



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)

2025 ANNUAL REPORT



Important notice

The board of directors (the “**Board**”), the directors (the “**Directors**”) and senior management of COSCO SHIPPING Holdings Co., Ltd. (the “**Company**” or “**COSCO SHIPPING Holdings**”, together with its subsidiaries, the “**Group**”) declare that there is no false information, misleading statements or material omissions in this annual report, and collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained herein.

All Directors of the Company attended the Board meeting held on 19 March 2026.

ShineWing Certified Public Accountants, LLP and SHINEWING (HK) CPA Limited have issued standard and unqualified auditor’s reports for the Company.

Mr. WAN Min (chairman and executive Director), Mr. TAO Weidong (executive Director and general manager), Mr. PAN Zhigang (Chief Financial Officer) and Mr. XU Hongwei (head of the accounting department) declare that they confirm the truthfulness, accuracy and completeness of the financial reports in this report.

The Board proposes the payment of a final dividend of RMB0.44 per share (tax inclusive) to the shareholders of the Company (the “**Shareholder(s)**”) for the year 2025, subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company.

Is there any occupancy of non-operating funds by controlling shareholders or its related parties?

No

Are there any guarantees provided to a third-party in violation of stipulated procedures?

No

Forward-looking statements

None of the forward-looking statements including future plan in this annual report constitutes a commitment by the Company to the investors. Investors are advised to be aware of the investment risks.

Material risk warning

Investors are advised to read the “Potential Risks” of “Management Discussion and Analysis” as set out in this annual report carefully.

Miscellaneous

Not applicable

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Company's Basic Information

I. Company's Information

Legal Chinese name	中遠海運控股股份有限公司
Legal Chinese stock short name	中遠海控
English name	COSCO SHIPPING Holdings Co., Ltd.
English stock short name	COSCO SHIP HOLD
Legal representative	WAN Min

II. Contact Persons and Methods

Secretary to Board of Directors

Name	XIAO Janguang
Contact address	No. 658 Dong Da Ming Road, Shanghai, the PRC
Telephone	(8621) 60298619
Facsimile	(8621) 60298618
E-mail	investor@coscoshipping.com

III. Basic Profile

Registered address	2nd Floor, 12 Yuanhang Business Centre, Central Boulevard and East Seven Road Junction, Tianjin Pilot Free Trade Zone (Port Free Trade Zone), Tianjin, the PRC
Postal code	300461
Place of business	No. 658 Dong Da Ming Road, Shanghai, the PRC
Postal code	200080
Company's website	http://hold.coscoshipping.com
Company's email	investor@coscoshipping.com

Company's Basic Information

IV. Information Disclosure and Inspection

Designated newspapers for disclosure of the Company's information Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily

Website designated by the China Securities Regulatory Commission ("CSRC") for publishing the annual report www.sse.com.cn

Place for inspection of annual report 8/F, No. 658 Dong Da Ming Road, Shanghai, the PRC

V. Information on the Company's Shares

Type of share	Place of listing	Stock short name	Stock code	Stock short name before change
A Shares	Shanghai Stock Exchange	COSCO SHIP HOLD	601919	China COSCO
H Shares	The Stock Exchange of Hong Kong Limited	COSCO SHIP HOLD	01919	China COSCO

Company's Basic Information

VI. Other Information

Domestic auditor engaged by the Company	Name:	ShineWing Certified Public Accountants, LLP
	Office address:	8/F, Block A, Fu Hua Mansion, No. 8 Chao Yang Men Bei Da Jie, Dongcheng District, Beijing, the PRC
	Name of signing auditor:	MA Yuanlan and XIE Tian
International auditor engaged by the Company	Name:	SHINEWING (HK) CPA Limited <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i>
	Office address:	17/F, Chubb Tower, Windsor House 311 Gloucester Road, Causeway Bay, Hong Kong
	Name of signing auditor:	Lee Shun Ming
Other information	Place of business in Hong Kong	48/F, COSCO Tower, 183 Queen's Road Central, Hong Kong
	Major bankers	Bank of China, Agricultural Bank of China, China Merchants Bank, etc.

Company's Basic Information

Legal advisers as to Hong Kong law
Paul Hastings (Hong Kong) LLP
Address: 22/F, Bank of China Tower, 1 Garden Road, Hong Kong

Legal advisers as to PRC law
Commerce and Finance Law Offices
Address: 6th Floor, NCI Tower, A12 Jianguomenwai Avenue, Beijing, the PRC

Domestic A share registrar and transfer office
China Securities Depository and Clearing
Corporation Limited Shanghai Branch
Address: 188 Yanggao South Road, Pudong New District, Shanghai, the PRC

Hong Kong H share registrar and transfer office
Computershare Hong Kong Investor Services Limited
Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

2025 Milestones of COSCO SHIPPING Holdings

01月 JANUARY

- The Convention between Carriers and Ports for Ocean Alliance 2025 was held in Bo'ao, Hainan, where Ocean Alliance launched its DAY9 services product, which comprises 41 services and three Atlantic services outside the Alliance.

02月 FEBRUARY

- COSCO SHIPPING Yangpu, the first domestically built 16000TEU methanol dual-fuel powered container ship, was named successfully in Yangzhou.
- CSCL Asia and New Los Angeles were successfully refuelled with biofuel oil at Xiamen Ocean Gate Container Terminal and Hong Kong terminal, respectively.



03月 MARCH

- Yangpu Port in Hainan to its sister port in Abu Dhabi, UAE direct call services MEX6 has added further capacity, helping to accelerate the development of the China-UAE corridor.
- The first warehouse of COSCO SHIPPING Holdings in West Africa has been established, marking a start of warehouse business of the Company in West Africa.
- IQAX announced a partnership with WiseTech Global to integrate electronic bill of lading (eBL) processes within CargoWise. Freight forwarders and logistics companies using the CargoWise logistics operating system can now tap directly into IQAX's eBL solution.



COSCO SHIPPING Holdings

04月 APRIL

- COSCO SHIPPING Holdings launched a new round of repurchase to effectively safeguard the value of the Company and protect interests and rights of its shareholders.
- COSCO SHIPPING Holdings was once again awarded the highest honor “Sapphire Award” in Protecting Blue Whales and Blue Skies Program.



05月 MAY

- On 7th May, OOCL, in collaboration with Chimbusco Pan Nation Petro-Chemical Co., Ltd.(CPN), completed Hong Kong's first B30 marine biofuel bunkering operation, supplying ISCC-EU Certified B30 marine biofuel to a containership operated by OOCL. The B30 blend, comprising 30% biodiesel, further reduced carbon emissions compared to B24 biofuel, advancing sustainable maritime operations.
- WSA3, West Coast of South America services of COSCO SHIPPING Holdings, successfully made its maiden call to Nansha Port.



06月 JUNE

- COSCO SHIPPING Holdings launches Southeast Asia customized supply chain solution.
- COSCO SHIPPING Holdings continued to enhance customer experience by introducing innovative initiatives such as the “replacing warehouse with containers”, trailer intermodal transportation, and the “Road-to-Sea” green logistics solution.



2025 Milestones of COSCO SHIPPING Holdings

07月 JULY

- COSCO SHIPPING Holdings continued to optimize the sea-rail intermodal network, and strengthened the resilience and service capabilities of the supply chain through the dual-track system of “scheduled” and “on-demand” rail services.
- COSCO SHIPPING Holdings actively developed its logistics services in the electric cars, lithium battery and solar product sectors, providing a wide range of flexible, one-stop cross-border logistics solutions covering the whole industry chain.

08月 AUGUST

- The new Yangpu-East Malaysia-Batam services and the intercontinental “South China - Southwest Coast of America” services completed their maiden call in Yangpu, Hainan.
- COSCO SHIPPING Holdings offered “Suixin Warehouse (随心倉)” service to endow its containers with the function of “mobile warehouse” to enable customers to reduce costs and improve efficiency.



09月 SEPTEMBER

- Following the launch of its global trailer products, COSCO SHIPPING Holdings has launched its global rail and global warehousing products.
- COSCO SHIPPING Holdings was selected into the list of cash dividend payers by the China Association for Public Companies, with its dividend yield ranking first and the total cash dividends ranking 11th.
- COSCO SHIPPING Holdings and OOIL were awarded the Best Return to Shareholders of the 2025 Phoenix Star Best Listed Companies.

10月 OCTOBER

- COSCO SHIPPING Holdings launched the second round of repurchase in 2025.
- COSCO SHIPPING Holdings actively supported the transportation of exhibits for the 8th China International Import Expo, with items from the Port of Chancay in Peru and elsewhere arriving safely in Shanghai.

COSCO SHIPPING
Holdings

11月 NOVEMBER

- COSCO SHIPPING Holdings has been rated A-class by SSE for consecutive three years for its information disclosure and has won four Golden Bull Awards.
- “From Chancay to Shanghai” made its debut at the 8th China International Import Expo, where COSCO SHIPPING Holdings participated in the Promotion Event on Cooperation and Development of the New Asia-Latin America Land-Sea Corridor in the New Era.



12月 DECEMBER

- Cherry Express of COSCO SHIPPING Holdings successfully launched its first vessel of the 2025 to 2026 season in Chile.
- COSCO SHIPPING Holdings focused on practical measures such as building a network of services for Yangpu Port, enhancing warehouse coordination, leveraging digital and intelligent technologies, and improving service quality, thereby injecting strong momentum into the operation of the Hainan Free Trade Port following the closure of its customs area.



Chairman's Statement

Dear Shareholders and investors,

In 2025, amid frequent adjustments to global trade and economic policies and intensifying geopolitical competition, the container shipping market experienced overall fluctuating and declining freight rates due to macroeconomic conditions, changes in supply-demand dynamics, etc. Facing multiple challenges, COSCO SHIPPING Holdings maintained strategic focus, concentrated on enhancing core competitiveness, precisely targeted new growth areas, and continuously strengthened profitability and risk resilience, achieving stable performance through the certainty of its own operations.

On behalf of the Board of Directors, I would like to extend our most sincere gratitude and highest respect to our worldwide shareholders, customers, partners, and employees who have consistently placed their trust in and supported us. It is precisely because of the trust and collaboration of all these stakeholders that we have been able to maintain strategic resolve and achieve steady operations in a complex and ever-changing market environment. Moving forward, we will continue to work hand in hand with all stakeholders to jointly write a new chapter of sustainable development.

Maintain stable core profitability and deliver effective returns to investors

In accordance with the HKFRS Accounting Standards, the Company achieved remarkable financial results during the Reporting Period, and recorded EBIT of RMB45.001 billion, net profit of RMB35.216 billion, net profit attributable to equity holders of the Company of RMB30.860 billion and basic earnings per share of RMB1.99. During the year, the Company maintained a stable financial structure, creating favorable conditions for achieving annual cash dividends. As at the end of the Reporting Period, the Company's asset-liability ratio of the Company was 41.42%, representing a decrease of approximately 1.28 percentage points as compared to the year end of 2024. Comprehensively considering the Company's sustainable development and return for the Shareholders, the Board recommends the Company to distribute a final dividend for the year 2025 of RMB0.44 per share (tax inclusive) to all shareholders.

Commit to scaled development and accelerate green transformation

Amid the restructuring and transformation of the container shipping alliance landscape, the Group has maintained strategic focus, resolutely driving leapfrog development in fleet capacity and the green upgrading of vessels, continuously consolidating its competitive advantages in the industry. In terms of fleet capacity, during 2025, the Group took delivery of 12 vessels of 16,000 TEU, bringing approximately 200,000 TEU in total capacity. As at the end of the Reporting Period, the Group's fleet capacity reached 3.6 million TEU, with self-owned and bareboat chartered vessels accounting for 75% of total capacity, firmly keeping tier one in the industry. The Group continues to advance fleet green iteration and innovate green shipping services. During the Reporting Period, three green methanol dual-fuel powered container vessels were successfully delivered and put into operation, marking a solid and crucial step forward in the Company's green and low-carbon transformation. In addition, with 14 newly ordered 18,500 TEU methanol dual-fuel container vessels in 2025, the Group's green vessels in operation and under construction have reached 42 vessels with nearly 780,000 TEU in capacity. These environmentally friendly and large-scale advanced vessels will significantly enhance the core competitiveness of the Group and lay a solid material foundation for the stable, efficient and low-carbon operation of the main global trade and economic channels in the future.

Chairman's Statement

Establish a multi-dimensional channel system to enhance our global footprint

During the Reporting Period, the Group actively advanced the Ocean Alliance collaboration. Leveraging the systematic and stable advantages of the Alliance's DAY9 services, the Group offer global customers hundreds of direct services featuring high on-time performance and fast delivery times, significantly improving cargo turnover efficiency and effectively reducing logistics costs. Meanwhile, the Group adheres to an integrated "hub + corridor + network" layout. By combining extended services such as sea-rail intermodal transport, water-to-water transshipment, and "Fortune Link" trailer, it supports the smooth implementation of projects like the Hainan Free Trade Port customs clearance and the construction of the New Era Yala Land-Sea New Channel. Specifically, it has established and improved two distinct networks: one centered on Yangpu Port, connecting all directions – east, west, north, and south – and another centered on Chancay Port, featuring a "three horizontal, four vertical" trunk-and-feeder network. In addition, the successful handover of the Laem Chabang Terminal in Thailand, the official launch of the Sukhna Red Sea Terminal in Egypt, and the successive establishment of subsidiaries in Kazakhstan, Saudi Arabia, and Rio de Janeiro, Brazil, signify that the Group is further deepening its involvement in the development of logistics infrastructure in emerging markets such as Southeast Asia, Africa, Central Asia, the Middle East, and Latin America. This marks the systematic establishment of a comprehensive global service network characterized by integrated trunk and feeder lines, seamless sea-land connectivity, balanced regional coverage, and multidimensional capabilities.

Deeply integrated into the industrial chain, revitalizing full-chain services

The Group is accelerating the development of foundational resources for its global supply chain to address differentiated market and customer needs, enriching its full-chain product portfolio to build a business system encompassing "full-chain products, full-chain sales, full-chain operations management, and full-chain customer service" during the Reporting Period. The Group's newly launched global trailer products covered nearly 170 thousand routes across 56 countries and regions. Its global railway products spanned nearly 2,000 routes across 26 countries and regions. The global warehousing products encompassed diversified services including container stuffing/un-stuffing, distribution, and drop shipping. The Group has deeply integrated into the industrial and supply chains of clients across automotive, home appliance, and photovoltaic sectors, developing 12 customized end-to-end logistics solutions. Whether delivering "one-box-to-door" transcontinental full-chain transportation for international logistics projects or providing "one-click express" cross-border e-commerce services tailored for small and medium-size enterprise, these offerings have set new benchmarks for industry collaboration. During 2025, the container shipping business segment generated supply chain revenue other than shipping fee of RMB44.888 billion, representing a year-over-year increase of 9.64%. Transaction volumes for digital supply chain products grew steadily, and economies of scale began to emerge.

Chairman's Statement

Forging new-quality productive forces and advancing digital and intelligent innovation

Leveraging digital and intelligent capabilities, the Group vigorously advances the development of a global digital supply chain platform centered on goods, effectively enhancing resource operation management efficiency and customer service standards during the Reporting Period. The Group accelerated the implementation of its “AI+” strategy across all business scenarios, deeply mined data value, and leveraged big data to transform “data” into “insights”. The capabilities of the Smart Rate and Smart Space Management Platform continue to expand. The Smart Container Deployment System has significantly boosted the automation rate of trunk line empty container transfers. The global deployment of systems like Transport Management System (TMS) and Warehousing Management System (WMS) is accelerating. The scale of unmanned container trucks and automated yard crane operations is growing steadily. And the proactive “anomaly” management capabilities of the Supply Chain Control Tower have been significantly enhanced. All these advancements further drive the realization of the “Global Visibility, Global Inquiry, Global Purchase, Global Delivery” objectives across the entire service chain. The Group has issued over 800,000 blockchain electronic bills of lading developed through GSBN, covering more than 90 countries and regions worldwide. It has also played a key role in the formal release of the ISO 5909 international standard for blockchain electronic bills of lading, contributing significantly to the establishment of digital shipping regulations and the facilitation of global trade.

Looking ahead into 2026, the container shipping industry will remain complex and uncertain. On the one hand, the ongoing international geopolitical tensions and the uncertain outlook for the Middle East will amplify the volatility of global supply chains. The shift of global trade landscape towards regionalization, diversification and nearshoring will gain an increasing momentum. On the other hand, there are growing needs of cargo owners to secure the stability of supply chain and the controllability of entire chain. They place stricter demand for partners' global network and end-to-end capabilities. The deepening application of digitalization and artificial intelligence will become a key driver for the transformation and upgrading of the shipping and logistics industry and the reshaping of its future competitive advantages.

Against this backdrop, COSCO SHIPPING Holdings will focus on meeting global customers' needs. In accordance with its positioning, the Company will firmly advance global and large-scale development, and comprehensively promote end-to-end, digital, intelligent, green and integrative development. Underpinned by digital intelligence, it will optimize the end-to-end costs, develop a dynamic and lean cost management system, and take the lead to create a new ecosystem for intelligent, green and collaborative development. With the certainty brought by high-quality development, the Company will address the uncertainties of the market environment, forge core competence for its sustainable development amidst ever-changing condition, strive to provide better services to customers, and continuously create value for shareholders.

Wan Min

Chairman of the Board

19 March 2026

Summary of Accounting Data

Results for the year ended 31 December 2025 (the “Reporting Period”) prepared under the HKFRS Accounting Standards

	For the year ended 31 December 2025 RMB'000	For the year ended 31 December 2024 RMB'000	Change in Amount RMB'000
Revenues	219,503,805	233,859,079	(14,355,274)
Profit before income tax	41,987,917	67,086,756	(25,098,839)
Profit after income tax	35,216,223	55,592,667	(20,376,444)
Profit for the year	35,216,223	55,592,667	(20,376,444)
Profit attributable to equity holders of the Company	30,859,651	49,172,465	(18,312,814)
Basic earnings per share (RMB)	1.99	3.08	(1.09)
Final dividend per share (RMB)	1.00	1.55	(0.55)
– Interim dividend	0.56	0.52	0.04
– Final dividend	0.44	1.03	(0.59)
Final dividend payout ratio	50%	50%	–
Total assets	483,758,024	497,472,214	(13,714,190)
Total liabilities	200,351,999	212,413,437	(12,061,438)
Non-controlling interests	51,140,701	50,390,714	749,987
Equity attributable to equity holders of the Company	232,265,324	234,668,063	(2,402,739)
Net cash (debt) to equity ratio	26.22%	37.88%	Decreased by 11.66 percentage points
Gross profit margin	19.45%	28.94%	Decreased by 9.49 percentage points

Management Discussion and Analysis

Results for the Reporting Period prepared in accordance with the HKFRS Accounting Standards

	2025 RMB'000	2024 RMB'000	Difference RMB'000
Revenues	219,503,805	233,859,079	(14,355,274)
Operating profit	34,518,641	59,023,154	(24,504,513)
Profit before income tax	41,987,917	67,086,756	(25,098,839)
Profit for the year	35,216,223	55,592,667	(20,376,444)
Profit attributable to equity holders of the Company	30,859,651	49,172,465	(18,312,814)
Basic earnings per share (RMB)	1.99	3.08	(1.09)

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

Operating income of the Group for the year of 2025 was RMB219,503,805,000, representing a decrease of RMB14,355,274,000 or 6.14% as compared to the last year. Profit attributable to equity holders of the Company for the year of 2025 was RMB30,859,651,000, representing a decrease of RMB18,312,814,000 or 37.24% as compared to the last year.

Management Discussion and Analysis

(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	2025 RMB'000	2024 RMB'000	Difference RMB'000	Percentage change (%)
Revenues	219,503,805	233,859,079	(14,355,274)	(6.14)
Cost of services	(176,802,237)	(166,175,223)	(10,627,014)	6.40
Other income	2,121,642	2,120,213	1,429	0.07
Other expenses	(153,178)	(175,488)	22,310	(12.71)
Other income and expense, net	1,968,464	1,944,725	23,739	1.22
Reversal of/(provision for) impairment losses on financial assets, net	18,752	(67,950)	86,702	(127.60)
Selling, administrative and general expenses	(10,170,143)	(10,537,477)	367,334	(3.49)
Finance income	5,377,864	6,297,079	(919,215)	(14.60)
Finance costs	(3,146,349)	(3,177,195)	30,846	(0.97)
Share of profit less loss attributable to joint ventures and associates	5,237,761	4,943,718	294,043	5.95
Among which: joint ventures	627,971	565,522	62,449	11.04
associates	4,609,790	4,378,196	231,594	5.29
Income tax expenses	(6,771,694)	(11,494,089)	4,722,395	(41.09)
Net cash generated from operating activities	45,545,770	69,312,919	(23,767,149)	(34.29)
Net cash used in investing activities	(25,378,766)	(26,971,632)	1,592,866	(5.91)
Net cash used in financing activities	(51,737,289)	(40,620,065)	(11,117,224)	27.37

Management Discussion and Analysis

2. Revenues

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

Overview

In 2025, the revenues of the Group amounted to RMB219,503,805,000, representing a decrease of RMB14,355,274,000 or 6.14% as compared to the last year.

