in Euro, HK\$ and other currencies.

(1) Net cash flow from operating activities

In the first half of 2022, the net cash inflow from operating activities amounted to RMB112,538,743,000, representing an increase of RMB48,651,097,000 or 76.15% as compared to that of the same period of last year. The substantial increase in net cash inflow from operating activities as compared to the same period of last year was mainly due to the significant increase in the operating results of the Group in the first half of 2022 as compared to that for the same period of last year.

(2) Net cash flow from investing activities

In the first half of 2022, the net cash outflow from investing activities amounted to RMB229,353,000, representing a decrease of RMB1,125,578,000 as compared to that of the same period of last year, which included the cash outflows generated from the construction of container vessels, the purchase of containers and the terminal construction projects, etc., as well as cash inflow generated from share of profits of associated companies and joint ventures, dividends and interest income from financial assets, disposal of fixed assets and financial assets, transfer of equity interest of subsidiaries and associated companies, etc.

(3) Net cash flow from financing activities

In the first half of 2022, the net cash outflow from financing activities amounted to RMB47,743,444,000, representing an increase of RMB35,010,579,000 as compared to that of the same period of last year, which included cash outflow generated from repayment of debts and cash outflow generated from profit and dividend distribution and rental paid for right-of-use asset lease, etc., as well as cash inflow generated from borrowings, capital increase by minority shareholders of relevant controlled subsidiaries and cash inflow generated from the exercise of options of the share option incentive scheme of COSCO SHIPPING Holdings, etc.

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

The balance of cash and cash equivalents increased by RMB4,637,977,000 as at 30 June 2022, which was primarily due to an increase in exchange rate of US\$ against RMB during the period.

(III) Working Capital, Financial Resources and Capital Structure

Overview

As at 30 June 2022, the total assets of the Group amounted to RMB495,936,089,000, representing an increase of RMB82,268,008,000 or 19.89% as compared to the end of last year. The total liabilities amounted to RMB255,304,232,000, representing an increase of RMB20,496,693,000 or 8.73% as compared to the end of last year.

As at 30 June 2022, the total outstanding borrowings of the Group were RMB106,981,948,000. After deducting the cash and cash equivalents, the net assets were RMB140,168,944,000, representing an increase of RMB86,990,343,000 as compared to the end of last year. As at 30 June 2022, the Group's net current assets were RMB115,617,448,000, representing an increase of RMB34,468,778,000 or 42.48% as compared to the end of last year. As at 30 June 2022, the net cash (debt) to equity ratio was 58.25%, representing an increase of 28.52 percentage points as compared to the end of last year. The formula for calculating the net cash (debt) to equity ratio is as follows: net cash (debt) to equity ratio = (cash and cash equivalents-total borrowings-total lease liabilities)/total equity.

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

Debt analysis

Categories	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
Short-term borrowings	1,198,800	1,655,659
Long-term borrowings	50,086,012	71,678,036
Total of long-term and short-term borrowings	51,284,812	73,333,695
Among which:		
Interest payable – Short-term borrowings	813	1,119
– Long-term borrowings	188,961	211,602
The repayment terms of long-term borrowings are as follows:		
Less than 1 year	14,656,949	12,421,244
One to two years	5,348,796	5,466,760
Three to five years	17,735,992	38,852,466
Over five years	12,344,275	14,937,566
Total	50,086,012	71,678,036

Borrowings by categories

As at 30 June 2022, the Group had bank borrowings of RMB38,782,077,000, notes and bonds payable of RMB9,717,628,000 and other borrowings of RMB2,595,333,000, representing 75.90%, 19.02% and 5.08% of the total borrowings, respectively. Of the bank borrowings, secured borrowings amounted to RMB18,676,051,000 and unsecured borrowings amounted to RMB20,106,026,000, representing 36.55% and 39.35% of the total borrowings, respectively. Most of the borrowings of the Group bear interest at floating rate.

Borrowings by currency

As at 30 June 2022, the borrowings of the Group denominated in US\$ were equivalent to RMB30,770,193,000, borrowings denominated in RMB amounted to RMB13,639,263,000, borrowings denominated in Euro were equivalent to RMB4,804,164,000, and borrowings denominated in HK\$ were equivalent to RMB1,881,418,000, representing 60.22%, 26.70%, 9.40% and 3.68% of the total borrowings, respectively.

