

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS:

- Revenues of the Group for the year 2023 was RMB175,447,747,000, representing a decrease of RMB215,610,750,000 or 55.14% as compared to 2022.
- Profit attributable to equity holders of the Company for the year 2023 was RMB23,860,258,000, representing a decrease of RMB85,932,195,000 or 78.27% as compared to 2022.
- The basic and diluted earnings per share for 2023 amounted to RMB1.48 and RMB1.48 respectively.
- The Board proposes a final dividend in respect of 2023 of RMB0.23 per ordinary share (inclusive of applicable tax).

The board of directors (the “**Board**”) of COSCO SHIPPING Holdings Co., Ltd.* (the “**Company**” or “**COSCO SHIPPING Holdings**”) hereby announces the results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2022.

**COSCO SHIPPING HOLDINGS CO., LTD.
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | <i>Note</i> | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> (Restated) |
|---|-------------|-------------------------------|--------------------------------------|
| Revenues | 4 | 175,447,747 | 391,058,497 |
| Cost of services | | (147,860,433) | (220,580,548) |
| Gross profit | | 27,587,314 | 170,477,949 |
| Other income | 5 | 5,134,993 | 4,663,174 |
| Other expenses | 5 | (75,388) | (310,842) |
| Reversal of/(provision for) impairment losses on financial assets, net | | 225,164 | (35,720) |
| Selling, administrative and general expenses | | (8,231,638) | (11,795,727) |
| Operating profit | | 24,640,445 | 162,998,834 |
| Finance income | 6 | 7,473,850 | 5,705,708 |
| Finance costs | 6 | (3,735,448) | (3,840,637) |
| Net finance income | 6 | 3,738,402 | 1,865,071 |
| | | 28,378,847 | 164,863,905 |
| Share of profits less losses of | | | |
| – joint ventures | | 606,010 | 650,019 |
| – associates | | 4,091,814 | 1,662,046 |
| Profit before income tax | | 33,076,671 | 167,175,970 |
| Income tax expenses | 7 | (4,681,012) | (35,638,568) |
| Profit for the year | | 28,395,659 | 131,537,402 |

| | <i>Note</i> | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> (Restated) |
|--|-------------|--------------------------------------|--------------------------------------|
| Profit for the year | | <u>28,395,659</u> | <u>131,537,402</u> |
| Profit attributable to: | | | |
| – Equity holders of the Company | | <u>23,860,258</u> | 109,792,453 |
| – Non-controlling interests | | <u>4,535,401</u> | <u>21,744,949</u> |
| | | <u>28,395,659</u> | <u>131,537,402</u> |
| | | 2023 <i>RMB</i> | 2022 <i>RMB</i> |
| Earnings per share attributable to equity holders of the Company: | | | |
| Basic earnings per share | <i>9</i> | <u>1.48</u> | <u>6.84</u> |
| Diluted earnings per share | <i>9</i> | <u>1.48</u> | <u>6.79</u> |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> (Restated) |
|--|-------------------------------|--------------------------------------|
| Profit for the year | 28,395,659 | 131,537,402 |
| Other comprehensive income/(loss) | | |
| <i>Items that may be reclassified to profit or loss</i> | | |
| Share of other comprehensive loss of joint ventures and associates, net | (33,772) | (65,249) |
| Cash flow hedges, net of tax | (17,967) | 62,569 |
| Currency translation differences | 1,816,878 | 4,894,384 |
| <i>Items that will not be reclassified to profit or loss</i> | | |
| Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax | 16,259 | 12,423 |
| Remeasurements of post-employment benefit obligations | (29,702) | (20,527) |
| Share of other comprehensive loss of an associate | (29,873) | (57,362) |
| Currency translation differences | 683,696 | 2,014,532 |
| Other comprehensive income for the year, net of tax | 2,405,519 | 6,840,770 |
| Total comprehensive income for the year | 30,801,178 | 138,378,172 |
| Total comprehensive income for the year attributable to: | | |
| – Equity holders of the Company | 25,621,462 | 114,648,216 |
| – Non-controlling interests | 5,179,716 | 23,729,956 |
| | 30,801,178 | 138,378,172 |

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023**

| | <i>Note</i> | 2023 RMB'000 | 2022 RMB'000 (Restated) |
|---|-------------|-------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 129,793,884 | 119,518,590 |
| Right-of-use assets | | 44,643,967 | 54,918,414 |
| Investment properties | | 3,254,220 | 2,701,063 |
| Intangible assets | | 4,705,737 | 4,769,242 |
| Goodwill | | 6,358,223 | 6,104,494 |
| Investments in joint ventures | | 8,680,100 | 8,358,662 |
| Investments in associates | | 58,203,338 | 49,707,918 |
| Financial assets at fair value through other comprehensive income | | 1,918,241 | 1,908,361 |
| Financial assets at fair value through profit or loss | | 380,662 | 371,477 |
| Financial assets at amortized cost | | 374,862 | 368,886 |
| Derivative financial assets | | – | 16,324 |
| Restricted bank deposits | | 16,439 | 11,126 |
| Deferred income tax assets | | 918,504 | 1,036,109 |
| Loans to associates | | 227,932 | 664,991 |
| Pension and retirement assets | | 95,546 | 70,294 |
| Other non-current assets | | 392,780 | 261,123 |
| Total non-current assets | | 259,964,435 | 250,787,074 |
| Current assets | | | |
| Inventories | | 6,561,355 | 7,017,037 |
| Trade and other receivables and contract assets | <i>10</i> | 13,392,866 | 16,762,308 |
| Financial assets at fair value through profit or loss | | 95,000 | 93,107 |
| Financial assets at amortized cost | | 5,747 | 254,856 |
| Derivative financial assets | | 19,106 | 25,980 |
| Taxes recoverable | | 103,298 | 124,228 |
| Restricted bank deposits | | 1,174,258 | 1,251,564 |
| Cash and cash equivalents | | 181,113,316 | 235,613,923 |
| Total current assets | | 202,464,946 | 261,143,003 |
| Total assets | | 462,429,381 | 511,930,077 |

| | <i>Note</i> | 2023 RMB'000 | 2022 RMB'000 (Restated) |
|---|-------------|-------------------------------|-------------------------------|
| EQUITY | | | |
| Equity attributable to the equity holders of the Company | | | |
| Share capital | | 16,071,058 | 16,094,862 |
| Reserves | | 180,044,199 | 184,495,805 |
| | | 196,115,257 | 200,590,667 |
| Non-controlling interests | | 47,104,215 | 53,202,427 |
| Total equity | | 243,219,472 | 253,793,094 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term borrowings | | 32,740,761 | 34,759,086 |
| Lease liabilities | | 31,841,919 | 38,030,000 |
| Provisions and other liabilities | <i>12</i> | 7,005,654 | 6,655,007 |
| Put option liability | | 1,742,435 | 1,664,811 |
| Pension and retirement liabilities | | 320,849 | 310,214 |
| Deferred income tax liabilities | | 18,231,512 | 17,253,858 |
| Total non-current liabilities | | 91,883,130 | 98,672,976 |
| Current liabilities | | | |
| Trade and other payables and contract liabilities | <i>11</i> | 106,040,447 | 129,762,356 |
| Short-term borrowings | | 2,417,519 | 2,241,818 |
| Current portion of long-term borrowings | | 8,118,638 | 5,806,773 |
| Current portion of lease liabilities | | 9,266,647 | 12,887,982 |
| Current portion of provisions and other liabilities | <i>12</i> | 36,999 | 39,142 |
| Tax payables | | 1,446,529 | 8,725,936 |
| Total current liabilities | | 127,326,779 | 159,464,007 |
| Total liabilities | | 219,209,909 | 258,136,983 |
| Total equity and liabilities | | 462,429,381 | 511,930,077 |
| Net current assets | | 75,138,167 | 101,678,996 |
| Total assets less current liabilities | | 335,102,602 | 352,466,070 |

NOTES:

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 Pilot Free Trade Zone (Airport Economic Area), Tianjin. The H-Shares and A-Shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange respectively.

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

These consolidated financial statements have been approved for issue by the Directors on 28 March 2024.

2 Basis of preparation

The annual results set out in this announcement do not constitute the Group’s consolidated financial statements for the year ended 31 December 2023 but are extracted from these financial statements included in the Annual Report of the Company, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

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.

3 Changes in accounting policies

Except as described below and for the estimation of income tax using the tax rate that would be applicable to expected total annual earning, the material accounting policies and methods of computation used in the preparation of the consolidated financial statements are consistent with the 2022 Annual Financial Statements.

(a) New standards, amendments and interpretation to existing standards which are effective in 2023 and adopted by the Group

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2023:

| | |
|--|--|
| HKAS 1 and HKFRS Practice Statement 2 (Amendments) | Disclosure of Accounting Policies |
| HKAS 8 (Amendment) | Definition of Accounting Estimates |
| HKAS 12 (Amendment) | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| HKAS 12 (Amendment) | International Tax Reform – Pillar Two Model Rules |
| HKFRS 17 and HKFRS 17 (Amendment) | Insurance Contracts |
| HKFRS 17 (Amendments) | Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information |

The effect of the adoption of HKAS 12 (Amendment) is disclosed in Note 3(b). The adoption of other new standards, amendments and interpretation to existing HKFRS does not have a material impact on the consolidated financial statements of the Group.

3 Changes in accounting policies (Continued)

(b) Adoption of HKAS 12 (Amendment) – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to HKAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees, and will require the recognition of additional deferred tax assets and liabilities. The related deferred tax assets and liabilities are presented on a net basis in the consolidated statement of financial position as they qualify for offsetting under HKAS 12.

The Group recognizes deferred tax assets and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities.

The comparative information in these consolidated financial statements has been restated accordingly on the adoption of HKAS12 (Amendment).

(c) New standards, amendments, interpretation and improvements to existing standards which have not been adopted

The HKICPA has issued certain new standards, amendments, interpretation and improvements to existing standards which are not yet effective for the year ending 31 December 2023 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. None of these is expected to have a material impact on the consolidated financial statements of the Group.

4 Revenues and segment information

Operating segments

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

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

Segment assets are those operating assets that are employed by a segment in its operating activities. They exclude investments in joint ventures, investments in associates, loans to associates, 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.