Revenue from container shipping business

In 2025, the revenue from container shipping business amounted to RMB210,731,494,000, representing a decrease of RMB15,239,878,000

or 6.74% as compared to the last year, of which COSCO SHIPPING Lines generated revenues of RMB147,932,945,000 from container shipping business, representing a decrease of RMB8,126,979,000 or 5.21% as compared to the last year.

Revenue from terminal business

In 2025, revenue generated from the terminal business amounted to RMB12,041,308,000, representing an increase of RMB1,231,309,000 or 11.39% as compared to the last year.

Major customer

Total sales to the top five customers of the Group of 2025 amounted to RMB14,450,135,000, accounting for 6.58% of the total sales for the year.

3. Costs

Cost analysis

Components of cost	2025 RMB'000	2024 RMB'000	Difference RMB'000	Percentage change (%)
Equipment and cargo transportation costs	82,056,147	76,919,294	5,136,853	6.68
Voyage costs	37,221,909	37,637,766	(415,857)	(1.10)
Vessel costs	35,980,446	31,695,046	4,285,400	13.52
Other related business costs	14,509,233	13,662,670	846,563	6.20
Tax and surcharges	1,230,396	1,334,680	(104,284)	(7.81)
Sub-total – container shipping operating costs	170,998,131	161,249,456	9,748,675	6.05
Container terminals and related business costs	8,921,118	7,709,493	1,211,625	15.72
Tax and surcharges	77,268	66,120	11,148	16.86
Sub-total – container terminal operating costs	8,998,386	7,775,613	1,222,773	15.73
Elimination between different businesses	(3,194,280)	(2,849,846)	(344,434)	12.09
Total operating costs	176,802,237	166,175,223	10,627,014	6.40

Management Discussion and Analysis

Overview

In 2025, the operating cost of the Group amounted to RMB176,802,237,000, representing an increase of RMB10,627,014,000 or 6.40% as compared to the last year.

Container shipping business cost

In 2025, the container shipping business cost amounted to RMB170,998,131,000, representing an increase of RMB9,748,675,000 or 6.05% as compared to the last year, of which, the container shipping business cost incurred by COSCO SHIPPING Lines in 2025 amounted to RMB119,541,122,000, representing an increase of RMB8,442,816,000 or 7.60% as compared to the last year.

Terminal business cost

In 2025, the terminal business cost amounted to RMB8,998,386,000, representing an increase of RMB1,222,773,000 or 15.73% as compared to the last year.

4. Other profit or loss items

Other income and expense, net

In 2025, the other income and expense, net, was RMB1,968,464,000, representing an increase of RMB23,739,000 as compared to the last year, of which: during the Reporting Period, the Group's net foreign exchange gains decreased as compared to the last year, while the amount of dividends from financial assets at FVOCI of the Group increased as compared to the last year.

Selling, administrative and general expenses

In 2025, the selling, administrative and general expenses of the Group amounted to RMB10,170,143,000, representing a decrease of RMB367,334,000 or 3.49% as compared to the last year.

Finance income

In 2025, the finance income of the Group amounted to RMB5,377,864,000, representing a decrease of RMB919,215,000 or 14.60% as compared to the last year, primarily due to a decrease in both the average deposit balance and deposit interest rates, resulting in a year-on-year decline in interest income.

Management Discussion and Analysis

Finance costs

In 2025, the finance costs of the Group amounted to RMB3,146,349,000, representing a decrease of RMB30,846,000 or 0.97% as compared to the last year, primarily due to a decrease in loan interest rates, resulting in a year-on-year reduction in interest expenses.

Share of profits less losses of joint ventures and associated companies

In 2025, the Group's share of profits less losses of joint ventures and associated companies in aggregate amounted to RMB5,237,761,000, representing an increase of RMB294,043,000 as compared to the last year.

Income tax expenses

In 2025, the income tax expenses of the Group amounted to RMB6,771,694,000, representing a decrease of RMB4,722,395,000 or 41.09% as compared to the last year.

Major suppliers

Total purchases from the top five suppliers of the Group in 2025 amounted to RMB45,183,777,000, accounting for 25.75% of the total purchases during the Reporting Period.

5. Cash flow

As of the end of 2025, the cash and cash equivalents amounted to RMB150,881,601,000, representing a decrease of RMB33,307,477,000 or 18.08% from the end of last year. The cash and cash equivalents of the Group were principally denominated in RMB and US\$, and the rest were denominated in EUR, HK\$ and other currencies.

(1) Net cash flows from operating activities

In 2025, the net cash generated from operating activities amounted to RMB45,545,770,000, representing a decrease of RMB23,767,149,000 or 34.29% as compared to that of the last year. The decrease was mainly due to the decrease in the operating results of container shipping business of the Group during the Reporting Period as compared to that for the last year.

Management Discussion and Analysis

(2) Net cash flows from investing activities

In 2025, the net cash used in investing activities amounted to RMB25,378,766,000, representing a decrease of RMB1,592,866,000 as compared to that of the last year, mainly due to a year-on-year reduction in cash payments made by the Group for shipbuilding, terminal construction, and equity investments during the Reporting Period.

(3) Net cash flows from financing activities

In 2025, the net cash used in financing activities amounted to RMB51,737,289,000, representing an increase of RMB11,117,224,000 as compared to that for the last year. During the Reporting Period, cash paid for dividend distribution of the Group and cash paid for repurchase of the Company's shares increased, while cash paid for repayment of borrowings decreased as compared to that for the last year.

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

The balance of cash and cash equivalents decreased by RMB1,737,192,000 as of the end of 2025, mainly due to a decrease in exchange rate of US\$ against RMB during the Reporting Period.

(III) Working Capital, Financial Resources and Capital Structure

Overview

As of the end of 2025, the total assets of the Group amounted to RMB483,758,024,000, representing a decrease of RMB13,714,190,000 or 2.76% as compared to the end of last year. The total liabilities amounted to RMB200,351,999,000, representing a decrease of RMB12,061,438,000 or 5.68% as compared to the end of last year.

As of the end of 2025, the total outstanding borrowings of the Group were RMB33,194,270,000. The cash and cash equivalents, net of the total outstanding borrowings, amounted to net cash of RMB117,687,331,000, representing a decrease of RMB31,826,061,000 as compared to the end of last year. As of the end of 2025, the Group's net current assets were RMB58,272,644,000, representing a decrease of RMB25,053,630,000 or 30.07% as compared to the end of last year. As of the end of 2025, the net cash (debt) to equity ratio was 26.22%, representing a decrease of 11.66 percentage points as compared to the end of last year. The formula for calculating the net cash (debt) to equity ratio is as follows: net cash (debt) to equity ratio = (cash and cash equivalents – total borrowings – total lease liabilities)/owners' equity.

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

Management Discussion and Analysis

Secured borrowings

As at 31 December 2025, the secured borrowings of the Group totalled RMB16,542,261,000, including guaranteed borrowings, pledged borrowings and borrowings secured by both guarantees and assets pledges.

Company's guarantees

As at 31 December 2025, the guarantees provided among the Group's consolidated entities amounted to RMB7,620,081,000 (as at 31 December 2024: RMB9,367,077,000) and guarantees provided to an associated company amounted to RMB399,422,000 (as at 31 December 2024: RMB364,996,000).

Contingent liabilities

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

Based on the advice of legal counsel and/or the information available to the Group, the Directors are of the view that the amount of the claims should have no material impact on the Group's consolidated financial statements for the year ended 31 December 2025.

Foreign exchange risk

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

Capital commitments

As at 31 December 2025, the Group holds a total of 54 newbuilding vessels, with the future capital commitments for the construction of container vessels amounted to RMB52,054,279,000.

The Group's capital commitments for terminal assets amounted to RMB2,992,780,000. The Group's equity investment commitment amounted to RMB115,746,000.

Management Discussion and Analysis

Facilities

As at 31 December 2025, the unutilized bank loan facilities of the Group were RMB12,089,458,000. 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 debts, debts refinancing and material future capital expenditures, in order to make financing arrangements in advance, enhance funding and debts management, optimize the funding utilization and control the scale of debts effectively.

(IV) Investment Analysis

Analysis of external equity investments

As of the end of 2025, the balance of the Group's investments in associated companies and joint ventures was RMB76.871 billion, representing an increase of RMB4.370 billion as compared to the end of last year.

1. Significant equity investment

Not applicable.

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 Provision for the current period	Amount purchased for the current period	Amount sold/ redeemed for the current period	Other changes	Amount at the end of the period
Financial assets at fair value through profit or loss								
– current	65,948	13,993	-	-	-	-	(1,681)	78,260
– non-current	444,761	18,325	-	-	-	(420,189)	4,045	46,942
Financial assets at fair value through other comprehensive income	4,916,682	-	269,344	-	41,734	(41,734)	(69,738)	5,116,288
Total	5,427,391	32,318	269,344	-	41,734	(461,923)	(67,374)	5,241,490

Management Discussion and Analysis

Investment in securities

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	1,663,432	-	(73,603)	-	-	19,137	1,589,829	Financial assets at fair value through other comprehensive income ("FVOCI")
Stock	3369.HK	QHD PORT	207,681	Self-owned Funds	82,451	-	25,971	-	-	3,764	106,025	FVOCI
Stock	000597	NORTHEAST PHARM	200	Self-owned Funds	1,459	-	(14)	-	-	28	1,445	FVOCI
Stock	600821	NYOOCR	99	Self-owned Funds	454	-	(25)	-	-	17	429	FVOCI
Stock	0300.HK	Midea Group	2,020,621	Self-owned Funds	2,819,452	-	338,074	-	-	159,021	3,089,704	FVOCI
Stock	600837	Haitong Securities	7,017	Self-owned Funds	54,151	-	(12,417)	-	(41,734)	-	-	FVOCI
Stock	601211	Guotai Haitong	41,734	Self-owned Funds	-	-	20,311	41,734	-	1,298	62,045	FVOCI
Trust product	87001.HK	Hui Xian REIT	97,178	Self-owned Funds	14,664	782	-	-	-	80	15,108	Financial assets at fair value through profit or loss ("FVPL")
Convertible bonds	127039	Beigang Convertible Bond	321,492	Self-owned Funds	401,864	18,325	-	-	(420,189)	-	-	FVPL
Bonds	Multiple stock codes	Debt Investment	373,767	Self-owned Funds	386,006	-	-	-	(35,696)	18,608	341,455	Financial assets at amortised cost
Stock	Multiple stock codes	Stock Investment	136,695	Self-owned Funds	51,284	13,211	-	-	-	1,741	63,152	FVPL
Total	/	/	4,483,408	/	5,475,217	32,318	298,297	41,734	(497,619)	203,694	5,269,192	/

Management Discussion and Analysis

(V) Industry Operation Information

Situation of the industry of the Company

Container shipping market

In 2025, uncertainties in global economic and trade policies drove cargo owners to replenish their warehouses in advance with additional advance demand. According to statistics from third-party research institutes, the transportation demand in the container shipping market maintained an overall growth of approximately 3.5%. Among which, the eastbound cargo volume of the Pacific routes had declined as compared to the last year, while the westbound cargo volume of the European routes was expected to grow by around 8%, and the growth of the cargo volume in the Central and Southeast Asia and Africa markets was also expected to reach over 9%.

In 2025, the global container fleet capacity increased by about 7% as compared to the last year. The delivery pressure during the year was less than that in 2024, but the order size still remained high. During the Reporting Period, the situation in the Red Sea eased slightly, the alliance structure was significantly adjusted, and the competitive landscape became increasingly complicated.

During the Reporting Period, the growth of capacity was faster than the growth of transportation demand. Coupled with the easing of the Red Sea effect, the freight rate in 2025 significantly reduced compared with that in 2024. On the other hand, as global tariff policy uncertainties affected the continuity of the release of transportation demand, the market freight rate became more volatile in 2025. The Shanghai Containerized Freight Index (SCFI) indicated that in 2025, the index began with a decline from its peak. A cargo rush pushed the index to its annual high in the second quarter. Entering the third quarter, as the benefits of the rush diminished, freight rates quickly fell back. The average freight rate in the fourth quarter was lower than that in the third quarter. However, as the great power rivalry came to a pause, freight rates showed a certain trend of recovery and stabilization.

Terminal business market

In 2025, the global port industry showed a differentiated development trend in the complex and volatile economic and trade landscape. Continued geopolitical disruptions and frequent adjustments to trade policies have brought significant uncertainties to the global supply chain. The slowdown in the growth of major economies had dragged down the growth of port throughput. However, trade among emerging markets continued to deepen, and regions such as ASEAN and Latin America became important engines for the growth of the industry. At the same time, the global port industry accelerated its green and smart transformation, AI deeply empowered operation and management, the application of clean energy continuously expanded, and digitalization and low-carbonization had become the core driving force for the reshaping of the industry landscape.

Management Discussion and Analysis

Under such circumstances, COSCO SHIPPING Ports maintained a steady growth in its business scale by leveraging its global terminal network and capitalizing on the synergistic advantages of its dual-brands with COSCO SHIPPING Holdings and OCEAN Alliance. The total throughput for the year reached 152,994,965 TEUs, representing a year-on-year increase of 6.2%, of which the total throughput of the terminals in China increased by 4.6% as compared to the last year to 114,836,474 TEUs, and that in overseas terminals increased by 11.5% as compared to the last year to 38,158,491 TEUs, maintaining its leading position in the industry in terms of total container throughput. Its important hub status continued to be consolidated. European hubs such as Piraeus Terminal and Zeebrugge Terminal had grasped the opportunity of alliance reshuffle to add multiple new shipping routes. The Southeast Asian layout continued to deepen, with the completion of the equity transfer for Laem chabang Terminal in Thailand, further consolidating the regional network coverage. Breakthrough progress was made in the construction of strategic hubs. Peru's Chancay Port had commenced commercial operations. As the first smart and green port in South America, it had opened up a new land-sea corridor to Asia, significantly shortening the logistics time from South America to Asia and becoming a key node in reshaping the regional economic and trade landscape.

Facing the trend of green and low-carbon transition in the industry, the Company vigorously promoted digital-intelligent, green, and integrated development. The construction of smart terminals entered the stage of large-scale application, scenarios such as autonomous container trucks and automated yard crane continuously expanded, and the digital twin energy management and control platform enabled lean operation. The application of clean energy continued to expand, green fuel refueling capabilities were gradually built, and a number of its terminals were certified as green ports, setting a benchmark for the sustainable development of the industry.

Situation of the business of the Company

Container shipping business

1. Main business

COSCO SHIPPING Holdings mainly manages its international and domestic container transportation services and related business through COSCO SHIPPING Lines, its wholly-owned subsidiary, and OOIL, its indirectly-controlled subsidiary. Leveraging on its container transportation network with global operations and integrated services, the Company actively develops global digital supply chain services to create higher value for customers and upstream and downstream partners around the world.

Management Discussion and Analysis

2. Business model

Focusing on the positioning of “a global digital supply chain operation and investment platform with a primary focus on container shipping”, COSCO SHIPPING Holdings adheres to the dual-driven development of digital supply chain and green and low-carbon development, insists on the integrated development of “container shipping + port + related logistics”, the integrated promotion of “investment + construction + operation” and the integrated layout of “hub + corridor + network”, and is committed to providing customers with global digital supply chain services.

3. Performance drivers

In 2025, the container shipping market maintained a 4% growth in transportation demand, of which the growth in the first half of the year exceeded expectations, and the growth rate in the second half of the year slowed down but maintained a stable growth. As the increase in market fleet capacity outpaced demand growth, freight rates in 2025 were significantly lower than in 2024, with the average annual level of SCFI and CCFI composite freight indices declining by 37% and 23% year-on-year, respectively. These factors led to substantial fluctuations in shipping companies' revenue growth.

At the same time, container liner companies were facing increased rigid expenditures due to fleet expansion and structural upgrades, a surge in operating costs caused by changes in geopolitical and trade policies, and increased investment in technological upgrades and carbon tax costs under environmental compliance pressures, leading to a continuous increase in cost pressures.

With the sharp decline in market freight rates and increasing cost pressures, the profitability of major container liner companies in 2025 was lower than that of last year.

Facing the ever-changing and challenging market environment, the Company has always upheld a “customer-centric” service concept, actively and deeply integrated into customers' supply chain systems, and accurately met customers' diversified transportation needs. Through the overall allocation of global resources, optimization of route layout and capacity arrangement, continuous innovation of service model and product system, and giving full play to the core driving role of scientific and technological innovation and digital technology in the supply chain system, the Company provided customers with more convenient, efficient and differentiated services, made a significant contribution to ensuring the stability and smooth operation of the global supply chain and laid a solid foundation for strengthening the fundamental aspects of the Company's business operation.

Management Discussion and Analysis

Terminal business

1. Main business

COSCO SHIPPING Holdings is mainly engaged in the loading, unloading and stockpiling of containers and bulk cargoes through COSCO SHIPPING Ports, the terminals portfolio of which covers the five major port clusters along the coast of China and the middle and lower reaches of the Yangtze River and ports in Europe, the Mediterranean, the Middle East, Southeast Asia, South America and Africa etc. As of 31 December 2025, COSCO SHIPPING Ports operated and managed 387 berths at 40 ports globally, of which 238 were for containers, with an annual handling capacity of approximately 133 million TEUs. COSCO SHIPPING Ports will continue to build a global terminal network with efficient connectivity capabilities to create value for stakeholders such as customers, partners, shareholders, employees, local communities, social organizations and international institutions, and contribute to the economic and trade prosperity of various countries and regions.

2. Business model

Terminal companies are established in the form of equity controlling, sole proprietorship or equity participation to organize the construction, marketing, production and management of related businesses for generation of operating income.

3. Performance drivers

First, the global layout continued to deepen, with 50 operating and non-controlled terminals worldwide, and important hubs such as Peru's Chancay Port were successfully put into operation, network coverage and resource allocation capabilities were continuously enhanced; second, remarkable results were achieved in lean operation, with port and shipping synergies promoting vessel berthing rate continued to increase, the key operating indicators maintained the industry-leading position, and multimodal transport and terminal efficiency continued to be optimized; thirdly, the synergy effect of supply chain business was released, the layout of key nodes at home and abroad was continuously improved, and breakthroughs were made in value-added services such as automobile supply chain, forming a positive interaction with the main terminal business; fourth, the intelligent green transformation and upgrading, the large-scale application of autonomous container trucks, the clean energy installed capacity and green certification had achieved fruitful results, and the technological innovation had been continuously transformed into development momentum.

Core competitiveness analysis

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

COSCO SHIPPING Holdings is a key component of the core industry of COSCO SHIPPING Group. It centralizes superior resources in both container shipping and terminal operation and management segments, and possess significant scale advantages.

Management Discussion and Analysis

In terms of container shipping business: As at the end of the Reporting Period, COSCO SHIPPING Holdings' self-operated container fleet size reached 590 vessels with a capacity of approximately 3.60 million TEUs, keeping tier one in the industry. As at the end of the Reporting Period, the Company had a total of 54 new vessel orders with a capacity of over 820,000 TEUs in aggregate. Meanwhile, the Company actively followed the new trend of green development in the industry and continued to optimize the structure of its fleet by means of ordering green new energy vessels and vessel transformation. As at the end of the Reporting Period, the Company has ordered 42 methanol dual-fuel powered container vessels of nearly 780,000 TEU, 3 of which have been delivered during the Reporting Period.

2. Global network coverage advantages: adapting to market changes and adhering to global strategic layout

COSCO SHIPPING Holdings proactively adapted to the trend of global industrial chain transfer, continued to optimize its global layout, and expanded its advantages in resource synergy. The Company's dual-brands operated a total of 308 international services (including international feeder lines), 62 coastal services in China and 85 branch lines in Pearl River Delta and Yangtze River, and there are 654 ports of call in around 146 countries and regions in the world. Meanwhile, the Company has always adhered to a balanced globalization layout to actively expand into emerging markets, third-country markets and regional markets while strengthening alliance cooperation and steadily improving leading advantages in trunk services.