Secured borrowings

As at 30 June 2022, certain properties, plant and equipment and monetary funds of the Group with net book value of RMB27,631,430,000 (31 December 2021: RMB27,762,515,000) were mortgaged to banks and financial institutions as collaterals for borrowings in the total amount of RMB18,700,451,000 (31 December 2021: RMB19,086,442,000), representing 7.74% of the total value of the property, plant and equipment and monetary funds (31 December 2021: 9.75%).

Company's guarantees

As at 30 June 2022, the guarantees provided among the Group's consolidated entities amounted to RMB22,143,406,000 (as of 31 December 2021: RMB23,297,702,000) and guarantees provided to an associate amounted to RMB229,876,000 (as of 31 December 2021: RMB214,405,000).

Contingent liabilities

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

Based on the advice of legal counsel and/or information available to the Group, the Directors were of the opinion that the amounts of relevant claims should have no material effect on the Group's consolidated financial statements for the six months ended 30 June 2022.

Foreign exchange risk

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

Capital commitments (excluding discontinued operation)

As at 30 June 2022, the Group had a total of 32 container vessels under construction. The capital commitments for future construction of container vessels amounted to RMB29,295,647,000.

As at 30 June 2022, the Group's containers under construction amounted to 14,500 TEUs in aggregate. The capital commitments for future construction of containers amounted to RMB583,892,000.

As at 30 June 2022, the Group's capital commitments for investment in terminals amounted to RMB7,686,595,000 in aggregate, of which the commitments for purchasing fixed assets amounted to RMB5,439,828,000 and the equity investment commitment of terminals amounted to RMB2,246,767,000.

2. Financial assets at fair value

Facilities

As at 30 June 2022, the unutilized bank loan facilities of the Group were RMB45,519,433,000. The Group paid close attention to the potential financial risks of the loan facilities, and has strengthened the monitoring of liabilities and gearing ratio of its subsidiaries and repaid bank loans in full as scheduled.

Financing plans

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

(IV) Investment Analysis

1. Analysis of external equity investments

As at 30 June 2022, the total balance of the Group's investments in associated companies and joint ventures amounted to RMB32,524,075,000, representing an increase of RMB537,668,000 from the end of last year. During the period, the Group closed down one joint venture and three associated companies (of which, two associated companies have been transferred to assets held for sale item for consolidation at the end of last year).

(1) Significant equity investments

Not applicable.

(2) Significant non-equity investments

Not applicable.

(3) Financial assets at fair value

Unit: RMB'000

Name	Shareholding at the end of the Reporting Period (%)	Carrying amount at the end of last year	Carrying amount at the end of the Reporting Period	Effect on the profit for the Reporting Period	Change in carrying amount for the Reporting Period
Share, bonds, funds and other investment	-	360,105	313,777	-17,814	-46,328
Guangzhou Port Co., Ltd.	3.98	821,118	904,956	14,055	83,838
Shanghai Tianhongli Asset Management Co., Ltd.	19	507,846	514,028	0	6,182
Ocean Hotel Shanghai Co., Ltd.	10	110,667	109,315	0	-1,352
Yantai Port Co., Ltd.	3.9	149,211	148,657	0	-554
Hui Xian Holdings Ltd.	7.9	53	0	-8	-53
Qinhuangdao Port Co., Ltd.	0.79	45,633	45,633	0	0
Convertible corporate bonds	-	394,798	394,782	301	-16
Interest rate swaps	-	0	4,214	-7,928	4,214
Other financial assets at fair value	-	91,528	78,219	3,601	-13,309
Total	-	2,480,959	2,513,581	-7,793	32,622

(V) Industry Operation Information

Container shipping business

(1) Shipping volume

Shipping volume of the Group (TEU)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	2,463,591	2,645,887	-6.89
Asia and Europe (including the Mediterranean)	2,360,364	2,606,363	-9.44
Asia Region (including Australia)	4,071,149	4,416,120	-7.81
Other international regions (including the Atlantic)	1,327,017	1,413,067	-6.09
Mainland China	2,249,152	2,759,465	-18.49
Total	12,471,273	13,840,902	-9.90

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

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	1,511,980	1,542,346	-1.97
Asia and Europe (including the Mediterranean)	1,551,731	1,797,202	-13.66
Asia Region (including Australia)	2,410,919	2,655,292	-9.20
Other international regions (including the Atlantic)	1,112,565	1,159,760	-4.07
Mainland China	2,249,152	2,759,465	-18.49
Total	8,836,347	9,914,065	-10.87

(2) Revenue from routes

Revenue from routes by the Group (RMB'000)