4 Revenues and segment information (Continued)

Operating segments (Continued)

| | Year ended 31 December 2023 | | | | |
|--|---|-------------------------------------|--|---|-------------------------|
| | 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 | 168,125,772 | 10,396,162 | – | (3,074,187) | 175,447,747 |
| Total revenues | | | | | |
| Comprising: | | | | | |
| – Inter-segment revenues | 86,364 | 2,987,823 | – | (3,074,187) | – |
| – Revenues (from external customers) | <u>168,039,408</u> | <u>7,408,339</u> | <u>–</u> | <u>–</u> | <u>175,447,747</u> |
| Revenues from contracts with customers: | | | | | |
| Over time | <u>168,125,772</u> | <u>10,396,162</u> | <u>–</u> | <u>(3,074,187)</u> | <u>175,447,747</u> |
| Segment profit | 22,556,526 | 1,917,702 | 6,431,014 | (6,264,797) | 24,640,445 |
| Finance income | 6,156,505 | 196,556 | 1,130,310 | (9,521) | 7,473,850 |
| Finance costs | (2,178,064) | (1,211,281) | (355,624) | 9,521 | (3,735,448) |
| Share of profits less losses of | | | | | |
| – joint ventures | 170,362 | 435,648 | – | – | 606,010 |
| – associates | 38,677 | 1,663,915 | 2,389,222 | – | <u>4,091,814</u> |
| Profit before income tax | 26,744,006 | 3,002,540 | 9,594,922 | (6,264,797) | 33,076,671 |
| Income tax expenses | (4,328,531) | (248,162) | (104,319) | – | <u>(4,681,012)</u> |
| Profit for the year | 22,415,475 | 2,754,378 | 9,490,603 | (6,264,797) | <u>28,395,659</u> |
| Gain/(loss) on disposals of property, plant and equipment, net | 94,882 | (1,484) | – | – | 93,398 |
| Depreciation and amortization | 17,688,056 | 1,797,403 | 1,150 | – | 19,486,609 |
| Additions to non-current assets | <u>13,345,760</u> | <u>4,287,032</u> | <u>–</u> | <u>–</u> | <u>17,632,792</u> |

4 Revenues and segment information (Continued)

Operating segments (Continued)

| | Year ended 31 December 2022 (Restated) | | | | |
|---|---|-------------------------------------|--|---|-------------------------|
| | 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 | 384,035,553 | 9,798,133 | – | (2,775,189) | 391,058,497 |
| Comprising: | | | | | |
| – Inter-segment revenues | 42,320 | 2,732,869 | – | (2,775,189) | – |
| – Revenues (from external customers) | <u>383,993,233</u> | <u>7,065,264</u> | <u>–</u> | <u>–</u> | <u>391,058,497</u> |
| Revenues from contracts with customers: | | | | | |
| Over time | <u>384,035,553</u> | <u>9,798,133</u> | <u>–</u> | <u>(2,775,189)</u> | <u>391,058,497</u> |
| Segment profit | | | | | |
| Finance income | 4,056,368 | 114,062 | 1,560,278 | (25,000) | 5,705,708 |
| Finance costs | (2,132,642) | (869,088) | (863,907) | 25,000 | (3,840,637) |
| Share of profits less losses of | | | | | |
| – joint ventures | 144,902 | 505,117 | – | – | 650,019 |
| – associates | 75,573 | 1,567,240 | 19,233 | – | <u>1,662,046</u> |
| Profit before income tax | 162,571,017 | 3,097,128 | 63,844,626 | (62,336,801) | 167,175,970 |
| Income tax expenses | (25,655,108) | (466,683) | (9,516,777) | – | <u>(35,638,568)</u> |
| Profit for the year | 136,915,909 | 2,630,445 | 54,327,849 | (62,336,801) | <u>131,537,402</u> |
| Gain on disposals of property, plant and equipment, net | 384,357 | 5,066 | – | – | 389,423 |
| Depreciation and amortization | 18,730,960 | 1,668,755 | 2,701 | – | 20,402,416 |
| Additions to non-current assets | <u>20,241,904</u> | <u>2,433,002</u> | <u>146</u> | <u>–</u> | <u>22,675,052</u> |

4 Revenues and segment information (Continued)

Operating segments (Continued)

| | As at 31 December 2023 | | | | |
|--|---|--|--|--|-------------------------|
| | 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 | 308,942,457 | 51,587,824 | 109,763,160 | (77,749,942) | 392,543,499 |
| Investments in joint ventures | 1,161,998 | 7,518,102 | – | – | 8,680,100 |
| Investments in associates | 3,569,890 | 23,694,446 | 31,009,518 | (70,516) | 58,203,338 |
| Loans to associates | – | 227,932 | – | – | 227,932 |
| Financial assets at FVOCI | 169,535 | 984,656 | 764,050 | – | 1,918,241 |
| Financial assets at FVPL | 95,000 | 380,662 | – | – | 475,662 |
| Financial assets at amortized cost | 380,609 | – | – | – | 380,609 |
| Total assets | 314,319,489 | 84,393,622 | 141,536,728 | (77,820,458) | 462,429,381 |
| Segment operating liabilities & total liabilities | 163,336,827 | 36,046,395 | 20,056,894 | (230,207) | 219,209,909 |
| | As at 31 December 2022 (Restated) | | | | |
| | 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 | 365,849,091 | 46,817,559 | 122,745,049 | (85,209,880) | 450,201,819 |
| Investments in joint ventures | 1,133,728 | 7,224,934 | – | – | 8,358,662 |
| Investments in associates | 3,457,491 | 22,745,161 | 23,574,821 | (69,555) | 49,707,918 |
| Loans to associates | – | 664,991 | – | – | 664,991 |
| Financial assets at FVOCI | 167,470 | 971,957 | 768,934 | – | 1,908,361 |
| Financial assets at FVPL | 93,107 | 371,477 | – | – | 464,584 |
| Financial assets at amortized cost | 623,742 | – | – | – | 623,742 |
| Total assets | 371,324,629 | 78,796,079 | 147,088,804 | (85,279,435) | 511,930,077 |
| Segment operating liabilities & total liabilities | 213,133,616 | 32,644,334 | 22,369,628 | (10,010,595) | 258,136,983 |

4 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.

| | Year ended 31 December 2023 | | |
|------------------------------------|-------------------------------------|---|--|
| | Total revenues <i>RMB'000</i> | Inter-segment revenues <i>RMB'000</i> | External revenues <i>RMB'000</i> |
| Container shipping business | | | |
| – America | 41,240,756 | – | 41,240,756 |
| – Europe | 35,385,444 | – | 35,385,444 |
| – Asia Pacific | 45,203,166 | – | 45,203,166 |
| – Mainland China | 20,396,473 | (86,364) | 20,310,109 |
| – Other international market | 25,899,933 | – | 25,899,933 |
| | 168,125,772 | (86,364) | 168,039,408 |
| Terminal business | | | |
| – Mainland China | 5,081,792 | (1,357,688) | 3,724,104 |
| – Europe | 4,768,950 | (1,426,618) | 3,342,332 |
| – Asia Pacific | 512,288 | (203,517) | 308,771 |
| – Other international market | 33,132 | – | 33,132 |
| | 10,396,162 | (2,987,823) | 7,408,339 |
| Total | <u>178,521,934</u> | <u>(3,074,187)</u> | <u>175,447,747</u> |

4 Revenues and segment information (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

| | Year ended 31 December 2022 | | |
|------------------------------------|-----------------------------|--------------------|--------------------|
| | Total | Inter-segment | External |
| | revenues | revenues | revenues |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Container shipping business | | | |
| – America | 115,007,179 | – | 115,007,179 |
| – Europe | 100,760,668 | – | 100,760,668 |
| – Asia Pacific | 92,876,196 | – | 92,876,196 |
| – Mainland China | 23,807,585 | (42,320) | 23,765,265 |
| – Other international market | 51,583,925 | – | 51,583,925 |
| | 384,035,553 | (42,320) | 383,993,233 |
| Terminal business | | | |
| – Mainland China | 4,804,472 | (1,383,836) | 3,420,636 |
| – Europe | 4,618,739 | (1,199,448) | 3,419,291 |
| – Asia Pacific | 339,548 | (149,585) | 189,963 |
| – Other international market | 35,374 | – | 35,374 |
| | 9,798,133 | (2,732,869) | 7,065,264 |
| Total | 393,833,686 | (2,775,189) | 391,058,497 |

(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 31 December 2023 <i>RMB'000</i> | As at 31 December 2022 <i>RMB'000</i> |
|--------------------------|--|--|
| Unallocated | 136,371,096 | 138,098,642 |
| Remaining assets | | |
| – Mainland China | 86,022,448 | 74,825,546 |
| – Outside mainland China | 33,638,705 | 33,415,318 |

5 Other income and other expenses

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Dividend income from financial assets at FVOCI | 27,239 | 21,220 |
| Gain on disposal of property, plant and equipment | 111,188 | 417,512 |
| Gain on disposal of associates and a subsidiary | – | 234,690 |
| Income from financial assets at FVPL | | |
| – Fair value gain (realized and unrealized) | 9,185 | – |
| – Interest income | – | 7,907 |
| – Distribution | 1,976 | 2,344 |
| – Dividend income | 5,302 | 1,487 |
| Interest income from financial assets at amortized cost | 20,690 | 29,245 |
| Government grants and other subsidies | 3,011,927 | 1,299,931 |
| Exchange gain | 1,918,786 | 2,613,430 |
| Others | 28,700 | 35,408 |
| | <u>5,134,993</u> | <u>4,663,174</u> |
| Other income | | |
| Loss on disposal of property, plant and equipment | (17,790) | (28,089) |
| Fair value loss on financial assets at FVPL (realized and unrealized) | (3,485) | (56,139) |
| Donations | (42,854) | (41,746) |
| Loss on deemed disposal of an associate | – | (21,628) |
| Others | (11,259) | (163,240) |
| | <u>(75,388)</u> | <u>(310,842)</u> |
| Other expenses | | |

6 Finance income and costs

| | 2023 | 2022 |
|---|---|---|
| | RMB'000 | RMB'000 |
| Finance income | | |
| Interest income from: | | |
| – other financial institutions | 5,177,248 | 3,844,269 |
| – deposits in related parties | 2,249,226 | 1,472,564 |
| – loans to a joint venture and associates | 42,962 | 20,425 |
| Net exchange gain | 4,414 | 368,450 |
| | <hr/> | <hr/> |
| Total finance income | 7,473,850 | 5,705,708 |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Finance costs | | |
| Interest expenses on: | | |
| – loans from third parties | (2,145,474) | (1,412,444) |
| – loans from related parties | (85,962) | (145,891) |
| – loans from non-controlling shareholders of subsidiaries | (20,636) | (8,245) |
| – lease liabilities | (1,782,503) | (1,811,366) |
| – notes/bonds | (17,231) | (453,141) |
| Transaction costs arising from borrowings | (142,702) | (159,797) |
| | <hr/> | <hr/> |
| | (4,194,508) | (3,990,884) |
| Less: amount capitalized in construction in progress | 459,060 | 150,247 |
| | <hr/> | <hr/> |
| Total finance costs | (3,735,448) | (3,840,637) |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Net finance income | 3,738,402 | 1,865,071 |
| | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |

7 Income tax expenses

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> (Restated) |
|---------------------------------------|-------------------------|--------------------------------------|
| Current income tax (<i>note</i>): | | |
| – PRC enterprise income tax | 3,572,746 | 24,766,933 |
| – Hong Kong profits tax | 34,456 | 67,953 |
| – Overseas taxation | 383,227 | 1,060,571 |
| (Over)/under provision in prior years | (250,387) | 9,789 |
| | <u>3,740,042</u> | <u>25,905,246</u> |
| Deferred income tax | 940,970 | 9,733,322 |
| | <u><u>4,681,012</u></u> | <u><u>35,638,568</u></u> |

Note:

Current income tax

Taxation has been provided at the appropriate rate of taxation prevailing in the countries in which the Group operates. These rates range from 2.5% to 39% (2022: 2.5% to 34.2%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 2.5% to 20% (2022: 2.5% to 20%).