The dual-brands of the Company, as members of the Ocean Alliance, are committed to promoting the prosperity of global trade, enhancing their own scale and strength, providing a more extensive shipping network, creating more stable and high-quality route products, and making every effort to serve customers and ensure the stability of the global supply chain. In January 2025, the Ocean Alliance launched its DAY9 service product. With a capacity exceeding 5 million TEUs, the alliance jointly operates 41 East-West services, providing over 520 direct port-to-port services.

Management Discussion and Analysis

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

The Company adhered to being customer demand-oriented to constantly create new business models and strengthen new drivers of development. Relying on its abundant global resources, the Company promoted the integration and efficient operation of resources in domestic and overseas, and formed whole chain services covering trunk lines, branch lines, highways, railways, customs and warehousing, which enabled the Company to provide global digital supply chain solutions for many enterprises in cross-border e-commerce, home appliances, photovoltaic, automobile and other industries.

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

Both container shipping and terminal operation and management segments of COSCO SHIPPING Holdings had significant potential for synergistic effect, which could achieve mutual integration, mutual promotion and coordinated development. The Company adhered to the coordinated development of segments. While continuing to promote the development of its fleet, the Company actively explored the global layout of terminals, and constantly strengthened the coordination of global transportation capacity and terminal resources and consolidated its competitive advantages in the transportation capacity route network and the control of key resources. By exploiting the synergistic advantages of port and shipping to its fullest, the integrated digital supply chain system that serves global customers was continuously improved, and cyclical risks were effectively mitigated, thereby promoting a sustainable and high-quality development of both segments.

In respect of container shipping segment, the Company leveraged its two container shipping service brands, namely “COSCO SHIPPING Lines” and “OOCL” to achieve complementary advantages and synergistic integration in terms of global network, logistics layout and digital technology, unleashing the synergies on an ongoing basis.

Management Discussion and Analysis

Container shipping business

(1) Shipping volume

Shipping volume of the Group (TEU)

Routes	2025	2024	Percentage of change (%)
Trans-Pacific	4,850,455	4,814,246	0.75
Asia and Europe (including the Mediterranean)	4,008,236	3,778,795	6.07
Asia Region (including Australia)	9,209,842	8,878,814	3.73
Other international regions (including the Atlantic)	3,118,991	2,892,437	7.83
Mainland China	6,247,014	5,574,981	12.05
Total	27,434,538	25,939,273	5.76

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

Routes	2025	2024	Percentage of change (%)
Trans-Pacific	2,738,390	2,737,472	0.03
Asia and Europe (including the Mediterranean)	2,588,528	2,358,581	9.75
Asia Region (including Australia)	5,417,956	5,259,843	3.01
Other international regions (including the Atlantic)	2,568,226	2,412,920	6.44
Mainland China	6,247,014	5,574,981	12.05
Total	19,560,114	18,343,797	6.63

(2) Revenue from routes

Revenue from routes by the Group (RMB'000)

Routes	2025	2024	Percentage of change (%)
Trans-Pacific	54,821,122	65,940,570	(16.86)
Asia and Europe (including the Mediterranean)	38,213,289	46,456,277	(17.74)
Asia Region (including Australia)	54,138,624	53,884,694	0.47
Other international regions (including the Atlantic)	32,442,656	32,896,450	(1.38)
Mainland China	13,584,646	12,137,048	11.93
Total	193,200,337	211,315,039	(8.57)

Management Discussion and Analysis

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

Routes	2025	2024	Percentage of change (%)
Trans-Pacific	32,119,003	38,433,256	(16.43)
Asia and Europe (including the Mediterranean)	25,385,098	30,406,672	(16.51)
Asia Region (including Australia)	33,397,442	33,403,030	(0.02)
Other international regions (including the Atlantic)	28,524,158	29,502,952	(3.32)
Mainland China	13,738,871	12,304,110	11.66
Total	133,164,572	144,050,020	(7.56)

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

Routes	2025	2024	Percentage of change (%)
Trans-Pacific	7,678,996	9,269,127	(17.16)
Asia and Europe (including the Mediterranean)	5,352,676	6,530,261	(18.03)
Asia Region (including Australia)	7,583,396	7,574,458	0.12
Other international regions (including the Atlantic)	4,544,362	4,624,185	(1.73)
Mainland China	1,902,852	1,706,079	11.53
Total	27,062,282	29,704,110	(8.89)

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

Routes	2025	2024	Percentage of change (%)
Trans-Pacific	4,499,027	5,402,482	(16.72)
Asia and Europe (including the Mediterranean)	3,555,784	4,274,202	(16.81)
Asia Region (including Australia)	4,678,103	4,695,394	(0.37)
Other international regions (including the Atlantic)	3,995,484	4,147,168	(3.66)
Mainland China	1,924,453	1,729,562	11.27
Total	18,652,851	20,248,808	(7.88)

Management Discussion and Analysis

(3) Major performance indicators

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

Items	2025	2024	Difference
Revenue from container shipping business	210,731,494	225,971,372	(15,239,878)
Including: Supply chain revenue other than shipping fee	44,887,610	40,939,498	3,948,112
EBIT	37,808,292	62,999,277	(25,190,985)
EBIT margin	17.94%	27.88%	Decreased by 9.94 percentage points
Net profit	29,502,203	50,057,735	(20,555,532)

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

Items	2025	2024	Difference
Revenue from container shipping business	147,932,945	156,059,924	(8,126,979)
Including: Supply chain revenue other than shipping fee	31,048,386	27,321,759	3,726,627
EBIT	26,751,632	43,910,737	(17,159,105)
EBIT margin	18.08%	28.14%	Decreased by 10.06 percentage points
Net profit	18,689,104	31,477,050	(12,787,946)

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

Items	2025	2024	Difference
Revenue from container shipping business	29,517,936	31,764,320	(2,246,384)
Including: Supply chain revenue other than shipping fee	6,287,573	5,754,779	532,794
Revenue per TEU from international routes (US\$/TEU)	1,187.46	1,374.86	(187.40)
EBIT	5,295,947	8,855,676	(3,559,729)
Net profit	4,132,482	7,036,510	(2,904,028)

Management Discussion and Analysis

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

Items	2025	2024	Difference
Revenue from container shipping business	20,721,512	21,937,015	(1,215,503)
Including: Supply chain revenue other than shipping fee	4,349,062	3,840,562	508,500
Revenue per TEU from international routes (US\$/TEU)	1,256.54	1,450.35	(193.81)
EBIT	3,747,199	6,172,440	(2,425,241)
Net profit	2,617,852	4,424,663	(1,806,811)

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

Note 2: The revenue from routes and major performance indicators above were translated into US\$ at an average exchange rate of US\$1 : RMB7.1391 in 2025 and US\$1 : RMB7.1140 in 2024.

Terminal business

In 2025, the total throughput of COSCO SHIPPING Ports amounted to 152.9950 million TEUs, representing an increase of 6.22% as compared to the last year, of which the throughput of controlled terminals amounted to 33.2469 million TEUs, representing an increase of 1.81% as compared to the last year; the throughput of non-controlled terminals amounted to 119.7480 million TEUs, representing an increase of 7.52% as compared to the last year.

Location of terminal	2025 (TEU)	2024 (TEU)	Percentage of change (%)
Bohai Rim Region	52,060,240	49,550,213	5.07
Yangtze River Delta Region	16,848,434	16,484,202	2.21
Southeast Coast and others	5,621,527	6,002,237	(6.34)
Pearl River Delta Region	30,243,273	28,756,347	5.17
Southwest Coast	10,063,000	9,015,200	11.62
Overseas	38,158,491	34,224,523	11.49
Total	152,994,965	144,032,722	6.22
Of which: Controlled terminals	33,246,933	32,655,388	1.81
Non-controlled terminals	119,748,032	111,377,334	7.52

Management Discussion and Analysis

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 21 March 2025, the 14th meeting of the seventh session of the Board of the Company considered and approved the resolution regarding the COSCO SHIPPING Holdings Shareholder Return Plan for the Forthcoming Three Years (2025-2027) (the “**Return Plan**”). On 28 May 2025, the above Return Plan was approved at the 2024 annual general meeting of the Company. For details, please refer to the overseas regulatory announcement of the Company dated 21 March 2025, the circular of the Company dated 8 May 2025 and the announcement of the Company dated 29 May 2025.
2. On 29 April 2025, fourteen indirect wholly-owned subsidiaries of OOIL (an indirect non-wholly-owned subsidiary of the Company) (as buyers) respectively entered into the shipbuilding contracts on substantially the same terms with Nantong COSCO KHI Ship Engineering Co., Ltd.* (南通中遠海運川崎船舶工程有限公司) (“**Nantong KHI**”) and Dalian COSCO KHI Ship Engineering Co., Ltd.* (大連中遠海運川崎船舶工程有限公司) (“**Dalian KHI**”) for the construction of the respective vessels for a consideration of US\$220 million (equivalent to approximately HK\$1,716 million) for each vessel and for an aggregate consideration of US\$3,080 million (equivalent to approximately HK\$24,024 million) for all 14 vessels. COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 44.84% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Nantong KHI is an associate of COSCO SHIPPING, which indirectly holds 50% equity interest in Nantong KHI. Dalian KHI is an indirect subsidiary of COSCO SHIPPING. COSCO SHIPPING (through its wholly owned subsidiaries) holds 36% equity interest, and Nantong KHI directly holds 30% equity interest, respectively, in Dalian KHI. Accordingly, both Nantong KHI and Dalian KHI are connected persons of the Company under Chapter 14A of the Listing Rules, and the shipbuilding transaction constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 29 April 2025 for further information regarding the above transactions.

Management Discussion and Analysis

3. On 29 April 2025, the 18th meeting of the seventh session of the Board considered and approved the relevant proposals regarding the reduction of the registered capital of the Company, the abolition of the Supervisory Committee, and the amendment to the Articles of Association of the Company (including the appendices) and the rules for the Board committees. On 28 May 2025, the 2024 annual general meeting of the Company approved the resolutions regarding the reduction of the registered capital of the Company, the abolition of the Supervisory Committee and the amendment to the Articles of Association of the Company and its appendices. On 22 July 2025, the registration of changes regarding the reduction of registered capital was completed at the Administration for Market Regulation of the China (Tianjin) Pilot Free Trade Zone, and the filing procedures for the amended Articles of Association of COSCO SHIPPING Holdings were also completed and came into effect on the same date. The relevant appendices to the amended Articles of Association of the Company, i.e. the Rules of Procedures of Shareholders' General Meetings, the Rules of Procedures of the Board of Directors, as well as the Rules of Procedures of the Audit Committee of the Board of Directors, the Operation Rules for the Nomination Committee of the Board of Directors, the Operation Rules for the Remuneration Committee of the Board of Directors and the Operation Rules for the Risk Control Committee of the Board of Directors took effect simultaneously, and the Rules of Procedures of the Supervisory Committee were repealed. For further details, please refer to the overseas regulatory announcement of the Company dated 29 April 2025, the announcement of the Company dated 30 April 2025, the overseas regulatory announcement and the announcements of the Company dated 29 May 2025, the overseas regulatory announcement and the announcements of the Company dated 22 July 2025.
4. On 28 August 2025, among others, (i) the Company and COSCO SHIPPING entered into various master agreements in respect of certain transactions (the **"COSCO SHIPPING Master Agreements"**), the nature of which is similar to the transactions under certain existing master agreements with COSCO SHIPPING, for a term of three years from 1 January 2026 to 31 December 2028, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied; (ii) the Company and COSCO SHIPPING Finance entered into a master financial services agreement in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates (the **"Master Financial Services Agreement"**), for a term of three years from 1 January 2026 to 31 December 2028, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied. COSCO SHIPPING is the indirect controlling Shareholder and therefore members of COSCO SHIPPING (including COSCO SHIPPING Finance) are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the COSCO SHIPPING Master Agreements and the Master Financial Services Agreement, constitute continuing connected transactions of the Company. For details of the above transactions, please refer to the announcement dated 28 August 2025 and the circular dated 13 October 2025 of the Company.

Management Discussion and Analysis

- On 15 September 2025, COSCO Container Lines (Hong Kong) (a wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement with COSCO SHIPPING Logistics (Guangzhou), Shenzhen Port Logistics Group (“**Shenzhen Port Logistics Group**”) and CCCC Fourth Harbour Engineering Co., Ltd.* (中交第四航務工程局有限公司) (“**CCCC Fourth Harbour**”), pursuant to which, the parties have agreed to establish the joint venture, for which the capital contribution amount by COSCO Container Lines (Hong Kong) (a wholly-owned subsidiary of the Company) shall be RMB370,000,000 (equivalent to approximately HK\$405,110,000), and the capital contribution amounts by COSCO SHIPPING Logistics (Guangzhou), Shenzhen Port Logistics Group and CCCC Fourth Harbour are RMB300,000,000 (equivalent to approximately HK\$328,470,000), RMB230,000,000 (equivalent to approximately HK\$251,830,000) and RMB100,000,000 (equivalent to approximately HK\$109,490,000), respectively, all of which will be credited to the registered capital of the joint venture. COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 45.25% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. COSCO SHIPPING Logistics (Guangzhou) is a company controlled by COSCO SHIPPING through COSCO SHIPPING Logistics Supply Chain. Under Chapter 14A of the Hong Kong Listing Rules, COSCO SHIPPING Logistics (Guangzhou) is an associate of COSCO SHIPPING and also a connected person of the Company. Therefore, the formation of the joint venture constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 15 September 2025 for further information of the above transactions.
- The Group accepted delivery of 12 new vessels of 16,000 TEU in 2025 with a total construction price of US\$1,968.72 million. three vessels were ordered in July 2021 and a supplemental agreement was signed in May 2024, with each vessel costing US\$183.5 million; nine vessels were ordered in September 2021 with each vessel costing US\$157.58 million. For further details of the above transactions, please refer to the announcements of the Company dated 15 July and 23 September 2021 and 30 May 2024 and the circular dated 24 September 2021.

Dividend

The details of dividend distribution have been disclosed in Note 35 to the consolidated financial statements. The Company proposed to distribute a cash dividend of RMB0.44 per share (inclusive of tax) to all Shareholders. In accordance with the relevant regulations of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, the Company’s repurchased A shares and H shares that have not been cancelled are not entitled to participate in the profit distribution. As of the date of this report (19 March 2026), all repurchased A shares and H shares of the Company have completed the cancellation procedures. Therefore, based on the Company’s total share capital of 15,312,687,586 shares as of the date of this report, the total proposed cash dividend amounts to approximately RMB6.738 billion (inclusive of tax). The total cash dividend for the year 2025 (including the interim cash dividend already distributed) is approximately RMB15.412 billion, representing approximately 50% of the net profit attributable to Shareholders of the Company for the year 2025.

If there is a change in the number of Shares between the date of this report and the registration date of dividend distribution, the dividend per Share shall remain unchanged, with a corresponding adjustment to the total entitled amount of distribution.

The final dividend in respect of 2024 was RMB1.03 per ordinary Share (tax inclusive), with total amount of RMB16.131 billion. The total dividend in respect of 2024 amounted to approximately RMB24.431 billion, accounting for approximately 50% of the consolidated net profit attributable to equity holders of the Company for 2024.

Management Discussion and Analysis

The final dividend in respect of 2025 is subject to approval by the Shareholders at the forthcoming annual general meeting. The final dividend in respect of 2025 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 2025 for the purpose of ascertaining Shareholders' entitlement to the payment of final dividend in respect of 2025 by the Company.

Subsequent events

On 3 March 2026, according to the Confirmation for Transfer from China Securities Depository and Clearing Corporation Limited, the share transfer registration procedures for the transfer of state-owned shares at NIL consideration (the "Transfer") had been completed. COSCO transferred its 2,610,063,089 A shares in the Company to COSCO SHIPPING at NIL consideration. Upon completion of the Transfer, COSCO SHIPPING and persons acting in concert with it collectively held 7,009,619,897 A and H shares of the Company, representing approximately 45.78% of total share capital of the Company as of 3 March 2026. As a result of the Transfer, the direct controlling shareholder of the Company was changed from COSCO to COSCO SHIPPING. For further details of the aforesaid Transfer, please refer to the overseas regulatory announcements of the Company dated 4 January and 3 March 2026.

Save for the above Transfer, no other significant event have occurred that have affected the Group since the end of the Reporting Period.

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

(I) Industry landscape and trend

Container shipping market

Looking ahead to 2026, geopolitical tensions will continue to drive regional fragmentation, the impact of trade protectionism will spread, and persistent policy uncertainties will weigh on the global economy. External conditions for the industry remain challenging amid weakening growth momentum. However, emerging economies retain strong growth potential, and economic cooperation among developing countries is intensifying. The temporary easing of tariff uncertainties bodes well for global trade and economic activities.

Affected by this macroeconomic environment, third-party research institutions forecast that the demand for cargo volume on the demand side of the container shipping market will grow by 2.5% in 2026, representing low-to-moderate growth. On the supply side, container fleet capacity growth will slow to 3.8%, the lowest level in the next three years. The current tensions in the Middle East have reduced the likelihood of a full resumption of Red Sea services this year, making shipping companies' pace and strategy for returning to the Red Sea a key factor in this year's market.

Overall, growth rates on both the supply and demand sides have slowed simultaneously, with supply growth still outpacing demand. Market freight rates face downward pressure, yet certain structural opportunities remain. On the demand side, China's export diversification continues to gain momentum, Southeast Asia's regional and external vitality is accelerating, and South America's nearshore free trade agreements are supporting growth. On the supply side, the redeployment of shipping service networks may lead to port congestion, compounded by new vessel deliveries reaching a multi-year low, which will help balance the overall market supply-demand dynamics.

Management Discussion and Analysis

Terminal business market

Looking ahead, global container throughput will enter a new normal of moderate to low growth, though regional divergence will become increasingly pronounced. Intra-regional trade within emerging markets continues to deepen, with ports in Vietnam, Morocco, Thailand, India, and other nations rapidly rising in prominence. Trade between ASEAN and Latin America continues to expand, becoming the primary engine of global port growth. Simultaneously, the value of strategic hubs is increasingly evident, as ports have evolved from mere logistics hubs into strategic assets reshaping regional economic and trade landscapes. Peru's Chancay Port has opened a new land-sea corridor to Asia, while Egypt's Sokhna Port has become a key gateway connecting Middle Eastern and Asian trade. Hub ports with multimodal transport capabilities and end-to-end supply chain services will occupy more advantageous positions in the global supply chain restructuring.

Meanwhile, digitalization and green low-carbon initiatives have become dual drivers reshaping the port industry landscape. Technologies such as artificial intelligence, digital twins, and autonomous container trucks have transitioned from pilot projects to large-scale implementation. In terms of green low-carbon front, regulations like the FuelEU Maritime directive are accelerating port transformation, while major domestic ports continue expanding clean energy applications. Looking ahead, operators that pioneer the deep integration of "zero-carbon terminals" and "smart ports" will gain a first-mover advantage in sustainable development.

Industry competition is evolving from a focus on single-terminal operational efficiency to a contest of end-to-end supply chain service capabilities. Enterprises with "integrated port-shipping-cargo synergies" can provide customers with end-to-end solutions by integrating logistics, information flow, and capital

flow. Looking ahead, a port's value will no longer be determined solely by throughput volume, but by the depth and breadth of its resource integration, industrial service capabilities, and value creation. COSCO SHIPPING Ports will leverage its global network advantages to continuously advance in four key areas: emerging market growth, strategic hub development, green and smart transformation, and supply chain service upgrades. This will help the Company to seize opportunities amid the reshaping of the global port industry landscape.

(II) Development strategy of the Company

COSCO Shipping Holdings anchors its development vision in "building a world-class digital and intelligent supply chain enterprise centered on container shipping with high-quality standards". It focuses on its core responsibilities and principal business, strengthens core functions, enhances core competitiveness, concentrates on technological innovation, develops new productive forces, deepens comprehensive reforms, and constructs new production relations. By deeply cultivating three core business domains – container shipping, ports, and logistics supply chains – it leverages two container shipping companies, one container terminal operation and management company, and dual-listed platforms to advance: Integrated development of "container shipping + ports + related logistics", Integrated promotion of "investment + construction + operation" and Integrated deployment of "hubs + corridors + networks". The Company is committed to strengthening, optimizing, and expanding our operations, advancing global, large-scale, and full-chain development to forge sustainable core competitiveness. We persists in pursuing digital-intelligent, green, and integrated development, accelerating the cultivation and growth of new quality productivity, striving to become a world-class digital-intelligent supply chain enterprise centered on container shipping.