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	64,628,710	33,661,663	92.00
Asia and Europe (including the Mediterranean)	54,615,883	38,529,127	41.75
Asia Region (including Australia)	47,265,208	32,098,482	47.25
Other international regions (including the Atlantic)	25,519,602	18,951,285	34.66
Mainland China	6,215,121	6,333,414	-1.87
Total	198,244,524	129,573,971	53.00

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

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	38,960,660	19,253,923	102.35
Asia and Europe (including the Mediterranean)	36,958,725	26,597,171	38.96
Asia Region (including Australia)	28,739,786	19,371,195	48.36
Other international regions (including the Atlantic)	21,721,590	16,664,053	30.35
Mainland China	6,272,351	6,386,906	-1.79
Total	132,653,112	88,273,248	50.28

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

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	9,962,497	5,197,669	91.67
Asia and Europe (including the Mediterranean)	8,419,023	5,949,250	41.51
Asia Region (including Australia)	7,285,918	4,956,299	47.00
Other international regions (including the Atlantic)	3,933,839	2,926,252	34.43
Mainland China	958,059	977,937	-2.03
Total	30,559,336	20,007,407	52.74

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

Routes	Current period	Same period of last year	Percentage of change (%)
Trans-Pacific	6,005,774	2,972,982	102.01
Asia and Europe (including the Mediterranean)	5,697,177	4,106,847	38.72
Asia Region (including Australia)	4,430,230	2,991,090	48.11
Other international regions (including the Atlantic)	3,348,377	2,573,082	30.13
Mainland China	966,881	986,197	-1.96
Total	20,448,439	13,630,198	50.02

(3) Major performance indicators

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business (RMB'000)	207,176,224	136,437,632	70,738,592
Including: Revenue from routes (RMB'000)	198,244,524	129,573,971	68,670,553
EBIT (RMB'000)	92,119,706	47,693,541	44,426,165
EBIT margin	44.46%	34.96%	9.50%
Net profit (RMB'000)	77,675,293	42,040,861	35,634,432

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business (RMB'000)	138,666,529	92,575,175	46,091,354
Including: Revenue from routes (RMB'000)	132,653,112	88,273,248	44,379,864
EBIT (RMB'000)	54,804,009	29,159,917	25,644,092
EBIT margin	39.52%	31.50%	8.02%
Net profit (RMB'000)	40,941,799	23,851,460	17,090,339

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business (USD'000)	31,936,155	21,067,219	10,868,936
Including: Revenue from routes (USD'000)	30,559,336	20,007,407	10,551,929
Revenue per TEU from international routes (USD/TEU)	2,895.81	1,717.24	1,178.57
EBIT (USD'000)	14,200,226	7,364,319	6,835,907
Net profit (USD'000)	11,973,624	6,491,494	5,482,130

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

Items	Current period	Same period of last year	Difference
Revenue from container shipping business (USD'000)	21,375,405	14,294,454	7,080,951
Including: Revenue from routes (USD'000)	20,448,439	13,630,198	6,818,241
Revenue per TEU from international routes (USD/TEU)	2,957.49	1,767.25	1,190.24
EBIT (USD'000)	8,448,022	4,502,558	3,945,464
Net profit (USD'000)	6,311,166	3,682,884	2,628,282

Note:

The revenue from routes and major performance indicators above were translated into US\$ at an average exchange rate of RMB6.4872: US\$1 and RMB6.4763: US\$1 in the first half of 2022 and the first half of 2021, respectively.

Terminal business

In the first half of 2022, the total throughput of COSCO SHIPPING Ports amounted to 63.2103 million TEUs, representing an increase of 0.80% as compared to the same period of last year, of which, the throughput of controlled terminals amounted to 15.6795 million TEUs, representing an increase of 37.99% as compared to the same period of last year; the throughput of non-controlled terminals amounted to 47.5308 million TEUs, representing a decrease of 7.43% as compared to the same period of last year.

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

Location of terminal	Current period (TEU)	Same period of last year (TEU)	Percentage of change (%)
Bohai Rim Region	20,767,708	21,511,420	-3.46
Yangtze River Delta Region	6,483,243	7,718,194	-16.00
Southeast Coast and others	3,280,185	2,971,482	10.39
Pearl River Delta Region	13,866,357	13,662,407	1.49
Southwest Coast	3,165,100	2,607,900	21.37
Overseas	15,647,737	14,239,304	9.89
Total	63,210,330	62,710,707	0.80
Of which: Controlled terminals	15,679,516	11,362,835	37.99
Non-controlled terminals	47,530,814	51,347,872	-7.43

Note: In December 2021, COSCO SHIPPING Ports increased its shareholding in Tianjin Port Container Terminal Co., Ltd., making it a controlled subsidiary. Tianjin Port Container Terminal Co., Ltd. had a total throughput of approximately 4.3189 million TEUs in the first half of 2022, which was included in the throughput of the controlled terminals. The total throughput of the same period of last year was 4.4660 million TEUs, which was included in the throughput of the non-controlled terminals.