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits derived from or arising in Hong Kong for the year.

8 Dividend

On 28 March 2024, the board of directors proposed a final dividend in respect of 2023 of RMB0.23 per ordinary share (tax inclusive); based on the Company's total share capital of 15,957,586,817 shares as at the date hereof, the final cash dividends for 2023 of RMB3.670 billion shall be distributed. If there is a change in the number of Shares between the disclosure date of this announcement and the registration date of dividend distribution, the dividend per Share shall remain unchanged, with a corresponding adjustment to the total amount of distribution. Based on the above profit distribution plan, together with the interim cash dividends of around RMB8.196 billion for 2023 already distributed, the total cash dividends of around RMB11.866 billion will be distributed for 2023, accounting for approximately 50% of the net profit attributable to Shareholders of the Company for 2023.

The final dividend in respect of 2022 is RMB1.39 per ordinary share (tax inclusive), with total amount of RMB22.477 billion. The total dividend in respect of 2022 amounted to approximately RMB54,827 million, accounting for approximately 50% of the consolidated profit attributable to equity holders of the Company for 2022.

9 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 in issue during the year.

| | 2023 | 2022 (Restated) |
|--|------------------------------|-------------------------------|
| Profit attributable to equity holders of the Company (RMB) | <u><u>23,860,258,000</u></u> | <u><u>109,792,453,000</u></u> |
| Weighted average number of ordinary shares | <u><u>16,114,681,903</u></u> | <u><u>16,052,030,133</u></u> |
| Basic earnings per share (RMB) | <u><u>1.48</u></u> | <u><u>6.84</u></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 year, 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.

| | 2023 | 2022 (Restated) |
|---|------------------------------|-------------------------------|
| Profit attributable to equity holders of the Company (RMB) | <u><u>23,860,258,000</u></u> | <u><u>109,792,453,000</u></u> |
| Weighted average number of ordinary shares | <u><u>16,114,681,903</u></u> | <u><u>16,052,030,133</u></u> |
| Adjustments for assumed issuance of shares on exercise of dilutive share options | <u><u>38,907,096</u></u> | <u><u>113,657,971</u></u> |
| | <u><u>16,153,588,999</u></u> | <u><u>16,165,688,104</u></u> |
| Diluted earnings per share (RMB) | <u><u>1.48</u></u> | <u><u>6.79</u></u> |

For the years ended 31 December 2023 and 2022, the outstanding share options granted by COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”), a subsidiary of the Company, did not have dilutive effect on the Company’s diluted earnings per share.

10 Trade and other receivables and contract assets

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> |
|--|--------------------------|--------------------------|
| Trade receivables (note a) | | |
| – third parties | 6,346,952 | 10,254,689 |
| – fellow subsidiaries | 176,541 | 105,940 |
| – joint ventures | 18,860 | 7,698 |
| – other related companies | 192,212 | 132,577 |
| | <u>6,734,565</u> | <u>10,500,904</u> |
| Bills receivables (note a) | 175,916 | 321,734 |
| Contract assets (note a) | 179,386 | 292,917 |
| | <u>7,089,867</u> | <u>11,115,555</u> |
| Prepayments, deposits and other receivables (note b) | | |
| – third parties | 4,598,018 | 4,627,272 |
| – fellow subsidiaries | 327,920 | 409,586 |
| – joint ventures | 507,256 | 428,846 |
| – associates | 850,033 | 81,333 |
| – other related companies | 19,772 | 99,716 |
| | <u>6,302,999</u> | <u>5,646,753</u> |
| Total | <u><u>13,392,866</u></u> | <u><u>16,762,308</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 receivables primarily consisted of voyage-related receivables. As at 31 December 2023, 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:

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> |
|---|-------------------------|--------------------------|
| Within 1 year | 7,231,474 | 11,505,400 |
| 1 to 2 years | 56,877 | 41,703 |
| 2 to 3 years | 35,842 | 23,191 |
| Over 3 years | 137,418 | 138,834 |
| | <u>7,461,611</u> | <u>11,709,128</u> |
| Trade, bills receivables and contract assets, gross | | |
| Within 1 year | (156,777) | (393,905) |
| 1 to 2 years | (51,195) | (39,155) |
| 2 to 3 years | (26,354) | (22,006) |
| Over 3 year | (137,418) | (138,507) |
| | <u>(371,744)</u> | <u>(593,573)</u> |
| Provision for impairment | | |
| Trade, bills receivables and contract assets, net | <u><u>7,089,867</u></u> | <u><u>11,115,555</u></u> |

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

11 Trade and other payables and contract liabilities

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> |
|--|---------------------------|---------------------------|
| Trade and bills payables (note) | | |
| – third parties | 17,527,658 | 19,777,856 |
| – fellow subsidiaries | 497,933 | 1,028,176 |
| – joint ventures | 170,187 | 140,026 |
| – associates | 84,147 | 21,809 |
| – other related companies | 218,020 | 89,673 |
| | <u>18,497,945</u> | <u>21,057,540</u> |
| Accrued expenses | 73,004,716 | 86,214,866 |
| Other payables | | |
| – third parties | 12,867,421 | 17,974,701 |
| – fellow subsidiaries | 75,773 | 95,768 |
| – joint ventures | 368,590 | 366,148 |
| – associates | 30,869 | 60,308 |
| – other related companies | 518,646 | 3,079,442 |
| | <u>13,861,299</u> | <u>21,576,367</u> |
| Contract Liabilities | 676,487 | 913,583 |
| Total | <u>106,040,447</u> | <u>129,762,356</u> |

Note:

As at 31 December 2023, the aging analysis of trade and bills payables on the basis of the date of relevant invoice or demand note is as follows:

| | 2023 <i>RMB'000</i> | 2022 <i>RMB'000</i> |
|---------------|------------------------|------------------------|
| Within 1 year | 18,378,636 | 20,939,862 |
| 1 to 2 years | 55,260 | 53,608 |
| 2 to 3 years | 34,526 | 34,896 |
| Over 3 years | 29,523 | 29,174 |
| | <u>18,497,945</u> | <u>21,057,540</u> |

12 Provisions and other liabilities

| | 2023 | | | 2022 | | |
|---|----------------|------------------|------------------|----------------|------------------|------------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Provision for one-off housing subsidies | – | 40,078 | 40,078 | – | 40,052 | 40,052 |
| Provision for onerous contracts (note) | – | 6,493,030 | 6,493,030 | – | 6,231,542 | 6,231,542 |
| Deferred income and others | 36,999 | 472,546 | 509,545 | 39,142 | 383,413 | 422,555 |
| Total | <u>36,999</u> | <u>7,005,654</u> | <u>7,042,653</u> | <u>39,142</u> | <u>6,655,007</u> | <u>6,694,149</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 31 December 2023, OOIL reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain, and it is expected that high inflation and interest rate environment would slow down the USA economy growth and would have some negative impact to the demand/import of the USA in the near future. As at 31 December 2023, with these uncertainties over such a long-term contract period, OOIL reassessed that the projected vessel lifts in LBCT would result in a shortfall on minimum volume commitment over the remaining contract period. OOIL estimated an onerous contract provision of US\$916.7 million (equivalent to approximately RMB6,493.0 million) as at 31 December 2023 (2022: US\$894.7 million (equivalent to approximately RMB6,231.5 million)).

Movements in the onerous provision are as follows:

| | 2023 | 2022 |
|--|------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Balance at beginning of year | 6,231,542 | 4,155,332 |
| Charged to consolidated income statement | 155,819 | 1,634,880 |
| Currency translation differences | 105,669 | 441,330 |
| Balance at end of year | <u>6,493,030</u> | <u>6,231,542</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Reporting Period prepared in accordance with the Hong Kong Financial Reporting Standards

| | Period from 1 January to 31 December 2023 RMB'000 | Period from 1 January to 31 December 2022 RMB'000 (Restated) | Difference RMB'000 |
|---|---|---|-----------------------|
| Revenues | 175,447,747 | 391,058,497 | (215,610,750) |
| Operating profit | 24,640,445 | 162,998,834 | (138,358,389) |
| Profit before income tax | 33,076,671 | 167,175,970 | (134,099,299) |
| Profit after income tax | 28,395,659 | 131,537,402 | (103,141,743) |
| Profit for the period | 28,395,659 | 131,537,402 | (103,141,743) |
| Profit attributable to equity holders of the Company | 23,860,258 | 109,792,453 | (85,932,195) |
| Basic earnings per share (RMB) | 1.48 | 6.84 | (5.36) |

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

In 2023, demand for container shipping services slowed down amid tepid global economic growth and intensified geopolitical tensions. Moreover, the easing of supply chain disruptions together with increased delivery of new vessels weighed on the capacity balance. As a result, the shipping market returned to a normal condition at accelerated pace with declining freight rates in the market. Facing market changes and challenges, the Group managed to withstand the adversity and achieved the hard-won operating results by adhering to COSCO SHIPPING Group's mission of "building a world-class shipping technology enterprise", and continually promoting the development of digital supply chain and green low carbon growth so as to consolidate our core competitiveness.

Drove high-quality growth with resilience by pursuing stable operations to reward shareholders

During the Reporting Period, the Group recorded operating revenue of RMB175.448 billion. Earnings before interest and taxes (EBIT) were RMB36.669 billion and total profit amounted to RMB33.077 billion. Net profit was RMB28.396 billion. Net profit attributable to equity holders of the Company was RMB23.860 billion. The gearing ratio dropped by approximately 3.02 percentage points to 47.40% from the beginning of the period. The balance of cash and cash equivalents was RMB181.113 billion, and net cash inflow from operating activities was RMB22.612 billion. As the Group's overall operations remained sound along with continual optimization of the financial structure, we were in a better position to mitigate the impacts of market cyclical fluctuations. Steady quality enhancement resulted in our strong resilience and laid a solid foundation for our high-quality development.

In order to safeguard the Company's value and Shareholders' interests, the Group actively repurchased A Shares and H Shares during the Reporting Period. As of the end of February 2024, an aggregate of approximately 215 million A Shares and H Shares had been repurchased. All repurchased shares were cancelled. Taking into account the good performance achieved during the Reporting Period, together with the Shareholders' Return Plan for 2022 to 2024 of the Group and the needs for sustainable development in the future, the Board recommended the payment of a final cash dividend for 2023 of RMB0.23 per Share (tax inclusive) to all Shareholders. Based on the total share capital of the Company as of the date of this announcement, i.e. 15,957,586,817 Shares, the final cash dividends for 2023 of approximately RMB3.67 billion shall be distributed. Together with the interim cash dividends of approximately RMB8.196 billion for 2023 already distributed to the Shareholders, the total cash dividends of approximately RMB11.866 billion shall be distributed for 2023, accounting for approximately 50% of the net profit attributable to Shareholders of the Company in 2023.