Management Discussion and Analysis

(III) Operation plan

Container Shipping Business

The Group is coordinating the advancement of its Dual Brands shipping capacity leasing and construction projects to align with optimized route network design. Through multiple pathways, it aims to achieve effective annual capacity growth, optimize capacity structure, and ensure balanced deployment, striving to maintain its position among the industry's top tier. The Group is accelerating the deployment of a global main services and feeder network with strategic hubs such as Port of Chancay in Peru, Piraeus Port in Greece, and Abu Dhabi Port, while simultaneously enhancing the capacity of the corresponding feeder and collector transportation systems. The Group concurrently secures and locks in key port resources and supporting logistics assets across other global regions, advancing forward-looking planning and deployment of global port resources and supply chain infrastructure. By enhancing connectivity among critical hub nodes, it achieves a leap in capability to "connect lines into a network".

The Group will further strengthen strategic synergy with its investment holding platform, establishing a mechanism for sharing and converting new resource investment opportunities and leads. Through the deep integration of industrial and financial capital, it will empower the strategic deployment of key overseas logistics hubs and critical resources.

The Group continues to strengthen the stable operation of the alliance, further amplifying its service advantages while enhancing core competitiveness and service quality in key markets. In January 2026, the Ocean Alliance, which includes Dual Brands, launched its DAY10 service product. With a combined capacity exceeding 5.3 million TEUs, the alliance jointly operates 42 East-West services, providing over 500 direct port-to-port services. This maintains its leading position in both scale and service frequency.

The Group firmly embraces transformation and innovation, accelerating the forging of new quality productivity in shipping and logistics. The Group explores and drives the optimization and adjustment of the Group's full-chain organizational structure, business processes, operational systems, and incentive mechanisms. We expedite the establishment of new production relations aligned with the development of new quality productivity, laying a solid foundation for cultivating and strengthening these new quality productivity in shipping and logistics. The Group will comprehensively implement its "AI+" initiative, focusing on cultivating specialized FDE (Frontline Deployment Engineer) talent. Guided by business scenarios, we will build an AI R&D team that deeply integrates business and technology, strengthen the development of digital-intelligence innovation communities, and activate autonomous innovation capabilities at the front lines of operations.

In terms of green and low-carbon development, the Group remains aligned with the global green transition, closely monitors evolving global and regional environmental regulations, and steadily advances the structural upgrade of its green fleet. Concurrently, it actively promotes the development of a ship-centric, full-lifecycle digital and intelligent operations platform, forging a more competitive advantage in end-to-end digital and intelligent green capabilities. Facing uncertainties surrounding the IMO's zero-carbon framework vote, the Group maintains pragmatic yet flexible decision-making. While pursuing decarbonization through multiple pathways, it ensures controllable stranding risks for assets, striving to transform green and low-carbon initiatives from a "cost burden" into a "competitive advantage".

Management Discussion and Analysis

Terminal Operations

In 2026, facing a complex and challenging external environment, the Group will adhere to the concept of high-quality development. Centering on the goal of building a world-class port logistics service provider, the Group will focus on our core business and deepen our commitment to profitability. Strategically, guided by the principle of “Global expansion externally, deepening efficiency internally”, the Group will build a globally integrated terminal network that synergizes mature and emerging markets. Key priorities include enhancing service capabilities at strategic hubs such as Terminal of Chancay in Peru, Piraeus Terminal, and Abu Dhabi Terminal, optimizing feeder network coverage, strengthening route aggregation effects, and achieving a coordinated development strategy across all terminals.

In terms of operational synergy and efficiency enhancement, we will adhere to lean operations, strengthen marketing and internal coordination, increase coverage of the parent company’s Dual Brands services at controlled terminals, and promote synergy with the Group’s internal fleet operations. The Group will accelerate the development of digital marketing and business platform, establish a smart voyage management system, strengthen full-lifecycle equipment management, and enforce strict cost control. Concurrently, the Group will advance from “single-point development” to “networked collaboration”, vigorously develop integrated “shipping + port + logistics” services, and enhance transshipment capabilities and supply chain resilience.

In terms of innovation-driven development and sustainable growth, the Group will deepen the integration of artificial intelligence with terminal operations and expand the large-scale application of digital twin technology in areas such as intelligent scheduling and equipment maintenance. We will intensify the promotion and adoption of new energy equipment, advance the construction of port microgrids and refined energy management, and continuously explore new pathways

for green development. The Company’s management will actively address external challenges, seize development opportunities, and effectively enhance core competitiveness and core functions to deliver sustained and stable value returns for shareholders.

(IV) Potential Risks

Geopolitical Risks

1. *Description and analysis of the risks*

The global geopolitical situation is complex and volatile, with rising uncertainties in regional conflicts, trade and investment policies. As a port and shipping logistics enterprise operating globally, the Company may be affected by changes in the political situation, trade restrictions, investment reviews, navigation safety and adjustments to compliance requirements in some countries or regions in terms of route layout, overseas asset operation and capacity allocation, which may further lead to fluctuations in route cargo volume, restricted operations in some regions, and increased compliance costs of overseas assets, thereby affecting operational stability and investment returns.

2. *Strategies for addressing the risks*

The Company will continue to strengthen the follow-up of the geopolitical and policy environment in key regions, strengthen the research and judgment on country and regional risks, and reduce the impact of adverse changes in a single region on the overall operation by optimizing the layout of the route network, enhancing the operational resilience, and improving the emergency plan and compliance management.

Management Discussion and Analysis

Port Investment Risks

1. *Description and analysis of the risks*

Affected by factors such as changes in the global political and economic environment, uncertainties in investment access and regulatory policies in some countries, as well as changes in the economic and cargo source structure of the port hinterland, there are uncertainties in port investment in terms of project promotion, asset integration and post-investment operations. As a result, investment returns may not be lower than expected or synergies may not be fully realized, affecting the overall network layout and operating efficiency of the Company.

2. *Strategies for addressing the risks*

The Company will improve the full-process management of port investment, strengthen pre-investment demonstration and strategic alignment, enhance project implementation and post-investment control, promote the coordinated operation of port assets and shipping business, and improve the profitability and risk resistance capacity of port investment.

Supply Chain Investment Risks

1. *Description and analysis of the risks*

Affected by factors such as changes in market demand, the degree of business synergy, the pace of project implementation, and overseas policies and compliance environment, there are uncertainties in the planning and decision-making, resource allocation and operational effectiveness of relevant investments, which may lead to investment returns and service stability falling short of expectations.

2. *Strategies for addressing the risks*

The Company will strengthen the overall management of supply chain investment, enhance pre-investment demonstration and business synergy and matching, improve management capabilities and digital support level during the project implementation and operation stages, and strengthen overseas compliance management to enhance the supporting role of supply chain investment in the overall business.

Exchange Rate Fluctuation Risks

1. *Description and analysis of the risks*

Affected by the macroeconomic conditions, monetary policies of major economies and geopolitical factors, fluctuations in exchange rates may have an impact on the Company's revenue from cross-border business, operating costs, investment returns and book values of assets, resulting in periodic fluctuations in operating results and cash flow.

2. *Strategies for addressing the risks*

The Company will improve the exchange rate risk management mechanism, strengthen the management of cross-border receipts and payments and currency structure, and make reasonable use of settlement arrangements and risk management tools to reduce the impact of exchange rate fluctuations on the operation and financial position.

Management Discussion and Analysis

Information System Security Risks

1. *Description and analysis of the risks*

With the advancement of digital transformation of the Company, the scale of business systems and data continues to expand, and the complexity of information systems and their importance to operational operations are constantly increasing. At the same time, network attack methods are constantly evolving, the number of system interfaces and data flow links is increasing, and therefore the security risks faced by information systems are on the rise. If the protection capabilities or management measures fail to adapt to business development in a timely manner, it may have an adverse impact on system stability, data security and business continuity, and affect the operations and brand image of the Company.

2. *Strategies for addressing the risks*

The Company will continue to strengthen information system security management, improve the security protection system covering key systems and important data, enhance monitoring, early warning and emergency response capabilities, and simultaneously strengthen system, technology and personnel management to reduce the impact of information system security incidents on business activities and reputation.

Significant Events

- I. If there is an earning forecast as regard to the assets or projects of the Company and the Reporting Period remains in the earning prediction period, the Company will give an explanation as to the achievement of the original forecast as regard to the assets or projects and the relevant reasons**

Not applicable.

- II. Material Litigation and Arbitration**

There was no material litigation and arbitration during this year.

- III. Material Contracts and Performance Thereof**

Not applicable.

(I) Guarantees

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)														
Guarantor	Relationship of the Guarantor with the Company	Beneficiary	Amount of the guarantee	Date of guarantee agreement	Commencement date of guarantee	End date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee is discharged	Whether the guarantee is overdue	Amount of overdue guarantee	Counter guarantee	Whether it is a connected party	Connected relationship
COSCO SHIPPING Ports (Anwerp) NV	Holding subsidiary	Anwerp Gateway NV	399,421,750.00	15 June 2020	15 June 2020	29 June 2040	General guarantee	We are interested in equity interest of the beneficiary	No	No	-	Yes	Yes	Associates
Total amount of guarantees provided during the Reporting Period (excluding guarantees provided for subsidiaries)														
Total outstanding guarantee amount as at the end of the Reporting Period (A) (excluding guarantees provided for subsidiaries)														
Guarantees provided by the Company and its subsidiaries for its subsidiaries														
Total amount of the guarantees provided to subsidiaries during the Reporting Period														
Total outstanding guarantee amount of the guarantees provided to subsidiaries as at the end of the Reporting Period (B)														
Total amount of the guarantees provided by the Company (including guarantees for subsidiaries)														
Total amount of guarantees (A+B)														
Total amount of guarantees as a percentage to the net assets of the Company (%)														
Of which:														
Amount of guarantees provided to shareholders, ultimate controller and its connected parties (C)														
Amount of guarantees directly or indirectly provided for liability of parties with a gearing ratio exceeding 70% (D)														
The portion of total amount of guarantee in excess of 50% of the net assets (E)														
Total amount of the above three categories of guarantees (C+D+E)														
Explanation on outstanding guarantees which may cause several and joint liability														
Explanation on guarantees														

(II) Other material contracts

Not applicable.

Significant Events

IV. Other Significant Events

For other significant events, please refer to the section headed “Connected Transactions” on pages 128 to 131.

V. Fulfillment of Social Responsibilities

Social Responsibility

The Group takes the initiative to assume social responsibilities and achieve synergetic development between the Group and the society. The Group actively implements the sustainable procurement strategy and strives to build a “resilient” supply chain. The Group actively responds to the national rural revitalization strategy, pays attention to hot issues of social development, and leverages its professional and resource advantages to carry out charity and public welfare activities, so as to contribute to building a more prosperous and harmonious society.

The Group is committed to establishing long-term and stable cooperative relationships with suppliers to further promote the green development of the supply chain. The Group gives priority to purchasing from green and low-carbon suppliers, and requires suppliers to sign anti-commercial bribery commitments to continuously improve the sustainable performance of suppliers.

The Group is committed to the joint construction and development of communities, and actively participates in community services at home and abroad through diversified activities and platforms, covering charitable donations, public welfare activities, flood control and disaster relief, joint construction of communities and other aspects. COSCO SHIPPING Holdings has deeply rooted its corporate mission and sense of responsibility in its heart, and has been delivering positive energy through practical actions to contribute to the prosperity of communities.

The Group continues to fulfill the obligations of the United Nations Global Compact comprehensively by fulfilling various undertakings in the Global Compact, especially the principles in various areas, including environmental protection, labor, human rights and anti-corruption. The Company actively fulfills its corporate social responsibilities, shares social values and continues extend its empathy and care. While continuously expanding its business and developing itself, the Company always focuses on improving the supply chain management system and building a sustainable industrial chain to drive suppliers to achieve common economic prosperity. The Company always regards the construction of public undertakings as an important responsibility of the enterprise, and has carried out long-term actions in public welfare and rural revitalization to promote social well-being. Meanwhile, the Company focuses on industry cooperation, mutual assistance in enterprise operations, and promotes regional economic development. Relying on its solid business foundation and transportation capabilities, the Group continues to solve the difficulties in daily operation for small and medium-sized enterprises in need, and provides assistance services to enterprises in need internationally and domestically.

Significant Events

Details of consolidation and expansion of the results of the poverty alleviation, rural revitalization and other work

Poverty alleviation and rural revitalization projects

	Amount/content	Description
Total charity giving	RMB30.9781 million	
Of which: funds	RMB23.056 million	COSCO SHIPPING Lines and COSCO SHIPPING Ports donated a total of RMB20 million to the COSCO SHIPPING Charity Foundation; the Group independently donated RMB3.036 million to the targeted/designated assistance areas of the Group for project assistance; Guangzhou Nansha Port Terminal donated RMB20,000 to the Nansha Charity Association for rural revitalization..
Total value of materials	RMB7.9221 million	The Group purchased agricultural and sideline products amounting to RMB6.8021 million from targeted assistance areas; donated clothing and school supplies worth approximately RMB1 million to the Luolong region in Tibet; and continued to carry out the “Mini Wish (微心願)” campaign, donating school uniforms worth RMB120,000 to children in Yongde County.
Number of people benefited (person)	Around 15,306	
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Project assistance, industrial assistance, consumption assistance, cultural assistance, Party-building collaboration	<p>Project assistance: Seven “small but beautiful” assistance projects, including construction of a standardized basketball court and spectator stands in Dalong Township, Luolong County, Tibet; donation of desks, chairs and bunk beds to rural schools in Yongde County, Yunnan; construction of an industrial revitalization road in Xingguo Village, Pingkou Town, Anhua County, Hunan; demolition and upgrading of dilapidated buildings at Qingshanyuan Primary School in Dongping Town; upgrading of the chorus room at Jundaping No. 9 School in Jiemuxi Township, Yuanling County, Hunan; upgrading of the playground at Fengxiangping No. 9 School; and upgrading of the infrastructure of the village office in Jiemuxi Village.</p> <p>Industrial assistance: The Group, together with Hunan Huaihua International Inland Port, jointly invested and established Huaihua Yuanhai Company to promote the construction of an inland open economic pilot zone in the Huaihua region, and comprehensively serve and guarantee the high-quality development of the Huaihua region; the Group has given a “new look” to Yongde’s tea, nuts and honey, enabling these simple agricultural products to shine in the market.</p> <p>Cultural assistance: The “Shan Hai Yuan (山海緣)” Youth Choir from Jiemuxi Township of Yuanling County was invited to participate in the opening performance of the Port and Shipping Conference. Party-building collaboration: With the joint efforts of the Party-building collaboration platform, the “Xiaoyong Shanzhan (銷勇善戰)” Party branch of Tianjin Container Lines and the Party branch of Yongde County Agriculture and Rural Bureau completed the renovation project of the school canteen.</p>

Significant Events

During the Reporting Period, taking into account the actual conditions of the targeted assistance areas of Luolong County in Tibet, Yongde County in Yunnan, and Anhua County and Yuanling County in Hunan, the Group made use of its own industry advantages, formulated assistance plans based on in-depth investigation and research, and actively implemented poverty alleviation and rural revitalization projects. The Company ensured the timely availability of investment and assistance funds, continued to consolidate and expand the results of poverty alleviation, and made positive contributions to the economic and social development of the corresponding regions.

The Group has always adhered to the spirit of China's rural revitalization, and actively developed the sea-rail transportation business by leveraging on its advantages in transportation business to build a three-dimensional transportation network in the central and western regions. In the future, the Group will speed up the construction of ancillary logistics resources along the routes, continuously improve the radiation capabilities of the channel logistics hubs as well as the capabilities for digital, green and low-carbon development, so as to reduce the integrated logistics costs, enhance the logistics efficiency and resilience and make new contributions to promoting the high-quality development of the western regions and building a modern economic system. The Group also actively assumes social responsibilities, continuously increases the support for rural industries, strengthens the construction of logistics channels, and is committed to innovating the cooperation model between central enterprises and local governments to deepen rural revitalization work. It has carried out a series of targeted assistance and consumption assistance work to comprehensively promote high-quality development of rural areas.

Changes in Equity and Shareholders' Information

I. Changes in equity

During the Reporting Period, the Company implemented the stock option incentive plan, under which 1,434,037 A shares without sales restrictions of the Company were newly added by the incentive participants through exercise of their own stock options.

On 29 May 2024, 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. On 18 October 2024, the Board considered and approved the Resolution on the Shares Repurchase Plan of COSCO SHIPPING Holdings with Special Loans Provided by Bank(s) and Own Funds 《關於中遠海控以銀行專項貸款及自有資金回購公司股份方案的議案》, and the Resolution on the A Shares Repurchase Plan by Way of Centralized Price Bidding 《關於以集中競價交易方式回購 A 股股份的方案的議案》 (the “**Plan**”) was approved at the 2024 first extraordinary general meeting by way of poll. Pursuant to the Plan, the Company repurchased 99,999,943 A shares during the period from 14 November 2024 to 3 April 2025, and the cancellation of such shares was completed on 8 April 2025. For details, please refer to the announcement of the Company dated 20 October 2024 and the overseas regulatory announcement of the same date.

On 8 April 2025, the Board considered and approved the Resolution on the Shares Repurchase of COSCO SHIPPING Holdings 《關於中遠海控回購公司股份的議案》, pursuant to which it proposed to repurchase A Shares by way of centralized price bidding under the General Mandate to Repurchase A Shares (the “**A Share Repurchase Plan**”) and to repurchase H Shares under the General Mandate to Repurchase H Shares (the “**H Share Repurchase Arrangement**”). Pursuant to the A Share Repurchase Plan, the Company repurchased 52,417,606 A Shares during the period from 9 April 2025 to 9 May 2025, and the cancellation of such shares was completed on 30 May 2025. Pursuant to the H Share Repurchase Arrangement, the Company repurchased 319,960,500 H shares during the period from 31 October 2024 to 28 March 2025 and from 30 April 2025 to 27 May 2025, and the cancellation of such shares was completed on 9 April 2025 and 30 May 2025, respectively. For details, please refer to the announcement of the Company dated 8 April 2025 and the overseas regulatory announcement of the same date.

On 28 May 2025, the grant of a general mandate to repurchase A Shares (“**General Mandate to Repurchase A Shares**”) and the grant of a general mandate to repurchase H Shares (“**General Mandate to Repurchase H Shares**”) to the Board were approved at the annual general meeting, the class meeting of the A Shareholders and the class meeting of the H Shareholders of the Company. For details, please refer to the circular of the Company dated 8 May 2025 and the announcement of the Company dated 28 May 2025.

On 13 October 2025, the Board considered and approved the Resolution on the Shares Repurchase of COSCO SHIPPING Holdings 《關於中遠海控回購公司股份的議案》, pursuant to which it proposed to repurchase A Shares by way of centralized price bidding under the General Mandate to Repurchase A Shares (the “**A Share Repurchase Plan**”) and to repurchase H Shares under the General Mandate to Repurchase H Shares (the “**H Share Repurchase Arrangement**”). Pursuant to the A Share Repurchase Plan, the Company repurchased 55,101,715 A Shares during the period from 5 November 2025 to 17 December 2025, and the cancellation of such shares was completed on 15 January 2026. Pursuant to the H Share Repurchase Arrangement, the Company repurchased 123,340,000 H Shares during the period from 31 October 2025 to 30 December 2025, and the cancellation of such shares was completed on 14 January 2026. For details, please refer to the announcement of the Company dated 14 October 2025 and the overseas regulatory announcement of the same date.