SIGNIFICANT EVENTS

- (1) Upon the approval of the Board of the Company, on 29 April 2022, COSCO SHIPPING Lines, a wholly-owned subsidiary of the Company, entered into the Agreement on the Transfer of 81% Equity Interests in Shanghai Tianhongli Asset Management Limited* (上海天宏力資產管理有限公司) with Ling Hui Investments Limited (“Ling Hui Investments”), pursuant to which Ling Hui Investments intends to transfer its 81% equity interests in Shanghai Tianhongli Asset Management Limited to COSCO SHIPPING Lines at the consideration of RMB2,282,508,318.03. As at the disclosure date of this report, the transaction has been completed.
- (2) Upon the approval of the Board of the Company, on 19 May 2022, the Company, COSCO International Freight Co., Ltd.* (中遠海運國際貨運有限公司) (“COSCO International Freight”, a wholly-owned subsidiary of the Company) and other selling shareholders entered into the equity transfer agreement, pursuant to which (i) the Company shall purchase an aggregate of 11.9246% equity interests in COSCO SHIPPING Finance Company Limited* (中遠海運集團財務有限責任公司) (“COSCO SHIPPING Finance”) at the total consideration of approximately RMB1,087,092,827, and (ii) the Company shall purchase 3.2012% equity interests in COSCO SHIPPING Finance at the consideration of approximately RMB291,833,819. In addition, upon completion of the shareholding restructuring, the Group will hold 22.9688% equity interests in COSCO SHIPPING Finance (comprising 15.1258% equity interests in COSCO SHIPPING Finance held by the Company and 7.8430% equity interests in COSCO SHIPPING Finance held by COSCO SHIPPING Lines (a wholly-owned subsidiary of the Company)). As at the disclosure date of this report, the transaction has not yet been completed.
- (3) Upon the approval of the Board of the Company, on 19 May 2022, the Company and other shareholders of COSCO SHIPPING Finance entered into a capital increase agreement, pursuant to which the shareholders of COSCO SHIPPING Finance agreed to increase the registered capital of COSCO SHIPPING Finance by an aggregate of RMB13,500 million in proportion to their respective shareholdings of COSCO SHIPPING Finance after completion of the shareholding restructuring. Accordingly, pursuant to the aforementioned capital increase agreement, the Company and COSCO SHIPPING Lines (a wholly-owned subsidiary of the Company) shall contribute RMB2,041,983,000 and RMB1,058,805,000 respectively, in an aggregated amount of RMB3,100,788,000. Upon completion of the shareholding restructuring and the capital increase, the registered capital of COSCO SHIPPING Finance will be increased from RMB6,000 million to RMB19,500 million, while the shareholding of the Group in COSCO SHIPPING Finance will remain at 22.9688% (comprising 15.1258% equity interests in COSCO SHIPPING Finance held by the Company and 7.8430% equity interests in COSCO SHIPPING Finance held by COSCO SHIPPING Lines (a wholly-owned subsidiary of the Company)). As at the disclosure date of this report, the transaction was being implemented in accordance with the agreement.

SUBSEQUENT EVENTS

Save as disclosed in Note 12 to the Interim Financial Information, there is no other material subsequent event.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review the financial reporting process and the systems of internal controls of the Group (including the adequacy of resources, staff qualifications and experience, effectiveness of internal audit, corporate governance and control, and the training programs and budget of the Company's accounting and financial reporting function), the completeness and accuracy of its accounts and to liaise on behalf of the Directors with external auditors. The Audit Committee consists of three independent non-executive Directors, namely Mr. Zhou Zhonghui (chairman of the Audit Committee), Mr. Wu Dawei and Prof. Ma, Si Hang Frederick, who meet regularly with management of the Company and the Company's external auditors, and review external auditors' review and audit reports (as applicable) and the interim and annual financial statements, as the case may be. The Audit Committee has reviewed the unaudited interim financial information for the six months ended 30 June 2022, and recommended its adoption by the Board.