Seized opportunities to optimize layout and strengthen the core competitiveness of shipping routes

The Group actively tapped into customers' needs for a global supply chain layout to capture emerging opportunities from new businesses. While consolidating the leadership in traditional east-west trunk routes, the Group continued to strengthen our business layout and development in emerging markets, regional markets and third-country markets.

During the Reporting Period, we took delivery of six 24,000 TEU environmentally-friendly container vessels and one 14,000 TEU Latin America's extreme container vessel. Their aggregate capacity amounted to nearly 160,000 TEUs, which would be deployed on the Asia-Europe routes and the emerging market routes respectively and hence laying a solid foundation for the Group to optimize the capacity structure and enhance our competence in global market. As a member of the OCEAN Alliance, the Group forged stable and orderly cooperation with other members. On 27 February 2024, the OCEAN Alliance announced that it would extend the cooperation period by at least 5 years to 2032 and launched the Day8 route product in mid-March, showcasing the OCEAN Alliance's long-lasting partnership and commitment to provide supply chain support for the global industrial chain. In the regions such as Latin America, Africa, Southeast Asia and the Middle East, we proceeded with steady development, carried out meticulous planning, and steadily enhanced our capability to serve global trade. During the Reporting Period, the Europe-South America East Coast routes and a multiple of shipping routes along the RCEP member states were successively launched. The Far East-Africa routes were upgraded, and a multiple of feeder services such as Kenya – Mozambique and the Mediterranean Sea-North Africa were launched. At the same time, the construction of the Port of Chancay in Peru was accelerated, and an agreement for partial equity acquisition of the Port of Sokhna in Egypt was signed. The Group made persistent efforts to grasp the opportunities arising from rapid growth in emerging and regional markets and made them as new drivers to promote high-quality development.

Coordinated resources to promote integrative development and enhance the service capability of supply chain

In order to meet customers' growing demand for whole-process supply chain transportation services, the Group insisted on the construction of a global network providing integrated services of "container shipping + ports + related logistics", with a view to facilitating the innovation of supply chain ecosystem. We strived hard to promote the development of a new development pattern of dual circulation, contributing efforts to drive the development of global economy and trade.

During the Reporting Period, we gave full play to the synergies of the world's top-tier integrated shipping network and the global network of ports with high maritime connectivity. We made every effort to improve the punctuality of shipping services and the efficiency of cargo delivery, in particular for the routes along the "Belt and Road" and related areas. Persistent efforts were made to develop overseas warehouses and multimodal transport systems around the hub ports such as Piraeus, Abu Dhabi, Valencia and Zeebrugge. The China-Europe Sea-rail Express and DIAMOND Line were successfully upgraded, and they were highly recognized by customers domestically and abroad. As for the construction of supply chain operation platforms and resources, significant achievements were made in this regard. The establishment of the South American supply chain operation platform and the steady progress of the construction of operation platforms in Europe, North America, Southeast Asia and other regions provided strong support for the Group to strengthen regional supply chain capabilities and the connectivity of key resources. The stable operation of the supply chain logistics trailer platform and our effective connection with overseas trailer resources enabled the Group to possess the capacity of mobilizing more than 7,000 trailers per day in China and over 5,000 trailers per day in overseas markets within a relatively short period of time. Greater value was thus created for the Group's whole-process supply chain system. Our customs clearance services were extended to 151 prefecture-level cities in China and 43 overseas countries and would be gradually expanded. The Group launched nearly 100 online warehousing products worldwide, providing more professional warehousing services for industries such as automobiles, food and chemicals. During the Reporting Period, the Group's revenue from non-maritime supply chain services was approximately RMB29 billion, accounting for 17.3% of the revenue from the container shipping business and representing a year-on-year increase of 8.6 percentage points.

Pushed for digital and intelligent development to accelerate transformation and the development of digital full-chain brand

Based on the customers' perspective, the Group deepened customer integration. With the help of digital intelligence, it continuously improved the operational efficiency of resources and boosted the vitality of product innovation, thereby promoting the coordinated development of the industrial chain and supply chain as well as the inclusivity through innovation.

During the Reporting Period, our digital transformation gathered momentum, and our SynCon Hub e-commerce platform was integrated with physical full-chain resources to provide customers a series of supply chain products with unique features, including the “Talent (泰)” series featuring precise packing based on the flow of shipping, the “Hi (恒)” series featuring industrial segmentation, the “Tong (通)” series featuring specialization and global coverage, and the “Hongyunlai (鴻運來)” series focusing on import business. They provided more diverse and valuable full supply chain solutions for various industries. We reinforced our internal and external visibility and agile management capabilities through various digital solutions such as customer digital portraits, supply chain control towers and intelligent customer service platforms, providing personalized and customized one-stop services for global customers. Our efforts gained wide recognition from customers and positive feedback on business cooperation. During the Reporting Period, the shipping volume of vehicle exports, lithium batteries, photovoltaics and cross-border e-commerce increased by 146%, 56%, 24% and 75% respectively, further optimizing the supply structure.

At the same time, we continued to expand the GSBN platform ecosystem in which we have participated in its creation and operation. It has not only successfully brought together numerous upstream and downstream enterprises in the supply chain such as shipping, ports, banks, insurance and cargo owners, but has also issued over 100,000 blockchain bills of lading and provided paperless delivery services totaling over 2 million TEUs. During the Reporting Period, it launched new products such as electronic insurance policies and electronic cargo transportation condition appraisal certificates, thereby adding new vitality into the value chain and effectively promoting the sustainable development of the blockchain trade ecosystem.

Took multiple measures to pursue decarbonization and lay a solid foundation for green development

The Group always insists on green and low-carbon transformation and high-quality development throughout the entire business process. We strived to promote sustainable development of the enterprise and achieve harmonious coexistence with the ecological environment through the continuous optimization of the top-level design of the green and low-carbon transformation development strategy and the smooth progress in fulfilling various contract obligations.

During the Reporting Period, we took the opportunity of ordering twelve 24,000 TEU methanol dual-fuel powered container vessels to actively study and promote the structural optimization and functional upgrade of the green fleet. Recently, we have officially signed contracts with COSCO SHIPPING Heavy Industry for the methanol dual-fuel retrofit of two existing 13,800 TEU container vessels and two existing 20,000 TEU container vessels. This is the world’s first simultaneous dual-fuel retrofit project for MAN main engine and WARTSILA auxiliary engine. Meanwhile, we made another new progress in pioneering the bunkering of our vessels with biofuels, and put the world’s first 700 TEU full electric container vessel into operation. These measures and achievements have paved a solid foundation for us to build the green fleet. As for our continuing efforts to build a safe and green port ecosystem, we issued the “Initiative to Promote the Use of Shore Power by Vessels at Berth”. All of domestic container berths in which the Group held controlling interests

are equipped with shore power, with a total of 4,060 vessels had been connected to shore power, representing a 214% year-on-year increase in terms of power connected. At the same time, due to vigorously developed distributed photovoltaic projects for ports, the total installed capacity as of the end of 2023 reached 10 MW and the expected average annual power generation amounted to approximately 9 million kWh. In recognition of our outstanding performance in environmental protection and sustainable development, we have won the “Sapphire” Award, the highest award of the “Protecting Blue Whales and Blue Skies Program” in the United States for many years in a row. During the Reporting Period, we were selected as the constituent stocks of the “CSI China Reform Central State-Owned Enterprises ESG Growth 100 Index (中證國新央企ESG成長100指數)” and the “Hang Seng Corporate Sustainability Index Series” respectively, which effectively establishing the Group’s image as a green growth promoter.

Looking ahead to 2024, the global container shipping market will continue to encounter both opportunities and challenges. On the one hand, the world economy will experience moderate growth, and the potential demand of emerging markets will be further unleashed. China’s economy will remain in the uptrend, and global commodity trade is expected to gradually recover. On the other hand, the container shipping market will still face various challenges such as intensifying geopolitical risks, faster green transformation, a surge in delivery of new vessels, and customers’ increasing demand for a low-carbon and digital supply chain.

Faced with future changes in supply and demand, the evolution of digital supply chain ecosystem and the deepening of green and low-carbon development of the industry, the Group will continue to position itself as a “global digital supply chain operation and investment platform with a primary focus on container shipping”. While reinforcing our existing competitive edges, we will ride on the new momentum from digital supply chain and green low-carbon development further optimize and balance the global network layout, and strengthen coordination between ports and shipping businesses in order to accelerate the construction of global resources and channel network. The Group will further enhance its technological innovation, enrich full supply chain solutions, and strengthen its competence through differentiation. We will further accelerate the process of green and low-carbon transformation to promote the sustainable development of our full supply chain brand, and strengthen our customer-oriented approach by exploring innovative service models and better meeting the personalized needs of different customers. Meanwhile, we will continue to enhance our core competitiveness and risk resistance through effective lean operations, efficiency improvement and cost control, with a view to promoting the high-quality development of the Company to a new level, providing better services to customers and creating greater value for the Shareholders.

(II) Major Profit or Loss Items and Cashflow Analysis

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

| Items | Period from 1 January to 31 December 2023 RMB'000 | Period from 1 January to 31 December 2022 RMB'000 (Restated) | Difference RMB'000 | Percentage change (%) |
|--|---|---|-----------------------|-----------------------------|
| Revenues | 175,447,747 | 391,058,497 | (215,610,750) | -55.14 |
| Cost of services and inventories sold | (147,860,433) | (220,580,548) | 72,720,115 | -32.97 |
| Other income and expense, net | 5,059,605 | 4,352,332 | 707,273 | 16.25 |
| Other income | 5,134,993 | 4,663,174 | 471,819 | 10.12 |
| Other expenses | (75,388) | (310,842) | 235,454 | -75.75 |
| Net reversal/(provision) of impairment losses on financial assets | 225,164 | (35,720) | 260,884 | -730.36 |
| Selling, administrative and general expenses | (8,231,638) | (11,795,727) | 3,564,089 | -30.22 |
| Finance income | 7,473,850 | 5,705,708 | 1,768,142 | 30.99 |
| Finance costs | (3,735,448) | (3,840,637) | 105,189 | -2.74 |
| Share of profits less losses of | | | | |
| – joint ventures | 606,010 | 650,019 | (44,009) | -6.77 |
| – associated companies | 4,091,814 | 1,662,046 | 2,429,768 | 146.19 |
| Income tax expenses | (4,681,012) | (35,638,568) | 30,957,556 | -86.87 |
| Net cash flows generated from operating activities | 22,612,055 | 196,798,805 | (174,186,750) | -88.51 |
| Net cash flows used in investing activities | (18,350,697) | (32,976,787) | 14,626,090 | -44.35 |
| Net cash flows used in financing activities | (60,021,698) | (115,377,634) | 55,355,936 | -47.98 |

2. Revenues

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

Overview

In 2023, the revenues of the Group amounted to RMB175,447,747,000, representing a decrease of RMB215,610,750,000 or 55.14% as compared to the last year.