Changes in Equity and Shareholders' Information

II. Shareholder and actual controller

(I) Total number of Shareholders:

Total number of ordinary Shareholders as at the end of the Reporting Period	375,225
Total number of ordinary Shareholders as at 28 February 2026	413,687

(II) Shareholdings of the top 10 Shareholders and top 10 Shareholders of tradable Shares (or Shareholders not subject to selling restrictions) as at the end of the Reporting Period

Name of Shareholder (In full)	Shareholdings of the Top 10 Shareholders (excluding shares lent through securities lending and refinancing)						
	Increase/ decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Shares pledged, marked or frozen	Status of shares	Nature of shareholders
China Ocean Shipping Company Limited	-	5,924,873,037	38.25	-	None		State-owned legal person
HKSCC Nominees Limited	(318,752,482)	2,871,068,714	18.54	-	None		Foreign legal person
Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司)	-	804,700,000	5.20	-	None		State-owned legal person
China COSCO SHIPPING Corporation Limited	-	704,746,860	4.55	-	None		State-owned legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	-	373,927,475	2.41	-	None		State-owned legal person
Hong Kong Securities Clearing Company Limited	(110,579,513)	279,040,691	1.80	-	None		Foreign legal person
China Reform Investment Co., Ltd. (國新投資有限公司)	-	230,454,271	1.49	-	None		State-owned legal person
Industrial and Commercial Bank of China-SSE 50 ETF (中國工商銀行-上證50交易型開放式指數證券投資基金)	(3,273,372)	116,588,338	0.75	-	None		Other
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 ETF (中國工商銀行股份有限公司-華泰柏瑞滬深300交易型開放式指數證券投資基金)	(6,144,415)	104,045,202	0.67	-	None		Other
China Construction Bank Corporation - E Fund CSI 300 ETF (中國建設銀行股份有限公司-易方達滬深300交易型開放式指數發起式證券投資基金)	(1,714,200)	74,273,995	0.48	-	None		Other

Changes in Equity and Shareholders' Information

Shareholdings of Top 10 Shareholders not subject to selling restrictions (excluding shares lent through securities lending and refinancing)

Name of Shareholder	Number of tradable shares held and not subject to selling restrictions	Type	Number
China Ocean Shipping Company Limited	5,924,873,037	RMB-denominated ordinary Shares	5,924,873,037
HKSCC Nominees Limited	2,871,068,714	Overseas listed foreign Shares	2,871,068,714
Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)有限公司)	804,700,000	RMB-denominated ordinary Shares	804,700,000
China COSCO SHIPPING Corporation Limited	704,746,860	RMB-denominated ordinary Shares	704,746,860
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	373,927,475	RMB-denominated ordinary Shares	373,927,475
Hong Kong Securities Clearing Company Limited	279,040,691	RMB-denominated ordinary Shares	279,040,691
China Reform Investment Co., Ltd. (國新投資有限公司)	230,454,271	RMB-denominated ordinary Shares	230,454,271
Industrial and Commercial Bank of China-SSE 50 ETF (中國工商銀行－上證 50 交易型開放式指數證券投資基金)	116,588,338	RMB-denominated ordinary Shares	116,588,338
Industrial and Commercial Bank of China Limited – Huatai – PineBridge CSI 300 ETF (中國工商銀行股份有限公司－華泰柏瑞滬深 300 交易型開放式指數證券投資基金)	104,045,202	RMB-denominated ordinary Shares	104,045,202
China Construction Bank Corporation – E Fund CSI 300 ETF (中國建設銀行股份有限公司－易方達滬深 300 交易型開放式指數發起式證券投資基金)	74,273,995	RMB-denominated ordinary Shares	74,273,995

Changes in Equity and Shareholders' Information

Shareholdings of Top 10 Shareholders not subject to selling restrictions (excluding shares lent through securities lending and refinancing)

Name of Shareholder	Number of tradable shares held and not subject to selling restrictions	Type	Number
Explanations on the special repurchase accounts among the top 10 Shareholders	None		
Explanations on the voting rights entrusted by or to or waived by the aforesaid Shareholders	–		
Explanations to the connected relationship or parties acting in concert among the aforesaid Shareholders	China Ocean Shipping Company Limited is a wholly-owned subsidiary of China COSCO SHIPPING Corporation Limited. Others are unknown.		
Description of preferential shareholders with restoration of voting rights and their shareholdings	Not applicable		

Note: As at the end of the Reporting Period, COSCO SHIPPING directly held 704,746,860 A Shares of the Company, indirectly held 5,924,873,037 A Shares of the Company through its wholly-owned subsidiary, China Ocean Shipping Company Limited, indirectly held 221,672,000 H Shares of the Company through its wholly-owned subsidiary, Peaktrade Investments Limited, and indirectly held 158,328,000 H Shares of the Company through its wholly-owned subsidiary, COSCO SHIPPING (Hong Kong) Co., Limited. Therefore, China COSCO SHIPPING Corporation Limited directly and indirectly held a total of 7,009,619,897 Shares of the Company, representing approximately 45.25% of the Company's total share capital as at 31 December 2025.

Changes in Equity and Shareholders' Information

III. Controlling Shareholder and actual controller

(I) Specific description of controlling shareholder

Details of controlling shareholder:

Name	China Ocean Shipping Company Limited (“ COSCO ”)
Person in charge or legal representative	WAN Min
Date of establishment	22 October 1983
Principal business	International freight; ancillary business in international maritime transportation; providing booking, chartering and time chartering services for domestic and foreign cargo owners; leasing, construction and trading of ships and containers, and their maintenance and spare parts manufacturing business; ship escrowing business; domestic and foreign shipping business-related ship materials, spare parts, communications services; management of enterprises engaged in shipping, cargo agency and seafarer assignment business. (Market players shall select operating items and operate autonomously according to law; international freight, ancillary business in international maritime transportation and items that shall be approved according to law can be operated upon approval by relevant departments; the enterprise shall not engage in business activities prohibited by the industrial policies and restricted items of this country and city).
Control and shareholdings in other domestic or overseas listed companies during the Reporting Period	Controlling shareholdings: COSCO SHIPPING Ports (01199.HK) 72.27%; OOIL (00316.HK) 71.07%; COSCO SHIPPING International (Singapore) (F83.SG) 69.66%; COSCO SHIPPING Specialized Carriers (600428.SH) 41.01%. Major shareholdings: Qingdao Port (601298.SH; 06198.HK) 20.30%; SIPG (600018.SH) 15.55%; Beibu Gulf Port (000582.SZ) 11.32%; Guangzhou Port (601228.SH) 6.50%; China Merchants Securities (600999.SH, 06099.HK) 6.26%; China Merchants Bank (600036.SH, 03968.HK) 6.24%
Others	None

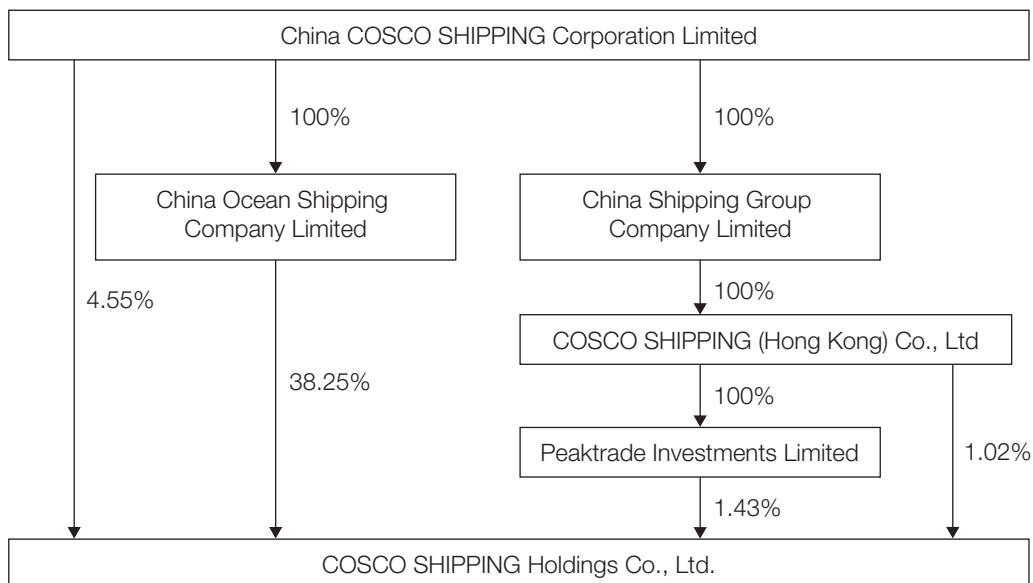
Changes in Equity and Shareholders' Information

Details of indirect controlling shareholder:

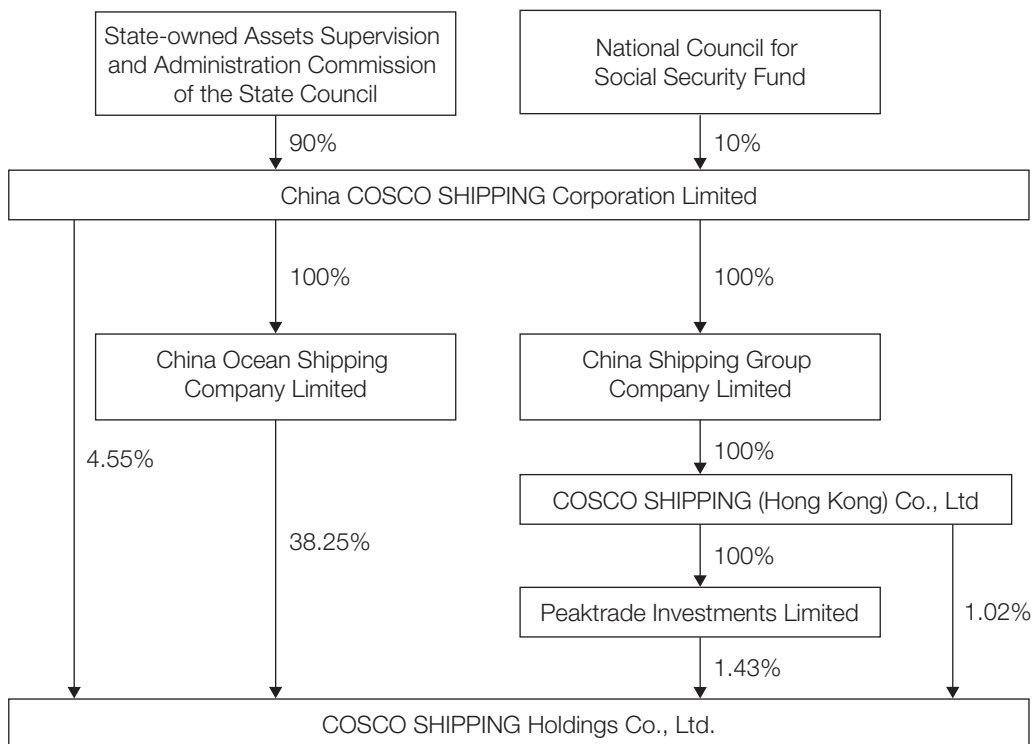
Name	China COSCO SHIPPING Corporation Limited (“ COSCO SHIPPING ”)
Person in charge or legal representative	WAN Min
Date of establishment	5 February 2016
Principal business	International freight, ancillary business in international maritime transportation; import and export of goods and technology; agent of international freight by sea, road, and air; rental of self-owned ship; ship, container, steel sales; marine engineering equipment design; terminal and port investment; communications equipment sales, information and technical services; warehousing (except dangerous chemicals); technology development related to shipping, spare parts, technology transfer, technical advice, technical services, equity investment funds. (Business activities can only be operated after being approved by the relevant departments in accordance with the law)
Control and shareholdings in other domestic or overseas listed companies during the Reporting Period	<p>Controlling shareholdings: COSCO SHIPPING Ports (01199.HK) 72.27%; COSCO SHIPPING International (Hong Kong) (00517.HK) 71.71%; OOIL (00316.HK) 71.07%; COSCO SHIPPING International (Singapore) (F83.SG) 69.66%; Piraeus Port Authority S.A. (PPA.GA) 67%; Hainan Strait Shipping (002320.SZ) 58.81%; COSCO SHIPPING Specialized Carriers (600428.SH) 52.27%; COSCO SHIPPING Technology (002401.SZ) 48.96%; COSCO SHIPPING Development (601866.SH; 02866.HK) 47.16%; COSCO SHIPPING Energy Transportation (600026.SH, 01138.HK) 46.90%.</p> <p>Major shareholdings: Qilu Expressway (01576.HK) 30.00%; Qingdao Port (601298.SH; 06198.HK) 21.78%; SIPG (600018.SH) 15.62%; Beibu Gulf Port (000582.SZ) 11.32%; CHINA BOHAI BANK (09668.HK) 11.12%; China Merchants Securities (600999.SH; 06099.HK) 10.02%; China Merchants Bank (600036.SH; 03968.HK) 9.97%; SRCB (601825.SH) 8.29%; Guangzhou Port (601228.SH) 6.50%; Rizhao Port Jurong (06117.HK) 6.38%; SAIC (600104.SH) 5.91%.</p>
Others	None

Changes in Equity and Shareholders' Information

(II) The relationship of the property and control between the Company and controlling shareholders



(III) The relationship of the property and control between the Company and the actual controller



Corporate Bonds

I. Overview of corporate bonds

Not applicable.

II. Use of proceeds raised from the public issuance of the Company's bonds

Not applicable.

Directors, Supervisors and Senior Management

Biographies of Directors, Supervisors and senior management

Mr. WAN Min (萬敏)¹

Mr. WAN, aged 57, is currently the chairman of the Board and an executive Director of the Company. Mr. WAN is currently the chairman of the board and the secretary of the party committee of China COSCO SHIPPING Corporation Limited, an executive director of China Ocean Shipping Co., Ltd. and the chairman of the board and an executive director of Orient Overseas (International) Limited (a controlled subsidiary of the Company and a company listed on the Hong Kong Stock Exchange (stock code: 316)). He has served as the general manager and the deputy secretary of the party committee of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager and a member of the party committee of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited), a director, the president and the deputy secretary of the party committee of China COSCO SHIPPING Corporation Limited, the chairman of the Board and a non-executive Director of the Company, and the chairman of the board of China Tourism Group Co., Ltd.. Mr. WAN has over 30 years of experience in corporate management and has extensive experience of operation management in shipping and tourism industries. He served as the chairman of the board and the secretary of the party committee of China COSCO SHIPPING Corporation Limited since October 2021. Mr. WAN graduated from Shanghai Maritime College (currently known as Shanghai Maritime University) majoring in transportation management and engineering, obtained a master's degree in business administration from Shanghai Jiao Tong University, and is an engineer.

Mr. ZHANG Feng (張峰)⁴

Mr. ZHANG, aged 53, is currently the vice chairman and an executive Director of the Company. Starting working in 1995, Mr. ZHANG is currently a deputy general manager and a member of the party committee of China COSCO SHIPPING Corporation Limited and an executive director and the chief executive officer of Orient Overseas (International) Limited (a company listed on the Hong Kong Stock Exchange (stock code: 316)). He held positions of the deputy manager and manager of the global sales department of marketing division, and the deputy manager and manager of the marketing department of the America trade division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the assistant president of COSCO (Los Angeles) Agency, the executive vice president of COSCO Container Lines (America) Co., Ltd., the deputy general manager, executive deputy general manager and general manager of the America trade division of COSCO Container Lines Co., Ltd., a director of New Golden Sea Shipping PTE. LTD. (a wholly-owned subsidiary of COSCO SHIPPING Lines Co., Ltd.), the vice president of COSCO SHIPPING (Southeast Asia) Co., Ltd., a director and the president of COSCO SHIPPING (North America) Inc., a director and the general manager of COSCO SHIPPING Lines Co., Ltd., and an executive director and the deputy general manager of the Company. Mr. ZHANG has extensive experience in container shipping operation and overseas enterprise management. Mr. ZHANG graduated from Beijing Foreign Languages Institute (currently known as Beijing Foreign Studies University) majoring in French and is a senior economist.

Directors, Supervisors and Senior Management

Mr. CHEN Yangfan (陳揚帆)¹

Mr. CHEN, aged 50, has resigned and was the vice chairman and an executive Director of the Company. Mr. CHEN has served as the general manager of the international business center, the deputy general manager of the group customer center, the general manager of the product innovation department and the general manager of the internet business operation department of the Shanghai branch of China United Network Communications Limited, a manager of the first division and the third division of the product innovation department, the deputy general manager and the general manager of the product innovation department, the general manager of the information security department, the general manager of the internet operation department, the general manager of the industrial internet product center, the senior vice president of the government and enterprise customer business group at the headquarter of China United Network Communications Group Co., Ltd., the party secretary and the general manager of the Guizhou branch of China United Network Communications Limited, and the deputy general manager and a party committee member of China COSCO SHIPPING Corporation Limited. Mr. CHEN has over 20 years of experience in informatization and enterprise management, with extensive experience in informatization, internet and digital operation management. Mr. CHEN graduated from the University of Essex in the United Kingdom with a master's degree in telecommunications and information systems and is an engineer.

Mr. TAO Weidong (陶衛東)^{1,2}

Mr. TAO, aged 55, is currently an executive Director and the general manager of the Company. Mr. TAO is currently the employee representative director of China COSCO SHIPPING Corporation Limited, the chairman of the board and the party secretary of COSCO SHIPPING Lines Co., Ltd., an executive director of Orient Overseas (International) Limited (a controlled subsidiary of the Company and a company listed on the Hong Kong Stock Exchange (stock code: 316)), the chairman of the board, chairman of the executive committee and chief executive officer of Orient Overseas Container Line Limited, the chairman of the board of COSCO SHIPPING Holdings (Hong Kong) Limited and a director of Faulkner Global Holdings Ltd. He has served as the manager of the container transportation department and the manager of the agency department of COSCO Cosfim Co. Ltd., the assistant general manager and deputy general manager of COSCO (Shenzhen) International Freight Co., Ltd. (currently known as COSCO SHIPPING Lines (Shenzhen) Co., Ltd.), the deputy general manager of Americas trade division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager of COSCO (Southern China) International Freight Co., Ltd. (currently known as COSCO SHIPPING Lines (Southern China) Co., Ltd.), the general manager of COSCO (Shanghai) International Freight Co., Ltd. (currently known as COSCO SHIPPING Lines (Shanghai) Co., Ltd.), the general manager of COSCO SHIPPING Lines (Shanghai) Co., Ltd., the general manager of COSCO SHIPPING International Freight Co., Ltd., the deputy general manager of COSCO SHIPPING Lines Co., Ltd., and the general manager of the operating management division of China COSCO SHIPPING Corporation Limited. During the period from October 2022 to June 2023, he served as a director of Shanghai International Port (Group) Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600018)). Mr. TAO has nearly 30 years of experience in corporate management and extensive experience in shipping and logistics operation and management. Mr. TAO graduated from Shanghai Maritime College (currently known as Shanghai Maritime University), majoring in water transport management, obtained a master's degree in business administration from Shanghai Maritime University, and is a senior engineer.

Directors, Supervisors and Senior Management

Mr. ZHU Tao (朱濤)³

Mr. ZHU, aged 53, is currently an executive Director and the deputy general manager of the Company, an executive director, the chairman of the board, a member of the executive committee, the chairman of the investment and strategic planning committee and a member of the environmental, social and governance committee of COSCO SHIPPING Ports Limited, a controlled subsidiary of the Company and a company listed on the Hong Kong Stock Exchange (Stock Code: 01199). Mr. ZHU started his career in 1995 and previously served as a deputy business manager and the business manager of the dispatching division of the liner department of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), a deputy head of the business division of the coastal transportation department of COSCO Container Lines, the manager of the East and South China operating department of the Sino-Japan trade division of COSCO Container Lines, a deputy general manager and the chairman of the labour union of Shanghai PANASIA Shipping Co., Ltd., a deputy general manager of Americas trading division of COSCO Container Lines, the general manager of COSCO Container Lines (Netherlands) B.V., the supervisor of the general manager's office of COSCO Container Lines, the general manager and a deputy party secretary of Shanghai PANASIA Shipping Co., Ltd., a deputy general manager and a member of the party committee of COSCO SHIPPING Lines Co., Ltd., and a non-executive director of Qingdao Port International Co., Ltd. (a company listed on the Hong Kong Stock Exchange (Stock Code: 06198)). Mr. ZHU graduated from Shanghai Jiao Tong University with a master's degree in business administration and is an economist.

Mr. XU Feipan (徐飛攀)⁴

Mr. XU, aged 50, is currently an executive Director and the deputy general manager of the Company, the president of COSCO SHIPPING (North America) Inc., a director, the general manager and a deputy party secretary of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), the president of COSCO SHIPPING Lines (North America) Inc., and the chairman of the board of several subsidiaries of the Company. Mr. XU started his career in 1997 and previously served as the deputy manager and manager of the coastal business department of Shanghai Pan Asia Shipping Co., Ltd. (上海泛亞航運有限公司), the deputy general manager of COSCO (Shanghai) International Freight Co., Ltd. (上海中遠國際貨運有限公司), the deputy general manager and the general manager of COSCO International Freight (Wuhan) Co., Ltd. (武漢中遠國際貨運有限公司) and the general manager of COSCO SHIPPING Lines (Shanghai) Co., Ltd. (上海中遠海運集裝箱運輸有限公司). Mr. XU Feipan holds a master's degree in business administration from Fudan University and is an economist.