CORPORATE GOVERNANCE

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

The Company adopted the Company's corporate governance code (the "**Code**") which incorporates all the code provisions in the Corporate Governance Code and a majority of the recommended best practices therein. Having made specific enquiries, save as set out below, the Directors were not aware of any information which reasonably showed that the Company had not complied with the Corporate Governance Code or any applicable code provisions therein at any time during the six months ended 30 June 2022.

Among the seven Directors of the Company, five Directors attended the annual general meeting of the Company held on 27 May 2022, and two Directors (including the chairman of the Board) were unable to attend the annual general meeting due to other business engagements. The annual general meeting was chaired by Mr. Yang Zhijian, an executive Director and general manager of the Company, to ensure effective communication between the Company and the shareholders.

EMPLOYEES AND REMUNERATION POLICIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct (“**Code of Conduct**”) regarding securities transactions of the Directors and the Supervisors, on terms no less exacting than the required standard set out in the Model Code. After making specific enquiries to all Directors and Supervisors, they have confirmed that they had complied with the required standards as set out in the Model Code and the Code of Conduct during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company had not redeemed any of its listed shares during the six months ended 30 June 2022. Neither the Company nor any of its subsidiaries had purchased or sold any of its listed securities during the six months ended 30 June 2022.

INTERIM DIVIDEND

The Board recommended the payment of a interim dividend of RMB2.01 per ordinary share (inclusive of applicable tax) for the six months ended 30 June 2022, subject to approval by the Shareholders at the 2022 first extraordinary general meeting. The interim dividend will be denominated and declared in Renminbi, and payable in Renminbi to holders of A shares of the Company and in Hong Kong dollars to holders of H shares of the Company within two months upon approval at the 2022 first extraordinary general meeting.

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

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained within this interim results announcement are historical in nature, and past performance does not guarantee the future results of the Group. Any forward-looking statements and opinions contained within this interim results announcement are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this interim results announcement; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialize or turn out to be incorrect.

DISCLOSURE OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The electronic version of this announcement has been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hold.coscoshipping.com>). An interim report for the six months ended 30 June 2022 containing all the relevant information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the same websites in due course. In addition, the Company has published the A Share interim report prepared under the Enterprise Accounting Standards on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) for investors' reference.

DEFINITIONS

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

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Company” or “COSCO SHIPPING Holdings”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 1919) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601919)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“COSCO SHIPPING Lines”	COSCO SHIPPING Lines Co., Ltd.* (中遠海運集裝箱運輸有限公司), a company incorporated in the PRC and a subsidiary of the Company
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199), and a non-wholly owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Enterprise Accounting Standards”	The Accounting Standards for Business Enterprises of the PRC issued by the Ministry of Finance
“Group”	the Company and its subsidiaries

“HKAS”	the Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for the Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“OOIL”	Orient Overseas (International) Limited, a company incorporated in Bermuda with limited liability and listed on the Hong Kong Stock Exchange (Stock Code: 0316) and a subsidiary of the Company
“PRC” or “China”	the People’s Republic of China
“GSBN”	the Global Shipping Business Network, jointly initiated by COSCO SHIPPING Lines, OOCL, COSCO SHIPPING Ports (each of which is a subsidiary of the Company) and five other internationally renowned liner companies and port operators, aiming to support and facilitate trustable transactions, seamless cooperation and digital transformation among all participants in global trade with the help of blockchain technology
“Cargo Release”	This product enables customers to eliminate manual processes and remove any need for physical exchange of paper documentation (e.g. when deployed in Shanghai, it led to reduction in the overall process time from 2 to 3 days to only 1 to 2 hours)
“Reporting Period”	the six months ended 30 June 2022
“OCEAN Alliance”	the alliance formed by COSCO SHIPPING Lines, OOCL, CMA CGM S.A., and Evergreen Marine Corp. (Taiwan) Ltd., with an aim to provide competitive services with wide coverage
“dual brand”	Two container shipping service brands, namely “COSCO SHIPPING Lines” and “OOCL”

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) (including A Share(s) and H Share(s) of the Company) of RMB1.00 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Shanghai, the People’s Republic of China
30 August 2022

As at the date of this announcement, the Directors are Mr. WAN Min ¹ (Chairman), Mr. HUANG Xiaowen ¹ (Vice Chairman), Mr. YANG Zhijian ¹, Mr. WU Dawei ², Mr. ZHOU Zhonghui ², Mr. TEO Siong Seng ² and Prof. MA, Si Hang Frederick ².

¹ *Executive Director*

² *Independent non-executive Director*

* *For identification purpose only*