Revenue from container shipping business

In 2023, the revenue from container shipping business amounted to RMB168,125,772,000, representing a decrease of RMB215,909,781,000 or 56.22% as compared to the last year, of which COSCO SHIPPING Lines generated revenues of RMB116,043,142,000 from container shipping business, representing a decrease of RMB141,707,708,000 or 54.98% as compared to the last year.

Revenue from terminal business

In 2023, revenue generated from the terminal business amounted to RMB10,396,162,000, representing an increase of RMB598,029,000 or 6.10% as compared to the last year.

Major customers

Total sales to the top five customers of 2023 amounted to RMB6,468,368,000, accounting for 3.69% of the total sales for the year.

3. Costs

Cost analysis

| Components of cost | Period from 1 January to 31 December 2023 RMB'000 | Period from 1 January to 31 December 2022 RMB'000 | Difference RMB'000 | Percentage Change (%) |
|---|--|--|-------------------------------|--------------------------------------|
| Equipment and cargo transportation costs | 60,401,930 | 114,504,633 | (54,102,703) | (47.25) |
| Voyage costs | 38,419,999 | 45,229,851 | (6,809,852) | (15.06) |
| Vessel costs | 31,588,261 | 38,274,198 | (6,685,937) | (17.47) |
| Other related business costs | 12,160,860 | 16,054,945 | (3,894,085) | (24.25) |
| Tax and surcharges | 1,043,963 | 2,541,898 | (1,497,935) | (58.93) |
| Sub-total – container shipping operating costs | 143,615,013 | 216,605,525 | (72,990,512) | (33.70) |
| Container terminals and related business costs | 7,183,454 | 6,697,113 | 486,341 | 7.26 |
| Tax and surcharges | 61,165 | 47,448 | 13,717 | 28.91 |
| Sub-total – container terminal operating costs | 7,244,619 | 6,744,561 | 500,058 | 7.41 |
| Elimination between different businesses | (2,999,199) | (2,769,538) | (229,661) | 8.29 |
| Total operating costs | 147,860,433 | 220,580,548 | (72,720,115) | (32.97) |

Overview

In 2023, the operating cost of the Group amounted to RMB147,860,433,000, representing a decrease of RMB72,720,115,000 or 32.97% as compared to the last year.

Container shipping business cost

In 2023, the container shipping business cost amounted to RMB143,615,013,000, representing a decrease of RMB72,990,512,000 or 33.70% as compared to the last year, of which, the container shipping business cost incurred by COSCO SHIPPING Lines in 2023 amounted to RMB99,410,575,000, representing a decrease of RMB60,811,263,000 or 37.95% as compared to the last year.

Terminal business cost

In 2023, the terminal business cost amounted to RMB7,244,619,000, representing an increase of RMB500,058,000 or 7.41% as compared to the last year.

4. *Other profit or loss items*

Other income and expense, net

In 2023, the other income and expense, net was RMB5,059,605,000, representing an increase of RMB707,273,000 as compared to the last year. The increase was mainly due to the increase in subsidy income related to daily operating activities as compared to the same period last year.

Selling, administrative and general expenses

In 2023, the selling, administrative and general expenses of the Group amounted to RMB8,231,638,000, representing a decrease of RMB3,564,089,000 or 30.22% as compared to the last year. The decrease is primarily attributed to the decline in the efficiency of the container shipping business, and administrative expenses such as employee salaries decreased.

Finance income

The finance income of the Group in 2023 amounted to RMB7,473,850,000, representing an increase of RMB1,768,142,000 or 30.99% as compared to the last year, mainly due to the increase in interest rates on deposits as compared to the last year.

Finance costs

In 2023, the finance costs of the Group amounted to RMB3,735,448,000, representing a decrease of RMB105,189,000 or 2.74% as compared to the last year, of which interest expenses amounted to RMB3,592,746,000, representing a decrease of RMB88,094,000, or 2.39% as compared to the last year.

Share of profits of joint ventures and associated companies

In 2023, the Group's share of profits of joint ventures and associated companies in aggregate amounted to RMB4,697,824,000, representing an increase of RMB2,385,759,000 as compared to the last year. The share of profits for 2023 included investment gains based on equity accounting method from Shanghai International Port (Group) Co., Ltd.* (上海國際港務(集團)股份有限公司) and COFCO Fortune Co., Ltd.* (中糧福臨門股份有限公司) (“**COFCO Fortune**”), no such gains were recorded for the same period of last year.

Income tax expenses

In 2023, the income tax expenses of the Group amounted to RMB4,681,012,000, representing a decrease of RMB30,957,556,000 as compared to the last year, which was mainly due to the year-on-year decline in the overall operating efficiency of the Company.

Major suppliers

Total purchases from the top five suppliers of the Group in 2023 amounted to RMB28,533,435,000, accounting for 19.44% of the purchase amount during the Reporting Period.

5. Cash flow

As of the end of 2023, the total cash and cash equivalents amounted to RMB181,113,316,000, representing a decrease of RMB54,500,607,000 or 23.13% as compared to 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 2023, the net cash inflow from operating activities amounted to RMB22,612,055,000, representing a decrease of RMB174,186,750,000 or 88.51% as compared to the last year. The decrease was mainly due to the decrease in the operating results of the Group during the Reporting Period as compared to the last year.

(2) Net cash flow from investing activities

In 2023, the net cash outflow from investing activities amounted to RMB18,350,697,000, representing a decrease of RMB14,626,090,000 as compared to that of the last year. The decrease was mainly due to the decrease in cash paid by the Group for external equity investments during the Reporting Period as compared to the last year.

(3) Net cash flow from financing activities

In 2023, the net cash outflow from financing activities amounted to RMB60,021,698,000, representing a decrease of RMB55,355,936,000 as compared to that of last year. The decrease was mainly due to the decrease in cash paid by the Group for the distribution of profit and repayment of borrowings during the Reporting Period as compared to the last year.

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

The balance of cash and cash equivalents increased by RMB1,259,733,000 as of the end of 2023, which was primarily due to an increase in the exchange rate of US\$ against RMB during the year.

(III) Working Capital, Financial Resources and Capital Structure

Overview

As at 31 December 2023, the total assets of the Group amounted to RMB462,429,381,000, representing a decrease of RMB49,500,696,000 or 9.67% as compared to the end of last year. The total liabilities amounted to RMB219,209,909,000, representing a decrease of RMB38,927,074,000 or 15.08% as compared to the end of last year.

As at 31 December 2023, the total outstanding borrowings of the Group were RMB43,276,918,000. After deducting the cash and cash equivalents, net cash amounted to RMB137,836,398,000, representing a decrease of RMB54,969,848,000 as compared to the end of last year. As at 31 December 2023, the Group's net current assets were RMB75,138,167,000, and RMB101,678,996,000 of net current assets were recorded at the end of last year. As at 31 December 2023, the net cash (debt) to equity ratio was 39.77%, and 55.91% at 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 are expected to 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 31 December 2023 <i>RMB'000</i> | As at 31 December 2022 <i>RMB'000</i> |
|---|--|--|
| Short-term borrowings | 2,417,519 | 2,241,818 |
| Long-term borrowings | <u>40,859,399</u> | <u>40,565,859</u> |
| Total of long-term and short-term borrowings | <u>43,276,918</u> | <u>42,807,677</u> |
| Among which: | | |
| Interest payables – Short-term borrowings | 1,052 | 1,656 |
| – Long-term borrowings | <u>287,147</u> | <u>240,635</u> |
| Total interest payable | <u>288,199</u> | <u>242,291</u> |
| Long-term borrowings were repayable as follows: | | |
| Among which: | | |
| within one year | 8,118,638 | 5,806,773 |
| in the second year | 6,593,829 | 9,680,863 |
| in the third to fifth years | 13,260,597 | 13,348,978 |
| after the fifth year | <u>12,886,335</u> | <u>11,729,245</u> |
| Total | <u>40,859,399</u> | <u>40,565,859</u> |

Borrowings by categories

As at 31 December 2023, the Group had bank borrowings of RMB40,045,262,000 and other borrowings of RMB2,943,457,000, representing 93.15% and 6.85% of the total borrowings respectively. Of the bank borrowings, secured borrowings amounted to RMB14,517,085,000 and unsecured borrowings amounted to RMB25,528,177,000, representing 33.77% and 59.38% of the total borrowings respectively. Most of the borrowings of the Group bear interest at floating rate.

Borrowings by currency

As at 31 December 2023, the borrowings of the Group denominated in US\$ were equivalent to RMB25,026,465,000, borrowings denominated in RMB amounted to RMB12,439,785,000, borrowings denominated in Euro were equivalent to RMB4,812,673,000, and borrowings denominated in HK\$ were equivalent to RMB709,796,000, representing 58.21%, 28.94%, 11.20% and 1.65% of the total borrowings, respectively.

Secured borrowings

As at 31 December 2023, certain properties, plant and equipment and right-of-use assets of the Group with net book value of RMB29,123,527,000 (as at 31 December 2022: RMB24,806,233,000) were mortgaged to banks and financial institutions as collaterals for borrowings in the total amount of RMB14,517,085,000 (as at 31 December 2022: RMB15,618,839,000), representing 9.33% of the total value of the property, plant and equipment and right-of-use assets (as at 31 December 2022: 6.96%).

Company's guarantees

As at 31 December 2023, the Group provided guarantees of RMB10,152,029,000 (as at 31 December 2022: RMB12,835,652,000) in favour of its controlled entities and provided guarantees of RMB265,641,000 (as at 31 December 2022: RMB243,471,000) in favour of an associate.

Contingent liabilities

The Group is involved in certain claims and litigations, including but not limited to claims and litigations arising from damage to vessels in transit, loss of goods, delays in delivery, ship collisions, early termination of vessel leasing contracts and disputes in pledge supervision business.

As of 31 December 2023, the Group was uncertain of the likelihood and amount of the above claims. However, based on the advice of legal advisors and/or information available to the Group, the Directors believe that the amount of such claims should not have any material impact on the Group's consolidated financial statements for the year ended 31 December 2023.

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 arises.

Capital commitments

As at 31 December 2023, the Group had a total of 37 container vessels under construction. The capital commitments for future construction of container vessels amounted to RMB36,821,081,000.

As at 31 December 2023, the Group's capital commitments for investment in terminals amounted to RMB6,370,020,000 in aggregate, of which the commitments for purchasing fixed assets amounted to RMB4,539,921,000 and the commitments for equity investment in terminals amounted to RMB1,830,099,000.