Mr. YU De (余德)¹

Mr. YU, aged 61, has resigned and was the non-executive Director of the Company, the assistant president and the general manager of the international business department of SAIC Motor Corporation Limited and the general manager of SAIC Motor International Co., Ltd. He served as the deputy director of automobile gear factory of Shanghai Automobile Co., Ltd. (currently known as SAIC Motor Corporation Limited), the general manager of Shanghai ZF Steering Systems Co., Ltd. (currently known as Bosch HUAYU Steering Systems Co., Ltd.) and the general manager and the party secretary of Anji AUTOMOTIVE Logistics Co., Ltd. Mr. YU has rich experience in logistics enterprise management and international operation. Mr. YU holds a master's degree in business administration from the University of Macau.

Directors, Supervisors and Senior Management

Prof. MA Si-hang Frederick (馬時亨)¹

Prof. MA, aged 74, is currently an independent non-executive Director of the Company, a chairman and independent non-executive director of FWD Group, an independent non-executive director of HH&L Acquisition Co. (a company listed on New York Stock Exchange (stock code: HHLA)), Unicorn II Holdings Limited (privatised and delisted from the New York Stock Exchange since January 2022), BOC Hong Kong (Holdings) Limited (a company listed on the Hong Kong Stock Exchange (stock code: 2388 (HKD counter) and 82388 (RMB counter))) and its principal operating subsidiary Bank of China (Hong Kong) Limited. Prof. MA is an honorary professor of the Faculty of Economics and Finance at the University of Hong Kong, an honorary professor of the Faculty of Business Administration at the Chinese University of Hong Kong, an honorary professor of the Education University of Hong Kong, an honorary advisor of the School of Accountancy at Central University of Finance and Economics, the chairman of Hong Kong Trade Development Council, a member of the Hong Kong Chief Executive's Council of Advisers, a member of the International Advisory Council of China Investment Corporation, a member of the Global Advisory Council of Bank of America and a member of the International Advisory Council of Investcorp. Prof. MA served as a managing director of UK branch of RBC Dominion Securities Inc., a vice chairman and managing director of Kumagai Gumi (Hong Kong) Limited (currently known as Hong Kong Construction (Holdings) Limited), the managing director and head of Asia of the private banking department of Chase Bank, the Asia-Pacific chief executive officer of private banking of JPMorgan Chase & Co. (a company listed on the New York Stock Exchange (stock code: JPM)), the chief financial officer and an executive director of PCCW Limited (a company listed on the Hong Kong Stock Exchange (stock code: 0008)), the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region, the Secretary for Commerce and Economic Development of the Government of the Hong Kong Special Administrative Region, the non-executive chairman of China Strategic Holdings Limited

(currently known as CSC Holdings Limited) (a company listed on the Hong Kong Stock Exchange (stock code: 0235)), an independent non-executive director of China Resources Land Limited (a company listed on the Hong Kong Stock Exchange (stock code: 1109)), an independent non-executive director of Hutchison Port Holdings Limited, an external director of China Oil and Foodstuffs Corporation, an external director of China Mobile Communications Group Co., Ltd, an independent non-executive director of the Agricultural Bank of China Limited (a company listed on the Hong Kong Stock Exchange (stock code: 1288), Shanghai Stock Exchange (stock code: 601288), and New York Stock Exchange (stock code: ACGBY)), an independent non-executive director of Aluminum Corporation of China Limited (a company listed on the Hong Kong Stock Exchange (stock code: 2600) and Shanghai Stock Exchange (stock code: 601600)), the non-executive chairman of MTR Corporation Limited (a company listed on the Hong Kong Stock Exchange (stock code: 0066)), an independent non-executive director of Husky Energy Inc. (a company listed on Toronto Stock Exchange (stock code: HSE)), an independent non-executive director of Guangshen Railway Co. Ltd. (a company listed on the Hong Kong Stock Exchange (stock code: 525) and Shanghai Stock Exchange (stock code: 601333)), and the chairman of the Council of the Education University of Hong Kong. Prof. MA graduated with a bachelor degree from the University of Hong Kong majoring in economics and history. He was awarded the Gold Bauhinia Star and appointed as a Non-Official Justice of the Peace of the Hong Kong Special Administrative Region.

Directors, Supervisors and Senior Management

Mr. SHEN Dou (沈抖)¹

Mr. SHEN, aged 46, is currently an independent non-executive Director of the Company, the executive vice president of Baidu, Inc. (a company listed on the NASDAQ (stock code: BIDU) and the Hong Kong Stock Exchange (stock code: 9888)), the president of Baidu AI Cloud Group, and also a director of CITIC Aibank Corporation Limited, a director of Dalian Dongruan Holding Co., Ltd., a director of iQIYI, Inc. (a company listed on the NASDAQ (stock code: IQ)) and a director of China United Network Communications Limited (a company listed on the Shanghai Stock Exchange (stock code: 600050)). Mr. SHEN worked at the headquarter of Microsoft Corporation (a company listed on the NASDAQ (stock code: MSFT)) and was responsible for R&D management in relation to search behaviour and semantic advertising. He subsequently founded BuzzLabs, Inc. in the United States of America, which was acquired by CityGrid Media in 2011. Mr. SHEN joined Baidu, Inc. in 2012 and served as the technical director of alliance research and development department, the senior technical director of web search department, the executive director of financial services group (FSG), and served as the executive vice president of Baidu, Inc. in May 2019 and was fully responsible for Baidu's mobile ecosystems group (MEG). Since May 2022, he has been in charge of Baidu's AI cloud group (ACG), which covers industrial solutions in smart manufacturing, energy, water, finance, and cities, as well as general cloud computing solutions. Between October 2019 and June 2022, Mr. SHEN was a director of Trip.com Group (a company listed on the NASDAQ (stock code: TCOM)). From April 2018 to September 2023, Mr. SHEN was a director of Kuaishou Technology (a company listed on the Hong Kong Stock Exchange (stock code: 1024)). Mr. SHEN graduated from the Hong Kong University of Science and Technology with a Ph.D. degree in computer science.

Ms. HAI Chi-yuet (奚治月)¹

Ms. HAI, aged 71, is currently an independent non-executive Director of the Company. Ms. HAI previously served as the managing director of COSCO-HIT Terminals (Hong Kong) Limited, the managing director of Yantian International Container Terminals Limited, the chief executive officer of Hutchison Port Holdings Trust (a trust fund listed on the Singapore Exchange (stock code: NS8U, P7VU) and London Stock Exchange (stock code: NS8U)), an advisor to Hutchison Port Holdings Limited and an independent non-executive director of COSCO SHIPPING Development Co., Ltd. (a company listed on the Hong Kong Stock Exchange (stock code: 2866) and Shanghai Stock Exchange (stock code: 601866)). Ms. HAI also served at public service organizations, including being a member of the Election Committee for the Chief Executive of Hong Kong Special Administrative Region (Transport Subsector). She also served as a member of Hong Kong Port Development Advisory Group and the president of Shenzhen Ports Association. In 2011, Ms. HAI was awarded the title of Shenzhen Honorable Citizen. Ms. HAI has over three decades of extensive working experience in the shipping logistics industry. Ms. HAI graduated from York University, Toronto, Canada and the University of Hong Kong with a bachelor's degree in business administration and a master's degree in Buddhist studies respectively.

Directors, Supervisors and Senior Management

Ms. WU Yu (吳宇)¹

Ms. WU, aged 50, is currently the deputy general manager of the Company and currently the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company) and the director and a member of the executive committee of Orient Overseas Container Line Limited, an executive Director and the general manager of COSCO SHIPPING Ports Limited, the chief executive officer of OOCL Logistics Limited, the chairperson and the general manager of Shanghai COSCO Information and Technology Co., Ltd. (上海中遠海運資訊科技有限公司) as well as a non-executive director of Qingdao Port International Co., Ltd. (a company listed on the Stock Exchange (Stock Code: 06198)). Ms. WU started her career in 1997 and served successively as the business manager of business process & system division, deputy manager of Route Information Department, manager of planning and operation division of strategic development division, deputy general manager of business process & system division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), and the general manager of business process & system division and assistant to the general manager of COSCO SHIPPING Lines Co., Ltd. Ms. WU holds a master's degree in business administration from Fudan University and is an economist.

Mr. XIAO Junguang (肖俊光)¹

Mr. XIAO, aged 55, is currently the secretary to the Board and the company secretary under the Hong Kong Listing Rules and the Chief Compliance Officer of the Company, the secretary to the board and the chief compliance officer of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), and the company secretary, group legal advisor, compliance officer and the chairman of compliance committee, member of inside information committee and the risk committee of Orient Overseas (International) Limited (a company listed on the Stock Exchange (stock code: 316)). He also serves as a director, a member of the executive committee of Orient Overseas Container Line Limited and the chairman of the board of several subsidiaries of the Company. Mr. XIAO is the deputy chairman of the supervisory committee of China Association for Public Companies, a member of the overseas listed companies branch (preparation) and a member of the sustainable development committee under the association, a director of The Swedish Club (a marine mutual insurance association), an executive director of China Maritime Law Association, a representative of a member unit of Shanghai Association for Quality, the vice chairman of Tianjin Association of Public Companies, a director of The Steamship Mutual Underwriting Association (Bermuda) Limited and a member of underwriting and reinsurance committee and claims committee under it, and a council member of the COSCO SHIPPING Charity Foundation. Mr. XIAO joined the COSCO Group in 1994 and served as the general manager of the finance department of COSCO Americas Inc. (中遠美洲公司), COSCO Americas Terminals Inc. (中遠美洲碼頭公司), the deputy general manager of the Investor Relations Division of China COSCO, the securities affairs representative of COSCO SHIPPING Holdings Co., Ltd., the deputy general manager of the Public Relations Department of China COSCO SHIPPING Corporation Limited. etc. Mr. XIAO holds a bachelor's degree in finance from the Capital University of Economics and Business, and a master's degree in applied finance from Macquarie University, and is an associate member of The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute.

Directors, Supervisors and Senior Management

Mr. QIAN Ming (錢明)¹

Mr. Qian, aged 50, is currently the deputy general manager and general counsel of the Company, the deputy general manager and general counsel of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), a director of SAIC Anji Logistics Co., Ltd., and the chairman of several subsidiaries of the Company. Mr. Qian started his career in 1998 and served successively as the business representative and the deputy general representative of China Shipping Colombo representative office (中國海運(科倫坡)代表處), the general manager of China Shipping (Indonesia) Shipping Co., Ltd. (中國海運(印尼)船務有限公司), the assistant to general manager of the First Market Department of China Shipping Container Lines Co., Ltd. (中海集裝箱運輸股份有限公司), the deputy general manager and the deputy general manager (in charge) of the Asia Pacific Department of CSCL, the general manager of the Asia Pacific Operation Department of CSCL, the general manager of the Latin America/Africa Trade Division of COSCO SHIPPING Lines Co., Ltd., the general manager of COSCO Tianjin International Freight Co., Ltd. (天津中遠海運集裝箱運輸有限公司), etc. Mr. Qian graduated from Dalian Maritime University with a Bachelor's degree in law, majoring in international maritime affairs.

Mr. PAN Zhigang (潘志剛)¹

Mr. Pan, aged 52, is currently the chief accountant of the Company, the chief accountant and a member of the Party Committee of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), a director, a member of the executive committee and the chief financial officer of Orient Overseas Container Line Limited, the chief financial officer of Orient Overseas (International) Limited (a company listed on the Stock Exchange with stock code: 316), and the chairman of several subsidiaries of the Company. He had successively served as the manager of the accounting division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager of COSCO (France) Co., Ltd. (currently known as COSCO SHIPPING Lines (France) S.A.S.), the deputy manager and the manager of the finance and accounting division of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the chief financial officer and a member of the Party Committee of Shanghai Ocean Shipping Co., Ltd. (上海遠洋運輸有限公司), the general manager of the finance and accounting division of COSCO SHIPPING Holdings Co., Ltd., the general manager of the finance and accounting division of COSCO SHIPPING Lines Co., Ltd., and the vice president and a member of the Party Committee of COSCO SHIPPING (South East Asia) Pte. Ltd. (中遠海運(東南亞)有限公司), chief financial officer and the chief risk officer of COSCO SHIPPING International (Singapore) Co., Ltd. (中遠海運國際(新加坡)有限公司) etc. Mr. Pan holds a master degree in Business Administration from Dalian Maritime University.

Directors, Supervisors and Senior Management

Mr. QIN Jiangping (秦江平)

Mr. Qin, aged 58, is currently the deputy general manager of the Company, the employee representative director and deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), the chairman of Shanghai Ocean Shipping Co., Ltd., and the chairman of several subsidiaries of the Company. Mr. Qin started his career in 1988 and served successively as a captain of Shanghai Ocean Shipping Co., Ltd., the manager of maritime service center, crew management division and commerce division of COSCO Shanghai Manning Company Limited (上海遠洋對外勞務有限公司), the deputy general manager and the general manager of the crew management department of organization/human resources division of China Ocean Shipping Co., Ltd. (中國遠洋運輸有限公司), the general manager of China-Japan International Ferry Co., Ltd. (中日國際輪渡有限公司), the deputy general manager and the general manager of Shanghai Ocean Shipping Co., Ltd. (上海遠洋運輸有限公司), etc. Mr. QIN Jiangping graduated from Dalian Maritime College (currently known as Dalian Maritime University) majoring in nautical science with a bachelor's degree in engineering, and is a senior captain.

Ms. CHENG Jing (程菁)

Ms. CHENG, aged 50, is currently the deputy general manager of the Company and the deputy general manager and a member of the Party Committee of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company). She also serves as the director of the Corporate Strategy Development Department, the Dual-Brand Capacity and Shipping Network Planning Center, the Dual-Brand Container Management Center and the Dual-Brand Procurement Management Center of Orient Overseas Container Line Limited, and the chairwoman of the board of several subsidiaries of the Company. Ms. CHENG started her career in 1998 and served successively as the deputy manager of the Strategic Planning Division under the Strategic Development Department, the manager of the Planning and Cooperation Division under the Strategic Development Department, and the deputy general manager of the Strategic Development Department of COSCO Container Lines Co., Ltd. (currently known as COSCO SHIPPING Lines Co., Ltd.), the deputy general manager, executive deputy general manager, and general manager of the Shipping Network Planning Department, and the general manager of the Dual-Brand Capacity and Shipping Network Planning Center of COSCO SHIPPING Lines Co., Ltd. Ms. CHENG holds a master's degree in business administration from Fudan University and is a senior economist.

Directors, Supervisors and Senior Management

Ms. ZHENG Qi (鄭琦)

Ms. ZHENG, aged 56, has resigned. She previously served as the Chief Financial Officer of the Company, the chief financial officer of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), the chief financial officer of COSCO Shipping Finance Co., Ltd., Orient Overseas (International) Limited (a company listed on the Stock Exchange (stock code: 316)), and a director, the chief financial officer, a member of the executive committee of Orient Overseas Container Line Limited, as well as a director and supervisor of certain subsidiaries of the Company. She previously served as the deputy manager, manager, deputy chief financial officer and chief financial officer of the financial department of COSCO Shanghai International Freight Co., Ltd., and the deputy general manager and general manager of the finance department of COSCO Container Lines Co., Ltd. Ms. ZHENG holds a master's degree in business administration from Shanghai Maritime University and is a senior accountant.

Ms. YU Tao (于濤)

Ms. YU, aged 52, has resigned. She previously served as the deputy general manager of the Company, the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), the director and a member of the executive committee of Orient Overseas Container Line Limited (東方海外貨櫃航運有限公司), a director of COSCO SHIPPING (Piraeus) Port Co., Ltd. (中遠海運(比雷埃夫斯)港口有限公司), a director of COSCO SHIPPING Capital Insurance Co., Ltd. (中遠海運財產保險自保有限公司) and a director of several subsidiaries of the Company. Ms. YU started her career in 1993 and served successively as the deputy general manager of the Engineering Logistics Division of COSCO Logistics Co., Ltd. (中國遠洋物流有限公司), the assistant to general manager and the deputy general manager of COSCO Container Lines Co., Ltd., etc. Ms. YU holds a master's degree in business administration from Guanghua School of Management of Peking University, and is a senior economist.

Mr. GE Heyue (戈和悅)

Mr. GE, aged 49, has resigned. He previously served as the deputy general manager of the Company and the deputy general manager of COSCO SHIPPING Lines Co., Ltd. (a wholly-owned subsidiary of the Company), a director of COSCO SHIPPING Logistics Co., Ltd., COSCO SHIPPING Logistics Supply Chain Co., Ltd. and Hainan Harbor and Shipping Holding Co., Ltd. (海南港航控股股份有限公司) as well as a director of several subsidiaries of the Company. Mr. GE started his career in 1999 and served successively as the deputy manager of business division of container management center of China Shipping Container Lines Co., Ltd., the deputy manager of container management center of China Shipping (North America) Holdings Co., Ltd. (中海(北美)控股有限公司), the assistant to general manager and deputy general manager of Americas department, and deputy general manager and general manager of Americas operations department of China Shipping Container Lines Co., Ltd., the deputy general manager of America trade division, general manager of network planning division, and general manager of America trade division of COSCO SHIPPING Lines Co., Ltd. Mr. GE graduated from Dalian Maritime University with a bachelor's degree in economics, majoring in business intelligence.

Directors, Supervisors and Senior Management

Mr. YANG Shicheng (楊世成)

Mr. YANG, aged 62, previously served as the chairman of the Supervisory Committee and a Shareholder representative Supervisor of the Company and also serves as a supervisor of COSCO SHIPPING (Dalian) Co., Ltd. (中遠海運(大連)有限公司), COSCO SHIPPING Ferry Co., Ltd. Mr. YANG had been the deputy manager of the business department of COSCO Bulk Carrier Co., Ltd. (中遠散貨運輸有限公司) (currently known as COSCO SHIPPING (Tianjin) Co., Ltd.), the director of the business division under the transportation department, the deputy general manager of the transportation department, the executive vice dean (corresponding to the level of the department principal) of the research and development center and a member of the Party Committee of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited), the general manager of COSCO (UK) Ltd., the deputy general manager and a member of the Party Committee of COSCO SHIPPING Energy Transportation Co., Ltd. (a company listed on the Stock Exchange (stock code: 1138) and the Shanghai Stock Exchange (stock code: 600026)) and the chairman and the party secretary of the Party Committee of COSCO SHIPPING Investment Dalian Co., Ltd. (中遠海運大連投資有限公司). Mr. YANG graduated from the University of Bristol in U.K, majoring in business law and holds a master's degree in laws and is a senior economist.

Mr. XU Weifeng (徐維鋒)⁶

Mr. XU, aged 55, previously served as an employee representative Supervisor of the Company and the secretary of the disciplinary committee of COSCO SHIPPING Ports Limited (a company listed on the Stock Exchange (stock code: 01199)). Mr. XU previously served as the deputy director of the hearing office under disciplinary inspection and supervision division of China Ocean Shipping (Group) Company (currently known as China Ocean Shipping Company Limited) and the hearing office under supervision division of China COSCO

Holdings Company Limited (the Company, currently known as COSCO SHIPPING Holdings Co., Ltd.*), the deputy director (in charge) and director of the office under disciplinary inspection and supervision division/patrol office of China Ocean Shipping (Group) Company and the office under supervision division/patrol office of China COSCO Holdings Company Limited, the director of the petition office under operation division of the disciplinary inspection team of the party committee/supervision and audit division of China COSCO SHIPPING Corporation Limited, and the director of the petition management office under disciplinary inspection and supervision team of China COSCO SHIPPING Corporation Limited. Mr. XU graduated from the Transportation Management College of Dalian Maritime University with a bachelor's degree, majoring in water transportation management, and is an engineer.

Mr. SONG Tao (宋濤)⁶

Mr. SONG, aged 53, is currently an employee representative Supervisor of the Company and the deputy secretary of the Party Committee of Shanghai PANASIA Shipping Co., Ltd.* (上海泛亞航運有限公司) (a subsidiary of the Company). Mr. SONG had been the deputy general manager, the deputy general manager (presiding over the work) and the general manager of the internal trade department of China Shipping Container Lines Co., Ltd. (currently known as COSCO SHIPPING Development Co., Ltd. (中遠海運發展股份有限公司), a company listed on the Stock Exchange (stock code: 2866) and the Shanghai Stock Exchange (stock code: 601866)), the general manager of the domestic operation department and the director of the comprehensive division of China Shipping Container Lines Co., Ltd., the general manager and the deputy secretary of the Party Committee of Shanghai Puhai Shipping Co., Ltd.* (上海浦海航運有限公司) (a subsidiary of the Company), the party secretary and deputy general manager of Shanghai PANASIA Shipping Co., Ltd. Mr. SONG graduated from Shanghai Maritime Transportation Institute (currently known as Shanghai Maritime University) with an undergraduate degree, majoring in marine communication and navigation.

Directors, Supervisors and Senior Management

Mr. XU Donggen (徐冬根)⁵

Mr. XU, aged 65, is currently an independent Supervisor of the Company, a professor at the School of Law, a doctoral tutor, the director of the Institute of International Law, the director of the Centre for Financial Law and Policy Studies of Shanghai Jiao Tong University. Currently, he is also an independent director of Qingdao Citymedia Co., Ltd. (青島城市傳媒股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600229)). Mr. XU is a Shanghai Labour Model. He previously served as an independent director of Power Construction Corporation of China, Ltd. (中國電力建設股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601669)) and a lecturer professor of executive master of business administration (EMBA), master of business administration (MBA) and doctor of business administration (DBA) programmes on international finance and financial innovation, financial technology and law, international finance and law, securities investment and risk control, international business law, and overseas investment at various business schools. Mr. XU has published more than 20 textbooks and monographs in English, French and Chinese, and more than 100 academic papers. He presided over and participated in a number of national and provincial research projects. Mr. XU has more than 20 years of experience serving as an independent director of listed companies and experience practicing as a lawyer, and had participated in the planning, negotiation and project review of a large number of major international financing, capital operation, cross-border investment, mergers and acquisitions, and asset restructuring projects. Mr. XU obtained a doctorate degree in laws from the University of Fribourg in Switzerland.

Mr. SI Yuncong (司雲聰)⁵

Mr. SI, aged 62, is currently an independent Supervisor of the Company and the chairman of the board of Shenzhen SED Industry Co., Ltd. (深圳市桑達實業股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock

code: 000032)). Mr. SI previously served as the chief of the production safety department, assistant general manager and deputy factory manager of East China Electronic Tube Factory (華東電子管廠), deputy general manager and a party committee member of Nanjing Huadong Electronics Group Co., Ltd. (南京華東電子集團股份有限公司), a director and the general manager of Nanjing Huadong Electronics Information & Technology Company Limited (南京華東電子信息科技股份有限公司) (currently known as TPV Technology Co., Ltd. (冠捷電子科技股份有限公司)) (a company listed on the Shenzhen Stock Exchange (stock code: 000727)), an executive director (legal representative) and the general manager of Nanjing Hua Dong Electronics Group Co., Ltd. (南京華東電子集團有限公司), deputy general manager of IRICO Group Corporation (彩虹集團公司) (currently known as IRICO Group Corporation (彩虹集團有限公司)), the general manager of IRICO Group Corporation and the chairman of the board of IRICO Group Corporation, the chairman of the board of Xianyang China Electronics IRICO Group Holdings Co., Ltd. (咸陽中電彩虹集團控股有限公司), the vice chairman of the board of Irigo Display Devices Co., Ltd. (彩虹顯示器件股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600707)), the chairman of the board of Epilight Technology Co., Ltd. (上海藍光科技有限公司), the chairman of the board of Shanghai Hongzheng Assets Management Co., Ltd. (上海虹正資產經營有限公司), the chairman of the supervisory committee of Irigo Display Devices Co., Ltd., the chairman of the board of Hefei IRICO Epilight Technology Co., Ltd. (合肥彩虹藍光科技有限公司), the chairman of the board of Irigo Group New Energy Company Limited (彩虹集團新能源股份有限公司) (a company listed on the Stock Exchange (stock code: 438)) and the party secretary of Shenzhen SED Industry Co., Ltd. Mr. SI graduated from the Department of Chemical Engineering of East China Institute of Technology (currently known as Nanjing University of Science & Technology) with a bachelor's degree, majoring in environmental monitoring. He holds a doctorate degree in management and is a senior engineer.

Directors, Supervisors and Senior Management

1. On 16 November 2023, the Shareholders of the Company approved at the extraordinary general meeting (i) re-election of Mr. WAN Min as an executive Director; (ii) election of Mr. CHEN Yangfan as an executive Director; (iii) election of Mr. TAO Weidong as an executive Director; (iv) election of Mr. YU De as a non-executive Director; (v) re-election of Prof. MA Si-hang Frederick as an independent non-executive Director; (vi) election of Mr. SHEN Dou and Ms. HAI Chi-yuet as independent non-executive Directors. On the same day, the proposals were unanimously approved by the first meeting of the seventh session of the Board upon consideration, and Mr. WAN Min and Mr. CHEN Yangfan were appointed as the Chairman and vice Chairman of the seventh session of the Board, respectively. For details, please refer to the announcement of the Company dated 16 November 2023 and the overseas regulatory announcement of the same date.
2. Effective from 18 October 2024, Mr. TAO Weidong was appointed as an authorized representative of the Company under Rule 3.05 of the Listing Rules. For details, please refer to the announcement of the Company dated 18 October 2024 and the overseas regulatory announcement dated 20 October 2024.
3. On 13 November 2024, the Shareholders of the Company approved the appointment of Mr. ZHU Tao as an executive Director of the Company at the extraordinary general meeting. For details, please refer to the announcements of the Company dated 21 June 2024 and 13 November 2024 and the overseas regulatory announcement of the same dates. Mr. ZHU Tao has confirmed that he (i) has obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 13 November 2024, and (ii) is aware of the requirements of the Listing Rules applicable to him as a director of the listed issuer under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange.
4. On 28 May 2025, the Shareholders of the Company approved the appointment of Mr. ZHANG Feng and Mr. XU Feipan as executive Directors of the Company at the annual general meeting. Mr. ZHANG Feng and Mr. XU Feipan have confirmed that they (i) have obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 20 May 2025, and (ii) is aware of the requirements of the Listing Rules applicable to him as a director of the listed issuer under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange. For details, please refer to the announcements of the Company dated 16 April 2025 and 29 May 2025.
5. On 16 November 2023, the Shareholders of the Company approved the election of Mr. XU Donggen and Mr. SI Yuncong as independent Supervisors at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 16 November 2023.
6. The general meeting of the employee representatives of the Company elected Mr. XU Weifeng and Mr. SONG Tao as employee representative Supervisors of the Company, effective from the date of election of non-employee representative Supervisors at the 2023 first extraordinary general meeting of the Company (i.e. 16 November 2023). For details, please refer to the announcement of the Company dated 8 November 2023.
7. As at the end of the Reporting Period, the members of senior management of the Company are: Mr. TAO Weidong (as the general manager of the Company), Mr. ZHU Tao (as the deputy general manager of the Company), Mr. XU Feipan (as the deputy general manager of the Company), Ms. WU Yu (as the deputy general manager of the Company), Mr. XIAO Janguang (as the secretary to the Board and the company secretary of the Company under the Listing Rules), Mr. QIAN Ming (as the deputy general manager and general counsel of the Company), Mr. PAN Zhigang (as the chief accountant of the Company), Mr. QIN Jiangping (as the deputy general manager of the Company), Ms. CHENG Jing (as the deputy general manager of the Company).
8. This section was prepared by the Company based on the information available as of 31 December 2025.

Changes in Directors and Senior Management Subsequent to the Reporting Period

Nil

Corporate Governance Report

I. Corporate Governance

During the Reporting Period, the Company strictly complied with the requirements of laws and regulations, including the Company Law of the People's Republic of China (the "**Company Law**"), the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Measures for the Management of Independent Directors of Listed Companies, the Rules of Shareholders' General Meeting of Listed Companies and the Guidance for Articles of Association of Listed Companies, and constantly improved the corporate governance and the standard operating level. In light of the current actual situation of the Company, the Company has made full use of the functions of the Board and the Board committees to ensure that the functions and responsibilities of the Shareholders' general meetings and meetings of the Board are fully fulfilled and to protect the interests of the Shareholders and the Company.

During the Reporting Period, the Company attempted to meet the best standards of governance and strengthened internal governance by improving the corporate governance structure to promote the construction of a long-term mechanism of compliance management and enhance operational efficiency of Shareholders' general meetings and the Board; establishing a communication and coordination platform to set up a mechanism for collaborated working process and operation to enhance the planning efficiency and foresight of various works; establishing the internal control system to improve the internal control policy and risk management process to clarify the main responsibility and management responsibilities to distinguish accountability and ensure the effectiveness of measures; and through improvements of on-the-job training, updates of regulatory regulations, management of equity information, regular report of information, on-site research and inspection and the functions of independent directors and intermediary institutions were fully utilized to promote the performance of duties and responsibilities of the Directors and senior management effectively.

During the Reporting Period, the Company completed the reform of the Supervisory Committee in accordance with the Company Law and the Transitional Arrangements for the Implementation of Supporting Policies and Rules under the New Company Law 《關於新公司法配套制度規則實施相關過渡期安排》 issued by the China Securities Regulatory Commission. The Supervisory Committee was accordingly dissolved, with its functions and powers as prescribed under the Company Law and by the securities regulatory authority of the place where the Company's shares are listed being exercised by the Audit Committee. Furthermore, in accordance with the relevant requirements of regulations, including the Company Law, the Guidelines on Articles of Association of Listed Companies (2025 Revision) 《上市公司章程指引(2025修訂)》, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in light of the Company's actual situation, the Company amended the Articles of Association of COSCO SHIPPING Holdings. Such amendments to the Articles of Association and its annexes have been considered and approved at the Shareholders' general meeting of the Company.

II. Model Code for Securities Transactions by Directors

Since the listing of the Company on the Main Board of the Hong Kong Stock Exchange in 2005, the Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 standards set out in the Model Code throughout the year ended 31 December 2025.

Corporate Governance Report

III. Report on the Company's compliance with the Corporate Governance Code

The Company has adopted its own corporate governance code, which incorporates all the code provisions and a majority of the recommended best practices in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Board has reviewed the daily corporate governance of the Company according to the relevant provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules and considered that the Company has operated according to the code provisions during the Reporting Period, and complied with the requirements of the provisions of the Corporate Governance Code, with an effort to carry out the recommended best practices.

To the knowledge of the Directors, there is no information that would reasonably indicate that the Company has not complied with the Corporate Governance Code at any time during the year ended 31 December 2025.

A. Directors

A1. Corporate Strategies, Business Models and Culture

Principle of the Code

- *The issuer should be headed by an effective Board. The Board should have the responsibility for leadership and control of the issuer and should be collectively responsible for directing and supervising the issuer's affairs to enable the success of the issuer. Directors should act objectively and make decisions that are in the best interest of the issuer.*

Corporate governance of the Company

- The Board of the Company fully represents the interests of the Shareholders and has set up development strategies of the Company within the scope of its powers as provided under the Articles of Association. The Board monitors and implements the Company's operation management, so as to achieve a steady and long-term return.
- The Directors have attended Board meetings as scheduled and have carefully reviewed materials of the meetings and actively fulfilled their responsibilities. Independent non-executive Directors regularly inspected the management of connected transactions of the Company.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Board should formulate the issuer’s objectives, values and strategies and ensure alignment with the issuer’s culture. All Directors must act with integrity, lead by example, and strive to promote corporate culture. This culture should be instilled throughout the enterprise and reinforce the concepts of acting in a legal, ethical and responsible manner. 	Yes	<p>The Board of Directors guides and shapes the Company’s corporate culture, which is based on the Company’s objectives, strategies, values and capabilities and is rooted in legal, ethical and responsible conduct at all levels of the Group. The Company is positioned as a global digital supply chain operation and investment platform with core focus on container shipping, and is the core company that undertakes the vision of “building a world-class global integrated service ecosystem of logistics supply chain” of COSCO SHIPPING Group. The Group has always adhered to the concept of green, low-carbon, and sustainable development, and is committed to building a trinity digital supply chain service ecosystem of “container shipping + port + related logistics” covering the world, strengthening the globalization and whole-process cooperation with strategic partners, driving the deep integration of related supply chains and industrial chains, and creating personalized, customized, green and low-carbon supply chain logistics solutions for customers. The Company’s corporate culture has fully incorporated the foregoing objectives, strategies and values of the Company.</p>
<ul style="list-style-type: none"> The Directors should discuss and analyse the Group’s performance in the annual report, explain the basis of the issuer for long-term generation or retention of value (the business model) and implement the strategies to achieve the objectives set by the issuer. 	Yes	<p>The basis of long-term generation or retention of value by the Company and implementation of the strategies to achieve the objectives of the Company are disclosed in the section headed “Management Discussion and Analysis” in the Company’s annual report.</p>

Corporate Governance Report

A2. Corporate Governance Functions

Principle of the Code

- *The Board is responsible for discharging its corporate governance responsibilities and may also delegate responsibilities to one or more committees.*

Corporate governance of the Company

- The Company has clearly defined the responsibilities of the Chairman and the general manager, and the functions of the Board and the management are segregated and set out in details in the Articles of Association, the Rules of Procedures of the Board and the Operation Rules for the General Manager, to ensure a balanced distribution of rights and authority, and assure the independence of decision-making by the Board as well as the independence of the management in daily operation and management activities.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The terms of reference of the Board (or a committee performing this function) should include, at least, the responsibilities specified in the Corporate Governance Code. 	Yes	The Company has established working rules and defined the powers and responsibilities of the Board.

B. Composition and Nomination of the Board

B1. Composition, Succession and Assessment of the Board

Principle of the Code

- *The Board should have the appropriate skills, experience and diversity of views and perspectives as required to the issuer's business, and should ensure that each Director is able to devote sufficient time to and contribute to the issuer in accordance with his/her role and Board responsibilities. The Board shall ensure that changes in its composition will not cause undue disruption. The Board should have a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board that can effectively exercise independent judgment. Non-executive Directors should have sufficient talent and number to enable their opinions to be influential.*

Corporate Governance Report

Corporate governance of the Company

- As at 31 December 2025, the Board of the Company consisted of eight Directors, including five executive Directors and three independent non-executive Directors.
- The independent non-executive Directors of the Company possess professional talents and experience in shipping, corporate management, finance, law, internet, digitalisation and other fields, and are able to make independent judgments, which enable the Board to make more prudent and comprehensive decisions.
- There are no connections, including financial, business, family or other material relationships, between members of the Board.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • Independent non-executive directors should be identified in all corporate communications that include the names of directors. 	Yes	The Company has disclosed the names of Board members by category of Directors in all corporate communications that include the names of the Directors.
<ul style="list-style-type: none"> • The issuer shall maintain and provide an up-to-date list of Board members on its website and the website of the Stock Exchange (i.e. the HKEXnews website), specifying their roles and functions and whether they are independent non-executive directors. 	Yes	The Company has published the name list and biographies of the members of the Board on the Company's website and the website of the Hong Kong Stock Exchange, specifying their roles, functions and independence.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Board should review the implementation and effectiveness of the issuer's board diversity policy on an annual basis. 	Yes	<p>The Board of the Company reviews the implementation and effectiveness of the board diversity policy on an annual basis based on the relevant reports of the Nomination Committee. Their diverse backgrounds, gender, skills and experience (covering areas such as industry expertise, advanced manufacturing, digital transformation, port logistics and public affairs) form a complementary professional matrix that effectively ensures the scientific basis of decision-making and aligns with the Company's strategic development needs.</p> <p>As of the end of the Reporting Period, the seventh session of the Board of the Company comprised eight members, including three independent non-executive Directors, one of whom was a female Director, Ms. HAI Chi-yuet (independent non-executive Director). Ms. Hai also served as the chairman of the Remuneration Committee and a member of the Nomination Committee and the Audit Committee.</p>

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The issuer should have a mechanism in place to ensure that the Board has access to independent views and opinions and disclose such mechanism in its Corporate Governance Report. The Board should review the implementation and effectiveness of the mechanism on an annual basis. 	Yes	<p>The Company has established an effective mechanism to ensure that the Board has access to independent views and opinions. All independent non-executive Directors of the Company are financially independent from the Group bringing independent and diversified experience, competencies, skills and judgment to the Group's strategy and policies through their informed contributions. The Nomination Committee of the Company reviews the implementation and effectiveness of the above mechanism annually.</p>

Corporate Governance Report

Recommended Best Practices	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Board should regularly review its performance. 	Yes	The Board conducts a self-evaluation on a biennial basis. The Company's most recent board performance evaluation was conducted in March 2025. For further details, please refer to the Company's 2024 Annual Report.
<ul style="list-style-type: none"> If individual proposed directors serve as directors in each other's companies or have material connections with other directors through participation in other companies or groups, but the Board still considers them to be independent, the Board should explain the reasons. 	Yes	No proposed Directors of the Company serve as directors in each other's companies or have material connections with other Directors through participation in other companies or groups.

The Company strictly complies with the independence requirements for independent non-executive Directors under the Listing Rules.

Nomination Policy for Directors and Board Diversity Policy

The Company has adopted the Board Diversity Policy, and the Board understood and confirmed that diversity of Board members will be beneficial to enhance the efficiency of the Board and maintain a high standard of corporate governance, which will become one of the key factors for the sustainable development of the Company and maintenance of competitive advantages of the Company.

In order to implement the Board Diversity Policy, we have set the following measurable objectives:

- At least one-third of the Board members shall be independent non-executive Directors;
- At least one Director shall be female; and
- We shall maintain a diversity in Directors' professional experience and skills, including but not limited to relevant professional backgrounds in shipping, integrated digitalization, corporate management, finance, logistics, etc.

For the year ended 31 December 2025, all measurable objectives were met: the Board comprised seven male members and one female member, including five executive Directors and three independent non-executive Directors.

When appointing Directors, the Company considers on the overall needs of the Board and various objective conditions of the candidates comprehensively, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and term of service, and an appropriate balance would be maintained where practicable.

Corporate Governance Report

The board diversity policy of the Company is summarized as follows:

- the Company ensures that the Board has a balance of skills, experience and diversity of perspectives of the Board appropriate to the requirements of supporting the execution of its business strategy;
- selection of candidates will be based on a number of factors including but not limited to age, culture and educational background, race, industry experience, skills, knowledge and length of service. The appointment of the Board members should be based on meritocracy and diversity of perspectives appropriate to the Group's business and specific needs and the contribution that the selected candidates will bring to the Board; and
- the Nomination Committee will take into consideration of the board diversity policy in selecting and nominating eligible and qualified candidates to become the Board members.

For example, in line with regulatory requirements in both Shanghai and Hong Kong regarding the independence and diversity of Board members, the seventh session of the Board of the Company includes one female Director, Ms. HAI Chi-yuet (independent non-executive Director), who has over three decades of extensive working experience in the shipping logistics industry. Ms. Hai also serves as the chairman of the Remuneration Committee, a member of the Nomination Committee and a member of the Audit Committee of the Board of the Company.

Prof. MA Si-hang Frederick, an independent non-executive Director of the Company, previously served as the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region, the Secretary for Commerce and Economic Development of the Government of the Hong Kong Special Administrative Region. He has also held positions as a director and senior executive at various international financial institutions. He is an honorary professor of the Faculty of Economics and Finance at the University of Hong Kong, a honorary professor of the Faculty of Business Administration at the Chinese University of Hong Kong and an honorary advisor of the School of Accountancy at Central University of Finance and Economics. Mr. SHEN Dou, an independent non-executive Director of the Company, has over 15 years of management and product research and development experience at leading technology companies in the fields of internet information technology and artificial intelligence.

The above members of the Board of the Company are of diversified professional, educational and cultural background with extensive law and accounting knowledge, and also possess considerable experience in management of shipping related services and governance of listed companies, which enable them to provide diverse opinion for the Board on decision making.

The Company's board nomination policy is summarized as follows:

- The Board is responsible for selecting and appointing the Directors of the Company and nominating the Directors of the Company who will retire at regular intervals for election by the Shareholders of the Company, so that the Board has the necessary and appropriate skills, experience as well as diverse views and perspectives in accordance with the Company's strategic priorities and specific business needs. The Nomination Committee is responsible for evaluating and nominating candidates for approval by the Board.
- The Nomination Committee will assess whether the candidates meet the selection criteria, which should be based on the nomination policy and the board diversity policy that are appropriate to the Company's strategic priorities and specific business needs, and conducted in accordance with the formal procedures for the selection and appointment of the directors of the Company and the key management personnel of major subsidiaries of the Group. The candidate's contributions to the Board are reflected in the following:

Corporate Governance Report

The Nomination Committee will monitor and review the nomination policy on a regular basis to ensure that it continues to meet the Company's strategic priorities and business needs while reflecting current regulatory requirements and good corporate governance. The director candidate's contributions to the Board are reflected in the following:

- The structure, size and composition of the current Board;
- Time devoted to the Board;
- Board diversity as specified in the board diversity policy;
- Reputation and integrity;
- Board succession planning;
- The provisions of the Listing Rules; and
- Such other factors as the Board deems appropriate.