Facilities

As at 31 December 2023, the unutilized bank loan facilities of the Group were RMB29,242,639,000. The Group pays close attention to the potential financial risks of the loan facilities, and has strengthened the monitor of liabilities and gearing ratio of its subsidiaries and has repaid bank loans in full according to the schedule.

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 funding utilization and control the scale of debts effectively.

(IV) Investment Analysis

Analysis of external equity investments

As at 31 December 2023, the total balance of the Group's investments in associated companies and joint ventures amounted to RMB66,883,000,000, representing an increase of RMB8,817,000,000 as compared to the end of last year. During the Reporting Period, the Group completed the acquisition of 5.81% equity interest in COFCO Fortune at the consideration of RMB5,500,000,000; and completed the acquisition of 24.99% equity interest in the container terminal of Hamburg in Germany at the consideration of EUR46,000,000.

1. Significant equity investment

Unit: '000 Currency: RMB

| Name of Investee | Principal activities | Whether the principal business of the subject matter is investment | Means of investment | Amount of Investment | Proportion of shareholding | Whether it should be consolidated | Items of statements (if applicable) | Source of funds | Cooperated parties (if applicable) | Investment period (if any) | The progress of the balance sheet date | Expected revenue (if any) | The impact of profit or loss for the current period | Whether it involves litigation (if any) | Date of disclosure (if any) | Index of disclosure (if any) |
|-------------------------|----------------------|--|---------------------|----------------------|----------------------------|-----------------------------------|-------------------------------------|-----------------|------------------------------------|----------------------------|--|---------------------------|---|---|-----------------------------|------------------------------|
| | | | | | | | | | | | | | | | | |
| COFCO Fortune Co., Ltd. | Food business | No | Capital increase | 5,501,038 | 5.81% | No | | | / | / | / | / | 232,560 | No | 2023-1-17 | 2023-002 |
| Total | / | / | / | 5,501,038 | / | / | / | / | / | / | / | / | 232,560 | / | / | / |

2. Significant non-equity investment

Not applicable

3. Financial assets at fair value

Unit: '000 Currency: RMB

| Type of assets | Amount at the beginning of the period | Profits or losses on fair value change for the current period | Cumulative fair value changes recorded in equity | Impairment provided for the current period | Amount of purchase for the current period | Amount of disposal/repurchase for the current period | Other changes | Amount at the end of the period |
|---|---------------------------------------|---|--|--|---|--|---------------|---------------------------------|
| Share, funds and other investment | 93,108 | -3,485 | - | - | 3,798 | - | 1,579 | 95,000 |
| Ocean Hotel Shanghai Co., Ltd.* (上海遠洋賓館有限公司) | 108,491 | - | 258 | - | - | - | - | 108,749 |
| Guangzhou Port Co., Ltd.* (廣州港股份有限公司) | 1,545,667 | - | -9,813 | - | - | - | - | 1,535,854 |
| Yantai Port Co., Ltd.* (煙台港股份有限公司) | 135,784 | - | 5,239 | - | - | - | - | 141,023 |
| Qinhuangdao Port Co., Ltd.* (秦皇島港股份有限公司) | 43,130 | - | 9,972 | - | - | - | 689 | 53,791 |
| Convertible corporate bonds | 371,477 | 9,185 | - | - | - | - | - | 380,662 |
| Interest rate swaps | 42,303 | - | -23,197 | - | - | - | - | 19,106 |
| Other | 75,288 | - | 9,546 | - | - | 6,311 | 302 | 78,825 |
| Total | 2,415,248 | 5,700 | -7,995 | - | 3,798 | 6,311 | 2,570 | 2,413,010 |

Investment in securities

✓ Applicable Inapplicable

Unit: '000 Currency: RMB

| Type of securities | Stock code | Stock abbreviation | Initial investment cost | Source of funds | Carrying amount at the beginning of the period | Profits or losses on fair value change in current period | Cumulative fair value change recorded in equity | Amount purchased for the current period | Amount of disposal for the current period | Profits or losses for the investment in the current period | Carrying amount at the end of period | Accounting classification |
|--------------------|----------------------|--------------------------|-------------------------|------------------|--|--|---|---|---|--|--------------------------------------|---|
| Stock | 601228 | Guangzhou Port | 1,276,924 | Self-owned funds | 1,545,667 | - | -9,813 | - | - | 21,100 | 1,535,854 | Financial assets at fair value through other comprehensive income ("FVOCI") |
| Stock | 3369.HK | QHD PORT | 207,681 | Self-owned funds | 43,130 | - | 9,972 | - | - | 3,080 | 53,791 | FVOCI |
| Stock | 000597 | NORTHEAST PHARM | 200 | Self-owned funds | 1,746 | - | -266 | - | - | 28 | 1,481 | FVOCI |
| Stock | 600821 | NYOCOR | 99 | Self-owned funds | 609 | - | -94 | - | - | - | 515 | FVOCI |
| Stock | 600837 | Haitong Securities | 7,017 | Self-owned funds | 42,318 | - | 3,311 | - | - | 1,023 | 45,629 | FVOCI |
| Trust product | 87001 | Hui Xian REIT | 97,178 | Self-owned funds | 31,106 | -4,653 | - | - | - | 1,976 | 26,959 | Financial assets at fair value through profit or loss ("FVPL") |
| Bonds | 127039 | Beigang Convertible Bond | 321,492 | Self-owned funds | 371,477 | 9,185 | - | - | - | 793 | 380,662 | FVPL |
| Bonds | Multiple stock codes | Bond Investment | 611,309 | Self-owned funds | 623,742 | - | - | - | 240,957 | 20,690 | 380,610 | Financial assets at amortised cost |
| Stock | Multiple stock codes | Stock Investment | 174,649 | Self-owned funds | 62,001 | 1,168 | - | 3,798 | - | 5,301 | 68,040 | FVPL |
| Total | / | / | 2,696,549 | / | 2,721,796 | 5,700 | 3,110 | 3,798 | 240,957 | 53,991 | 2,493,541 | / |

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 | 4,260,271 | 4,508,287 | -5.50 |
| Asia and Europe (including the Mediterranean) | 4,358,456 | 4,542,071 | -4.04 |
| Asia Region (including Australia) | 7,991,188 | 8,178,984 | -2.30 |
| Other international regions (including the Atlantic) | 2,620,626 | 2,703,538 | -3.07 |
| Mainland China | 4,324,436 | 4,478,789 | -3.45 |
| Total | 23,554,977 | 24,411,669 | -3.51 |

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 | 2,370,159 | 2,735,550 | -13.36 |
| Asia and Europe (including the Mediterranean) | 2,763,710 | 2,965,270 | -6.80 |
| Asia Region (including Australia) | 4,620,251 | 4,849,143 | -4.72 |
| Other international regions (including the Atlantic) | 2,138,304 | 2,253,559 | -5.11 |
| Mainland China | 4,324,436 | 4,478,789 | -3.45 |
| Total | 16,216,860 | 17,282,311 | -6.16 |

(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 | 40,409,240 | 115,103,508 | -64.89 |
| Asia and Europe (including the Mediterranean) | 32,940,568 | 97,279,508 | -66.14 |
| Asia Region (including Australia) | 43,830,698 | 89,478,213 | -51.02 |
| Other international regions (including the Atlantic) | 25,869,260 | 51,759,782 | -50.02 |
| Mainland China | 11,433,374 | 12,925,609 | -11.54 |
| Total | 154,483,140 | 366,546,620 | -57.85 |

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 | 22,626,255 | 68,966,954 | -67.19 |
| Asia and Europe (including the Mediterranean) | 22,982,495 | 65,663,365 | -65.00 |
| Asia Region (including Australia) | 26,656,156 | 54,055,741 | -50.69 |
| Other international regions (including the Atlantic) | 21,422,615 | 44,185,895 | -51.52 |
| Mainland China | 11,603,220 | 13,071,328 | -11.23 |
| Total | 105,290,741 | 245,943,283 | -57.19 |

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

| Routes | Current period | Same period of last year | Percentage of change (%) |
|--|-----------------------|---------------------------------|---------------------------------|
| Trans-Pacific | 5,732,783 | 17,108,386 | -66.49 |
| Asia and Europe (including the Mediterranean) | 4,673,216 | 14,459,119 | -67.68 |
| Asia Region (including Australia) | 6,218,179 | 13,299,575 | -53.25 |
| Other international regions (including the Atlantic) | 3,670,023 | 7,693,304 | -52.30 |
| Mainland China | 1,622,032 | 1,921,196 | -15.57 |
| Total | 21,916,233 | 54,481,580 | -59.77 |

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 | 3,209,944 | 10,250,889 | -68.69 |
| Asia and Europe (including the Mediterranean) | 3,260,483 | 9,759,860 | -66.59 |
| Asia Region (including Australia) | 3,781,659 | 8,034,564 | -52.93 |
| Other international regions (including the Atlantic) | 3,039,186 | 6,567,561 | -53.72 |
| Mainland China | 1,646,127 | 1,942,854 | -15.27 |
| Total | 14,937,399 | 36,555,728 | -59.14 |

(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 ('000) | 168,125,772 | 384,035,553 | -215,909,781 |
| Including: Supply chain revenue other than ocean shipping | 29,048,047 | 33,264,649 | -4,216,602 |
| EBIT ('000) | 28,837,437 | 164,524,457 | -135,687,020 |
| EBIT margin | 17.15% | 42.84% | Decreased by 25.69 percentage points |
| Net profit ('000) | 22,415,476 | 136,815,488 | -114,400,012 |

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 ('000) | 116,043,142 | 257,750,850 | -141,707,708 |
| Including: Supply chain revenue other than ocean shipping | 19,114,207 | 20,303,798 | -1,189,591 |
| EBIT ('000) | 18,770,516 | 96,829,781 | -78,059,265 |
| EBIT margin | 16.18% | 37.57% | Decreased by 21.39 percentage points |
| Net profit ('000) | 12,674,761 | 69,939,390 | -57,264,629 |

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

| Items | Current period | Same period of last year | Difference |
|---|----------------|--------------------------|-------------|
| Revenue from container shipping business (US\$ '000) | 23,851,687 | 57,081,044 | -33,229,357 |
| Including: Supply chain revenue other than ocean shipping | 4,120,992 | 4,944,284 | -823,292 |
| Revenue per TEU from international routes (US\$/TEU) | 1,055.31 | 2,636.87 | -1,581.56 |
| EBIT (US\$ '000) | 4,091,113 | 24,454,058 | -20,362,945 |
| Net profit (US'000) | 3,180,041 | 20,335,541 | -17,155,500 |

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

| Items | Current period | Same period of last year | Difference |
|---|----------------|--------------------------|-------------|
| Revenue from container shipping business (US\$ '000) | 16,462,822 | 38,310,743 | -21,847,921 |
| Including: Supply chain revenue other than ocean shipping | 2,711,697 | 3,017,851 | -306,154 |
| Revenue per TEU from international routes (US\$/TEU) | 1,117.63 | 2,703.39 | -1,585.76 |
| EBIT (US\$ '000) | 2,662,938 | 14,392,274 | -11,729,336 |
| Net profit (US\$ '000) | 1,798,145 | 10,395,427 | -8,597,282 |

Note 1: "Supply chain revenue other than ocean shipping" refers to container shipping-related supply chain revenue excluding dual-brand ocean shipping revenue, which includes non-ocean shipping revenue as set out in the terms of dual-brand bills of lading.

Note 2: The revenue from routes and major performance indicators above were translated into US\$ at an average exchange rate of RMB7.0488: US\$1 in 2023 and RMB6.7279: US\$1 in 2022.

Terminal business

In 2023, the total throughput of COSCO SHIPPING Ports (a subsidiary of the Group) amounted to 135.8086 million TEUs, representing an increase of 4.38% as compared to the same period of last year, of which, the throughput of controlled terminals amounted to 30.7621 million TEUs, representing a decrease of 2.74% as compared to the same period of last year; and the throughput of non-controlled terminals amounted to 105.0465 million TEUs, representing an increase of 6.67% as compared to the same period of last year.

| Location of terminal | Current period (TEU) | Same period of last year (TEU) | Percentage of change (%) |
|--------------------------------|----------------------|--------------------------------|--------------------------|
| Bohai Rim Region | 46,589,991 | 43,120,988 | 8.04 |
| Yangtze River Delta Region | 14,569,524 | 13,986,956 | 4.17 |
| Southeast Coast and others | 5,951,456 | 6,392,128 | -6.89 |
| Pearl River Delta Region | 27,932,139 | 27,817,027 | 0.41 |
| Southwest Coast | 8,022,100 | 7,021,000 | 14.26 |
| Overseas | 32,743,344 | 31,768,975 | 3.07 |
| Total | 135,808,554 | 130,107,074 | 4.38 |
| Of which: Controlled terminals | 30,762,095 | 31,627,734 | -2.74 |
| Non-controlled terminals | 105,046,459 | 98,479,340 | 6.67 |

Major acquisition and disposal of assets and equity

The Group had no major acquisition and disposal in respect of its subsidiaries, associates and joint ventures during the Reporting Period.

Other material contracts

The Group had no other material contracts during the Reporting Period.

Other significant events

1. On 16 January 2023, the Company entered into the “Capital Increase Agreement in Respect of COFCO Fortune Co., Ltd.” with COFCO Group Limited* (中糧集團有限公司), COFCO Fortune and other investors, pursuant to which the Company subscribed for 179,968,695 shares of COFCO Fortune by way of a capital contribution of RMB5,499,999,987.02 by the Company in COFCO Fortune, representing approximately 5.81% of the total share capital of COFCO Fortune upon completion of the transaction. For details, please refer to the announcement of the Company dated 16 January 2023.
2. On 28 April 2023, the 26th meeting of the sixth session of the Board of the Company considered and approved the amendments to the Articles of Association and its appendices, i.e., the Rules of Procedures of Shareholders’ General Meetings and the Rules of Procedures of the Board of Directors; the 16th meeting of the sixth session of the Supervisory Committee of the Company considered and approved the amendments to the Rules of Procedures of the Supervisory Committee (the appendix to the Articles of Association). On 25 May 2023, the above amendments were approved at the 2022 annual general meeting of the Company. The amended Articles of Association has taken effect upon the completion of registration with the market entity registration and management authority, and its appendices, i.e., the Rules of Procedures of Shareholders’ General Meetings, the Rules of Procedures of the Board of Directors and the Rules of Procedures of the Supervisory Committee, took effect at the same time. For details, please refer to the announcement of the Company dated 28 April 2023, the circular of the Company dated 5 May 2023, the announcement of the Company dated 25 May 2023 and the overseas regulatory announcement of the Company dated 15 June 2023.

DIVIDEND

The details of the dividend have been disclosed in Note 8 of consolidated financial statements in this announcement. On 28 March 2024, the Company convened a board meeting to consider and approve the final profit distribution plan for 2023: to distribute cash dividend of RMB0.23 per Share (tax inclusive) to all Shareholders; based on the Company's total share capital of 15,957,586,817 Shares as at the date hereof, the final dividend for 2023 shall be around RMB3.670 billion. If there is a change in the number of Shares between the disclosure date of this announcement and the registration date of dividend distribution, the dividend per Share shall remain unchanged, with a corresponding adjustment to the total amount of distribution. Based on the above profit distribution plan, in addition to the cash dividends of around RMB8.196 billion already distributed to all Shareholders in the first half of 2023, the total dividend in respect of 2023 amounted to around RMB11.866 billion, accounting for approximately 50% of the consolidated profit attributable to equity holders of the Company for 2023.

The final dividend in respect of 2022 was RMB1.39 per ordinary Share (tax inclusive), with total amount of RMB22.477 billion. The total dividend in respect of 2022 amounted to approximately RMB54,827 million, accounting for approximately 50% of the consolidated profit attributable to equity holders of the Company for 2022.

The final dividend in respect of 2023 is subject to approval by the Shareholders at the forthcoming annual general meeting. The final dividend in respect of 2023 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 annual general meeting.

The Company will disclose in due course, among other things, further details regarding the expected timetable and arrangement for closure of register of H Shareholders in respect of the proposed payment of final dividend in respect of 2023 for the purpose of ascertaining Shareholders' entitlement to the payment of final dividend in respect of 2023 by the Company.

SUBSEQUENT EVENTS

Since the end of the Reporting Period, there have been no significant events affecting the Group.

DISCUSSION AND ANALYSIS OF THE BOARD CONCERNING THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry pattern and trend

Container shipping market

In 2023, global economy and trade experienced a slow recovery amid intensifying geopolitical conflicts, lingering local inflationary pressures and high interest rates in developed countries. According to the World Economic Outlook Report released by the International Monetary Fund (IMF) in late January 2024, the global economy grew by 3.1% in 2023, representing a drop of 0.4 percentage points as compared to 2022. As a result, the demand for global container transportation market showed only a slight growth in 2023. According to the data of Drewry, a consulting firm, demand for global container transport increased by 0.4% in 2023. At the same time, the container transportation market is facing increased pressure on the supply side. According to the data of Drewry, the global container capacity recorded a year-on-year increase of approximately 8% in 2023, doubling the growth rate of 2022.

As the growth in demand was far less than the growth in transport capacity, the market shifted from a weak balance between supply and demand to supply exceeding demand in 2023. At the end of 2023, as the Red Sea tensions continued to escalate, the supply and demand relationship improved in the short term, but did not change the market phenomena of "sufficient supply and weak demand".

Looking forward to 2024, with the end of the interest rate hike cycle in Europe and the United States, the restart of inventory replenishment in Europe and the United States, the deepening of the “Belt and Road” cooperation, and the gradual rise of emerging markets, the recovery of the global commodity trade is expected to restart, which will drive up demand in the global container shipping market. In 2024, the market delivery capacity is expected to be about 3 million TEUs, hitting a record high, while the mismatch between supply and demand persists. As far as the industry is concerned, the European Union will abolish the antitrust exemption for the liner shipping industry this year, and coupled with the changes and adjustments in the global container shipping alliances, which may have significant impact on the future landscape of corporate alliance, and competition in the market will become more intense.

As the trends of digital, chain-wide, green and low-carbon development continue to take root, customers will demand more in terms of visibility, controllability, predictability, traceability and carbon emission reduction, along with the traditional demands relating to tariffs and slots, and the product structure of the shipping industry will become more diversified.

Terminal business market

Against the backdrop of global carbon neutrality, new focal points of China’s export structure continue to emerge. China’s new energy industry chain related products possess global leading edges in price, technology and quality, and the export growth rate of new energy vehicles, photovoltaic and other products is expected to remain in a higher range. According to data released by China’s General Administration of Customs, China’s automobile exports reached 5.221 million units in 2023, representing a year-on-year increase of 57.4%. China’s automobile exports are accelerating, and the export scale of its related upstream and downstream industry chain is also gradually expanding, bringing new development opportunities for the port industry.

Terminal operators continue to build global terminal networks with efficient linkage capabilities and to strengthen port and shipping cooperation with shipping companies. As a terminal operator with shipping company background, we give full play to the important supporting role of our ports in the “end-to-end” logistics supply chain. By deepening strategic alignment with our industry chain and supply chain partners, including the Group’s sister units, and by linking up our processes, optimizing the allocation of resources, and facilitating the smooth communication of information, we drive the continuous expansion of our synergistic fields and deepen our synergistic levels, so as to create a win-win ecosystem for our industry chains and supply chain upstream as well as downstream, and to develop new advantages for our development.

(II) Development strategy of the Company

COSCO SHIPPING Holdings is positioned as a platform of global digital supply chain operation and investment, with container shipping as its core. It is the core company that undertakes COSCO Shipping Group’s vision of “building a world-class shipping technology enterprise” and is committed to providing customers with full-chain solution in terms of “container shipping + ports + related logistics services”.

In the container shipping segment, the Company will promote the integrated development of the “three networks” comprising the global shipping route network, end-to-end service network, and digital information network, so as to build a new strategic pattern of “Three Networks Combined and Five Elements in One” that is mutually supportive, organically integrated and reciprocally promoted. As such, we will continue to drive for brand value maximization and utility specialization, and to move towards becoming a “customer-oriented, value-leading and world-class integrated service provider of the container transportation ecosystem”.

In the terminal operation and management segment, the Company will adhere to the general principle of “seeking progress while maintaining stability” and deepen internal and external cooperation to lead the development of ecological innovation in the three major areas of “supply chain system, intelligent interconnection, and green and low carbon”. We insist on improving quality in a stable manner, and strive to build new engines for corporate development, innovation-driven new models and new management style of high-quality growth. We will continue to improve our value creation and realize a steady increase in our profits. The Company will strive to become a leading integrated global port operator through the twin engines of “merger and acquisition-driven leap-forward growth” and “lean operation”, supported by our three major transformations, namely, “to establish an information technology and digitization platform”, “to build an extended support center for the industry chain”, and “to optimize our organization control and talent cultivation system”.

The Company will continue to consolidate and develop our container shipping, terminal operation management and related businesses to enhance the shipping value chain. Through collaborative and lean management, we will continue to enhance the overall competitiveness of our container shipping and port services, further promote the healthy, stable and sustainable development of our major businesses, provide better services to our customers, and maximize corporate efficiency, corporate value and Shareholders’ returns.

(III) Operation plan

Container Shipping Business

In 2024, COSCO SHIPPING Holdings will deepen internal and external collaboration with an open, cooperative and innovative approach, consolidate the competitiveness of its core business, and lead the ecological innovation in the three major areas of “supply chain system, intelligent interconnection, and green and low carbon”, to continuously strengthen our position as a customer-oriented, value-leading and world-class integrated container ecosystem service provider.

Optimizing global shipping layout. The Company will bring more stable and high-quality service experience and supply chain protection to customers through smooth, orderly and efficient alliance cooperation. On 15 March 2024, the Ocean Alliance, of which the Dual Brands are members, launched the Day 8 Product that continues stability and coherence of service. The Ocean Alliance will boast around 355 vessels with an aggregate capacity of around 4.82 million TEUs and more than 480 direct Port Pairs. The Company’s routes portfolio will align with the new pattern of regional integration development, closely follow the changes in the industrial chain, enhance the competitiveness in emerging regional and third-country markets such as Southeast Asia region, South Asia region, Africa and America, and promote the balanced enhancement of global service capabilities. Meanwhile, the Company will actively participate in important strategies such as the China Western Land-Sea Trade Corridor, Hainan Free Trade Port, the revitalization of Northeast China; continue to upgrade the trunk and branch routes of Yangpu Port in Hainan and Beibu Gulf Port in Guangxi; accelerate the construction of the new land-sea trade corridor and the supporting logistics resources; and build a closely coordinated land-sea integrated container operation network to pave the way for the high-level opening up of China to the world.

Promoting supply chain, intelligent interconnection ecological innovation. The Company will focus on the integrated configuration and operation of “container shipping + port + related logistics services” to promote globalization and scale development to achieve breakthroughs, and connect the new development pattern of “dual circulation”. At the same time, the Company will focus on the full scenario of container supply chain services, relying on the stacking application of intelligent technology to comprehensively improve the efficiency of resource operation and the auxiliary management capability of customers’ supply chain, and enhance the cooperation effectiveness of all parties involved in the industry chain.

Promoting green and low-carbon ecological innovation. The Company will steadily promote the construction of new energy and dual-fuel-powered vessels for the Dual Brands strategy, and accelerate the construction of green fleets equipped with the latest technologies developed in the industry. In consideration of the new requirements of the environmental protection regulations, the Company will dynamically carry out the pilot projects for energy-saving and emission reduction and the technical transformation in performing its contracts in order to ensure that the international and domestic regulatory requirements are met and our corporate responsibilities are fulfilled. The Company will actively explore the construction of a supply chain system for new energy fuels, such as methanol, to provide strong support for the Company’s green and low-carbon transformation and development.

Terminal Business

The Company will continue to focus on improving quality and increasing efficiency. Utilizing service improvement, cost control and business optimization as the mainstay, and digitalization and artificial intelligence as the driving force, we will improve the profitability and efficiency level of our asset portfolio. Seizing the opportunity of China’s advanced manufacturing industry expanding overseas, we will expand our service scope, create incremental value, improve cost control, strengthen our low-cost competitive advantage, innovate in our business model, and promote the strong linkage of our port and shipping resources.

The Company will continue to offer end-to-end supply chain services and focus on new development trends in the world and integrate into the new “dual cycle” development pattern. We will make full use of our global terminal network, supply chain base, digital intelligence and other resource advantages to create high-quality service benchmark products and provide efficient and convenient port logistics supply chain solutions. We insist on being driven by innovation and will accelerate the construction of a new green transportation model that is clean, low-carbon, safe, and efficient.

The Company will actively promote the deployment of global terminal resources, and on the basis of the existing network, continue to explore opportunities in emerging markets, regional markets and third-country markets represented by the Regional Comprehensive Economic Partnership (RCEP). We will steadily advance the deployment of port resources in Southeast Asia, Africa and South America to improve our global terminal network. At the same time, we will continue to participate in domestic port resource consolidation to optimize our terminal set-up and enhance the quality of our assets.

OTHER INFORMATION

Annual General Meeting

It is proposed that an annual general meeting of the Company be held on Wednesday, 29 May 2024. For the purpose of ascertaining Shareholders' entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both days inclusive, during which no transfer of shares will be effected. Holders of H Shares of the Company whose names appear on the register of members of the Company on Thursday, 23 May 2024 at 4:30 p.m. are entitled to attend and vote at the annual general meeting of the Company.

The notice and the circular convening the annual general meeting will be despatched to the Shareholders in due course.

Corporate Governance

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

The Company has adopted its own 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, the Directors were not aware of any information which reasonably shows that the Company had not complied with the Corporate Governance Code or any applicable code provisions therein at any time during the year ended 31 December 2023.

Model Code for Securities Transactions by Directors

Since the listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2005, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by the Directors and Supervisors of the Company. After making specific enquiries with all Directors and Supervisors, each of them has confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2023.

Board Committees

The Company has established a strategic development committee, a risk control committee, an audit committee, a remuneration committee and a nomination committee.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”), established in April 2005, comprises 3 independent non-executive Directors. It is chaired by Prof. MA Si-hang Frederick and the other two members are Mr. SHEN Dou and Ms. HAI Chi-yuet. All members of the Audit Committee are competent and experienced in understanding, analyzing and reviewing the financial reports of listed companies.

The annual results of the Company have been reviewed by the Audit Committee.

REPURCHASE, SALE OR REDEMPTION OF LISTED SHARES

On 25 May 2023, the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders of the Company considered and approved the grant of a general mandate to the Board to repurchase A Shares and H Shares, so as to repurchase A Shares and H Shares not exceeding 10% of the number of A Shares and H Shares in issue as at the date of the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders, respectively. On 29 August 2023, the 27th meeting of the sixth session of the Board of the Company approved the “Proposal on the Share Repurchase Plan of COSCO SHIPPING Holdings”, and agreed to implement the share repurchase plan to safeguard the values of the Company and the interests of the Shareholders, to implement the repurchase of Shares in accordance with the framework of the general mandate for repurchase of Shares approved at the annual general meeting and in compliance with applicable laws. All purchased Shares will be cancelled and the registered share capital will be reduced accordingly.

On 31 August 2023, the Company commenced the repurchase of A Shares and H Shares. As of 31 December 2023, the Company had cumulatively repurchased 59,999,924 A Shares, representing 0.3733% of the total share capital as of the end of the Reporting Period, and the total amount paid was approximately RMB583,328,594 (excluding transaction costs), and the cancellation of the repurchased A Shares was completed on 29 November 2023; and cumulatively repurchased 97,949,000 H Shares, representing 0.6095% of the total share capital as of the end of the Reporting Period, and the total amount paid was HK\$740,023,330 (excluding transaction costs). Monthly reports on the repurchase of A Shares and H Shares are as follows:

Repurchase of A Shares

| Month of repurchase | Repurchased Shares | Purchase price per Share | | Total price (RMB) |
|---------------------|-----------------------|--------------------------|-----------------------|----------------------|
| | | Highest (RMB/Share) | Lowest (RMB/Share) | |
| August | 200,800 | 9.75 | 9.74 | 1,957,700.00 |
| September | 12,233,354 | 10.09 | 9.72 | 120,592,890.00 |
| October | 20,519,280 | 9.79 | 9.44 | 198,061,728.20 |
| November | 27,046,490 | 9.92 | 9.55 | 262,716,275.80 |

Repurchase of H Shares

| Month of repurchase | Repurchased Shares | Purchase price per Share | | Total price (HK\$) |
|---------------------|-----------------------|--------------------------|------------------------|-----------------------|
| | | Highest (HK\$/Share) | Lowest (HK\$/Share) | |
| August | 254,000 | 7.99 | 7.95 | 2,022,020.00 |
| September | 24,658,000 | 8.32 | 7.86 | 199,612,985.00 |
| October | 1,610,000 | 7.96 | 7.86 | 12,755,710.00 |
| November | 35,438,000 | 8.04 | 6.99 | 264,256,645.00 |
| December | 35,989,000 | 7.99 | 6.85 | 261,375,970.00 |

As at the date of this announcement, the Company has repurchased a total of 155,000,000 H Shares, representing 0.9645% of the total share capital of the Company as at the end of the Reporting Period, and the total amount paid was HK\$1,201,957,510.00. 41,467,000 and 113,533,000 repurchased H Shares were cancelled on 17 November 2023 and 29 February 2024, respectively.

Except for the aforesaid, neither the Company nor any of its subsidiaries had repurchased or sold any listed securities of the Company during the Reporting Period. The Company had not redeemed the Company's securities during the Reporting Period.

Pre-emptive Rights

The articles of association of the Company and the laws of the PRC contain no provision for any pre-emptive rights which would require the Company to offer new shares to the Shareholders on a pro-rata basis to their shareholdings.

Auditors

The Company has appointed PricewaterhouseCoopers and ShineWing Certified Public Accountants, LLP as the international and domestic auditors of the Company respectively for the year ended 31 December 2023. PricewaterhouseCoopers has conducted the audit of the Group's financial statements which are prepared in accordance with Hong Kong Financial Reporting Standards. Resolutions for the re-appointment of PricewaterhouseCoopers and ShineWing Certified Public Accountants, LLP as the international and domestic auditors of the Company respectively will be proposed at the forthcoming annual general meeting of the Company to be held in due course.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operation of the Group contained in this annual 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 in this annual 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 (1) no obligation to correct or update the forward-looking statements or opinions contained in this annual results announcement; and (2) no liability in the event that any of the forward-looking statements or opinions do not materialize or turn out to be incorrect.

PUBLICATION OF ANNUAL REPORT

This annual results announcement has been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company. An annual report for the year ended 31 December 2023 containing all the information required by Appendix D2 to the Listing Rules will be despatched to the Shareholders of the Company and will be available for review on the same websites in due course. In addition, the Company has also published the A Share annual report for the year ended 31 December 2023 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:

| | |
|--|---|
| “Accounting Guideline” | the Accounting Guideline issued by the Hong Kong Institute of Certified Public Accountants |
| “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 C1 to the Listing Rules |
| “COSCO SHIPPING Group” | China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and an indirect controlling shareholder of the Company |
| “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 with limited liability 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 Stock Exchange (Stock Code: 1199), and a non-wholly owned subsidiary of the Company |
| “Director(s)” | the director(s) of the Company |
| “Dual Brands” | Two container shipping service brands, namely “COSCO SHIPPING Lines” and “OOCL” |
| “Enterprise Accounting Standards” | The Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC |
| “Group” | the Company and its subsidiaries |

| | |
|--------------------|---|
| “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 |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “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 |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| “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 |
| “OOCL” | Orient Overseas Container Line Limited, a subsidiary of OOIL |
| “OOIL” | Orient Overseas (International) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 0316), and a subsidiary of the Company |
| “PRC” or “China” | the People’s Republic of China |
| “Reporting Period” | the year ended 31 December 2023 |
| “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.*
Xiao Junguang
Company Secretary

Shanghai, the People’s Republic of China
28 March 2024

As at the date of this announcement, the Directors of the Company are Mr. WAN Min¹ (Chairman), Mr. CHEN Yangfan¹ (Vice Chairman), Mr. YANG Zhijian¹, Mr. ZHANG Wei¹, Mr. TAO Weidong¹, Mr. YU De², Prof. MA Si-hang Frederick³, Mr. SHEN Dou³ and Ms. HAI Chi-yuet³.

1 Executive Director

2 Non-executive Director

3 Independent non-executive Director

** For identification purpose only*