Name	Gender	Position	Educational Background	Skills and Experience
WAN Min	Male	Chairman of the Board, executive Director	Majoring in transportation management and engineering and business administration, engineer	Experience in international shipping logistics operation and management, tourism management, overseas enterprise management
ZHANG Feng (appointed on 28 May 2025)	Male	Vice chairman, executive Director	Majoring in French, senior economist	Experience in international shipping logistics operation and management, overseas enterprise management
CHEN Yangfan (resigned on 16 April 2025)	Male	Vice chairman, executive Director	Majoring in telecommunications and information systems, engineer	Informatization/internet and digital operation and management
TAO Weidong	Male	Executive Director	Majoring in water transport management and business administration, senior engineer	International shipping logistics operation and management, overseas enterprise management
ZHU Tao	Male	Executive Director	Majoring in business administration, economist	China's domestic trade and international route operation, port operation management, overseas enterprise management
XU Feipan (appointed on 28 May 2025)	Male	Executive Director	Majoring in business administration, economist	Experience in China's domestic trade and international route operation and management, overseas enterprise management
YU De (resigned on 11 December 2025)	Male	Non-executive Director	Majoring in business administration	Experience in international logistics enterprise management and working experience in automobile manufacturing industry

Corporate Governance Report

Name	Gender	Position	Educational Background	Skills and Experience
MA Si-hang Frederick	Male	Independent non-executive Director	Majoring in economics and history	Experience in banking, securities investment, accounting and government finance and management of several listed companies
SHEN Dou	Male	Independent non-executive Director	Majoring in computer science	Working experience in computer, internet and AI technology industry
HAI Chi-yuet	Female	Independent non-executive Director	Majoring in business administration and Buddhist studies	Experience in shipping logistics, port operation and management and overseas enterprise management

B2. Appointment, Re-election and Removal

Principle of the Code

- *The appointment process for new directors should be formal, carefully considered and transparent, and the issuer should have an orderly succession plan for directors. All Directors shall be re-elected at regular intervals. The issuer must explain the reasons for the resignation or removal of any director.*

Corporate governance of the Company

- The Company has set up a Nomination Committee under the Board, which will make recommendation on the appointment, re-election, removal and relevant procedures of Director candidates, and submit the same to the Board for deliberation, and the ultimate decision will be made by way of election at the general meeting of Shareholders. The resignation of the relevant Directors and the reasons for their resignation have been disclosed to the public in a timely manner.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Directors should ensure that they are able to devote sufficient time and attention to the affairs of the issuer, otherwise they should not accept the appointment. 	Yes	All Directors diligently performed their duties as Directors and performed their duties conscientiously and diligently. The high attendance rate of the Directors at the Board meetings and various Board committee meetings in 2025 indicated that the Directors have devoted sufficient time to the business of the Company.
<ul style="list-style-type: none"> Each Director (including Directors appointed for a specified term) shall retire from office by rotation at least once every three years. 	Yes	Any Director appointed to fill a casual vacancy shall hold office upon re-election by Shareholders at a general meeting. The Articles of Association provide that Directors (including non-executive Directors) shall be elected at the general meeting for a term of three years and shall be re-elected upon expiry of the three years.
<ul style="list-style-type: none"> If an independent non-executive Director has been in office for more than nine years, his/her re-appointment shall be subject to consideration and approval by the Shareholders by way of a separate resolution. The document accompanying the resolution to the Shareholders should state why the Board (or the Nomination Committee) considers that the Director is still independent and should be re-elected, including the factors considered by the Board (or the Nomination Committee), the process of making this decision and the content of the discussion. 	Yes	Article 112 of Chapter 10 of the Articles of Association clearly stipulates that the term of an independent Director shall not exceed six years upon re-election. The rule is adhered to in practice and there will be re-election accordingly upon expiration of such term.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> If all independent non-executive Directors on the Board of the issuer have served for more than nine years, the issuer shall: (a) disclose the name and term of office of each of the independent non-executive Directors in the circular to shareholders and/or explanatory statement attached with the notice of annual general meeting; and (b) appoint a new independent non-executive Director at the next annual general meeting. 	Yes	Article 112 of Chapter 10 of the Articles of Association clearly stipulates that the term of an independent Director shall not exceed six years upon re-election. The rule is adhered to in practice and there will be re-election accordingly upon expiration of such term.

B3. Nomination Committee

Principle of the Code

- The Nomination Committee shall give due consideration to the principles under B.1 and B.2 in discharging its duties.*

Corporate governance of the Company

- The Company has formulated the Operation Rules for the Nomination Committee, which define the terms of reference and responsibilities of the committee. In addition, the Company has disclosed the terms of reference of the committee on the Company's website and the website of the Hong Kong Stock Exchange.
- During the Reporting Period, the Nomination Committee held six meetings, at which the resolutions such as the Proposal on the Assessment of the Independence of Incumbent Independent Directors and the Performance of the Board of COSCO SHIPPING Holdings and the Issuance of Special Opinions, the Proposal on the Composition of Special Committees of the Seventh Session of the Board of COSCO SHIPPING Holdings, the Proposal on the Nomination of Candidates for Executive Directors and Senior Management of the Company, the Consideration of the Amendments to the Operation Rules for the Nomination Committee of the Board, the Proposal on the Recommendation of the Candidate for the Vice Chairman of the Seventh Session of the Board of COSCO SHIPPING Holdings, the Proposal on the Recommended Adjustment to the Composition of the Special Committees of the Seventh Session of the Board of COSCO SHIPPING Holdings, and the Consideration of the Proposal on the Nomination of Candidates for Non-Executive Directors of the Company were considered and approved, etc.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The issuer shall specify in writing the specific terms of reference of the Nomination Committee, clearly stating its powers and responsibilities. The Nomination Committee should discharge its responsibilities as stipulated in the Corporate Governance Code. 	Yes	The Company has formulated the Operation Rules for the Nomination Committee, which specify its duties and responsibilities, and has also published its terms of reference on the Company's website and the website of the Hong Kong Stock Exchange.
<ul style="list-style-type: none"> The Nomination Committee shall publish its terms of reference explaining its role and the authority delegated to it by the Board on the website of the Stock Exchange (i.e. the HKEXnews website) and the issuer's website. 	Yes	The Company has formulated the Operation Rules for the Nomination Committee, which specifies its duties and responsibilities, and has also published its terms of reference on the Company's website and the website of the Hong Kong Stock Exchange.
<ul style="list-style-type: none"> The issuer shall provide the Nomination Committee with sufficient resources to perform its duties. The Nomination Committee shall seek independent professional advice, if necessary, in discharging its duties at the issuer's expense. 	Yes	The Company has actively assisted the Nomination Committee in its work to ensure that it has sufficient resources to perform its duties. For matters that require advice from professional institutions, the Company engages professional institutions to issue independent opinions at the Company's expense.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> If the Board proposes to propose a resolution at a general meeting to appoint a person as an independent non-executive Director, the circular to shareholders and/or the explanatory statement accompanying the notice of such general meeting should specify: (a) the procedures for identifying such individual, the reasons why the Board believes that such individual should be elected and the reasons they believe that such individual is independent; (b) if the proposed candidate of independent non-executive Director will be appointed as a director for the seventh (or beyond) listed company, the reasons why the Board considers that the individual can still devote sufficient time to discharge his responsibilities as a Director; (c) the views and perspectives, skills and experience that this individual can bring to the Board; and (d) how the individual contributes to Board diversity. 	<p>Yes</p>	<p>On 16 November 2023, the shareholders of the Company approved the re-election of Prof. MA Si-hang Frederick as an independent non-executive Director and the election of Mr. SHEN Dou and Ms. HAI Chi-yuet as independent non-executive Directors at an extraordinary general meeting. For details, please refer to the announcement dated 25 October 2023, the circular dated 30 October 2023 and the announcement dated 16 November 2023 of the Company.</p> <p>The circular to shareholders accompanying the notice of general meeting published by the Company in respect of the above proposed resolution for election of independent non-executive Directors has explained: (a) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why they consider the individual to be independent; (b) the views, perspectives, skills and experience that the individual can bring to the Board; and (c) how the individual contributes to diversity of the Board.</p> <p>As of 31 December 2025, none of Prof. MA Si-hang Frederick, Mr. SHEN Dou and Ms. HAI Chi-yuet held directorships in seven or more listed companies.</p>

Corporate Governance Report

C. Directors' Responsibilities, Delegation of Powers and Board Procedures

C1. Directors' Responsibilities

Principle of the Code

- *Each Director must be aware of his/her responsibilities as a Director of the issuer, as well as the way of operation, business activities and development of the issuer. As the Board is by nature a one-piece body, non-executive Directors should have the same fiduciary responsibilities and responsibility for acting with due care and skill as executive Directors.*

Corporate governance of the Company

- The Company has formulated the Rules of Procedures of the Board, the Operation Rules for Independent Directors and the operation rules of each of the Board committees to clearly set out the duties of each Director to ensure that all Directors fully understand their roles and responsibilities.
- The Secretary to the Board is responsible for ensuring that all Directors have access to the latest business developments and updated statutory information of the Company.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • Newly appointed Directors should receive a comprehensive, formal and tailored induction upon their appointment, and thereafter receive the necessary introduction and professional development to ensure that they have proper understanding of the operation and business of the issuer, and have full knowledge of their responsibilities under the statutes and common law, the Listing Rules, legal and other regulatory requirements and under the issuer's business and governance policies. 	Yes	Upon the appointment of new Directors, the Company has provided the relevant information to the new Directors in a timely manner, and made arrangements for new Directors to receive training, including the introduction of the Company's business, Directors' responsibilities, the Company's rules and regulations, domestic and overseas laws and regulations and regulatory requirements.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The functions of non-executive Directors should include the functions specified in the Corporate Governance Code. 	Yes	<p>Non-executive Directors shall actively participate in Board meetings and serve as members of various Board committees to check the accomplishment of the Company's business objectives and provide independent opinions regarding the decisions of the Board.</p>
<ul style="list-style-type: none"> The Board should establish written guidelines on matters relating to employees' dealings in the securities of the issuer, the content of guidelines should be no less exacting than the Model Code. The "Relevant Employee" includes any employee who, by reason of his or her position or employee relationship, may have possession of inside information about the issuer or its securities, or any such Director or employee of a subsidiary or holding company. 	Yes	<p>In accordance with the relevant requirements of the Model Code, the Company circulates a blackout period reminder to the Directors, Supervisors and the senior management of the Company within a certain period of time before the annual, semi-annual and quarterly results announcements, in order to remind the relevant personnel not to deal in the Shares of the Company within the prescribed period of time.</p>
<ul style="list-style-type: none"> All directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The issuer should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director. 	Yes	<p>The Company has provided relevant information to its Directors regularly, and made arrangements for its Directors to receive training, including the introduction of the Company's business, Directors' responsibilities, the Company's rules and regulations, domestic and overseas laws and regulations and regulatory requirements.</p> <p>All Directors have had the opportunity to attend professional training programs arranged by the Company during their term of office, and provided the Company with a record of the trainings received at the Company's expense. The Company has assisted the Directors in participating in relevant trainings organized by regulatory authorities such as the Stock Exchange and the Shanghai Stock Exchange, and has also engaged domestic and overseas lawyers and personnel from regulatory authorities to provide special trainings for Directors.</p>

Corporate Governance Report

Training categories as follows:

- A. Board and Directors' responsibilities
- B. Regulatory requirements compliance and related updates
- C. Corporate governance and environmental, social and governance
- D. Risk management and internal control
- E. Latest industry and business development
- F. Technology development and information security

Training topic	Institution/Organiser	Training categories	Training method
2025 compliance and duty performance training for directors, supervisors and senior executives of listed companies of the Shanghai Stock Exchange	Shanghai Stock Exchange	A,B,C,D	Video form
Special training on market value management and refinancing of listed companies	The Listed Companies Association of Tianjin	A,B,C	Video form
4 th inception training for directors, supervisors and senior executives of listed companies of 2025 of the Shanghai Stock Exchange	Shanghai Stock Exchange	A,B,C,D	Video form
Practical guide to corruption prevention systems for listed companies	Hong Kong's Independent Commission Against Corruption	A,B,C,D	Written form
Special training on comprehensive punishment and prevention of financial fraud of listed companies and regular disclosure, corporate governance standards of listed companies	The Listed Companies Association of Tianjin	A,B,C,D	Video form
Implementation briefing on independent director system	The Listed Companies Association of Tianjin	A,B,	Written form
Report on cybersecurity update (Q4 2024)	Company internal training	F	Written form
Report on cybersecurity update (Q1 2025)	Company internal training	F	Written form
Updated version of the Corporate Governance Guide for Boards and Directors	Hong Kong Stock Exchange	A,B,C	Written form
ESG Academy seminar – Developing a Climate Strategy for the Unknown Future: Scenario Planning and Analysis	Hong Kong Stock Exchange	C	Video form
Guidelines on Ethics, Bribery and Corruption	The Hong Kong Chartered Governance Institute	D	Written form
Report on cybersecurity update (Q2 2025)	Company internal training	F	Written form
Maintaining the Credibility of Capital Markets: Prudent Appointment of Auditors and Determination of Audit Fees	Hong Kong Accounting and Financial Reporting Council	A,C	Written form
Special seminar	Company internal training	D,E	Seminar
(1). Preliminary strategic development framework of the 15th five-year plan for double brands			
(2). Market challenges and operational risk control in the second half of 2025			
(3). Organization system, talent cultivation and team building			

Corporate Governance Report

Training topic	Institution/Organiser	Training categories	Training method
Report on cybersecurity update (Q3 2025)	Company internal training	F	Written form
HKEX virtual training series – Continuing Responsibility (December 2025)	Hong Kong Stock Exchange	A,B,C	Video form
HKEX virtual training series – An Introduction to Continuous Disclosure Obligations and Trading Suspension (December 2025)	Hong Kong Stock Exchange	A,B	Video form
HKEX – Supervisory Listing and Enforcement Newsletter (November 2025)	Hong Kong Stock Exchange	A,B,C	Written form
World Maritime Merchants Forum 2025	Organized by organizations such as Transport and Logistics Bureau of the Government of the Hong Kong Special Administrative Region	C,E,F	Video form
August 2025 Ship Safety Seminar	Marine Department of Hong Kong	E	Written form
Written training on the new corporate governance regulations of the Hong Kong Stock Exchange	Hong Kong Stock Exchange	B,C	Written form
Training for newly appointed directors	Company internal training	A,B,C	Written form/ Video form

Director	Board and Directors' responsibilities	Regulatory requirements compliance and related updates	Corporate governance and environmental, social and governance	Risk management and internal control	Latest industry and business development	Technology development and information security	Approximate number of continuing professional development training hours completed in 2025
WAN Min	✓	✓	✓	✓	✓	✓	32
ZHANG Feng (Appointed on 28 May 2025)	✓	✓	✓	✓	✓	✓	45
CHEN Yangfan (Resigned on 16 April 2025)	✓	✓	✓	✓	-	-	11
TAO Weidong	✓	✓	✓	✓	✓	✓	33.5
ZHU Tao	✓	✓	✓	✓	-	-	20
XU Feipan (Appointed on 28 May 2025)	✓	✓	✓	✓	-	-	21
YU De (Resigned on 11 December 2025)	✓	✓	✓	✓	-	-	11
MA Si-hang Frederick	✓	✓	✓	✓	-	-	12
SHEN Dou	✓	✓	✓	✓	-	-	12
HAI Chi-yuet	✓	✓	✓	✓	-	-	12

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> A Director shall disclose to the issuer the number and nature of his office held in a public company or organization and other significant commitments upon acceptance of his appointment, and any subsequent changes shall be disclosed in a timely manner. In addition, the name of the public company or organization involved and the time committed to the relevant duties should also be disclosed. The Board should decide how often to make disclosures. 	Yes	Each Director has provided the Company with information regarding his/her position in other companies and other significant commitments at the time of accepting his/her appointment, and shall provide update on any relevant change in a timely manner.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Independent non-executive Directors and other non-executive Directors, being members of the Board, have equal status with other Directors, should regularly attend meetings of the Board and the committees of which they are also appointed as members, and should actively participate in the affairs of the meetings, and make contributions with their skills, professional knowledge and different backgrounds and qualifications. In general, they should also attend general meetings and have a full and impartial understanding of the views of the Company's shareholders. 	<p>Yes</p>	<p>Independent non-executive Directors and non-executive Directors of the Company have equal status with executive Directors. All Directors make contributions with their skills, professional knowledge and different backgrounds and qualifications.</p> <p>In terms of Board meetings, the Chairman of the Board ensures that sufficient time is allocated for discussion and consideration of each item on the agenda and equal opportunities are given to all the Directors to speak, express their views and raise their concerns. In addition, the chairman of the meeting shall ask the Directors whether they have any objections or any questions to raise for discussion on each agenda item, ensuring that each Director can present his/her independent views on the spot. The above measures form the mechanisms which ensure independent views are available to the Board. The Board is of the view that such mechanisms ensure the Directors to have chance to speak and express their independent views, and considers that such mechanisms are effective.</p> <p>Each committee mainly consists of independent non-executive Directors and non-executive Director. Board committee members have the right to make decisions on matters within the terms of reference of each Board committee. These Board committees have the authority to examine particular issues and report to the Board with their recommendations where appropriate, subject to the ultimate authority of final decision-making by the Board on all matters.</p> <p>The Chairmen or members of the Audit Committee, the Nomination Committee, the Strategic Development Committee and the Remuneration Committee are normally available at the general meetings (where applicable) to take any relevant questions.</p>

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Independent non-executive Directors and other non-executive Directors are required to contribute positively to the issuer in formulating strategies and policies by providing independent, constructive and informed opinions. 	Yes	Each of the non-executive Directors has contributed to the formulation of the Company's strategies and policies by providing independent, constructive and informed opinions.
<ul style="list-style-type: none"> The issuer should have appropriate insurance arrangements to cover legal actions that its Directors may be exposed. 	Yes	During the Reporting Period, the Company has purchased liability insurance for its Directors, Supervisors and senior management.

Corporate Governance Report

C2. Chairman and Chief Executive

Principle of the Code

- *Each issuer has two major aspects in operation and management – the operation and management of the Board and the day-to-day management of the business. There must be a clear distinction between the two to ensure a balanced distribution of powers and authority so that powers will not concentrate on one person.*

Corporate governance of the Company

- The Company has clearly defined the duties and responsibilities of the Chairman and the general manager. The functions of the Board and the management are segregated and set out in details in the Articles of Association, the Rules of Procedures of the Board and the Operation Rules for the General Manager to ensure a balanced distribution of powers and authority. This ensures the independence of the Board in decision-making and also ensures the independence of the management in daily operation and management activities.

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The roles of Chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive officer should be clearly defined and set out in writing. 	Yes	During the Reporting Period, Mr. Wan Min served as the Chairman of the Board of the Company and no chief executive officer was appointed by the Company.
<ul style="list-style-type: none"> • The Chairman shall ensure that all Directors at Board meetings are properly informed of current matters. 	Yes	For all matters considered by the Board, sufficient information has been provided to the Board and sufficient communication has been conducted prior to the meeting, and special meetings were convened at the request of the Board to report on the relevant matters. Where necessary, the Chairman or the management of the Company would explain the proposal in details at the meeting.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Chairman shall be responsible for ensuring that the Directors receive sufficient information in a timely manner, and such information must be accurate, clear, complete and reliable. 	Yes	The Chairman arranged the Secretary to the Board to provide all Directors with information on the progress of major business of the Company every month, and the management of the Company would submit major performance data to the members of the Board every month, so that the Directors can obtain timely and sufficient information.
<ul style="list-style-type: none"> One of the important roles of the Chairman is to lead the Board. The Chairman shall ensure that the Board functions effectively and fulfils its due responsibilities and discusses all important and appropriate matters in a timely manner. The Chairman shall be primarily responsible for determining and approving the agenda for each Board meeting and, where appropriate, taking into account any matters proposed by other Directors for inclusion in the agenda. The Chairman may delegate this responsibility to a designated Director or the Company Secretary. 	Yes	The agenda of the Board meeting is approved by the Chairman after consultation with the executive Directors and the Secretary to the Board and taking into account all matters proposed by the Directors.
<ul style="list-style-type: none"> The Chairman should have the primary responsibility to ensure that good corporate governance practices and procedures are in place. 	Yes	The Chairman plays an important role in promoting the development of the Company's corporate governance, appoints the Secretary to the Board to formulate good corporate governance system and procedures, and supervises the management to implement various systems in good faith to ensure the standardized operations of the Company.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Chairman should encourage all Directors to devote themselves fully to the affairs of the Board and to lead by example, ensuring that the Board acts in the best interest of the issuer. The Chairman should encourage dissenting Directors to voice their concerns, allow sufficient time for discussion on these matters, and ensure that decisions of the Board can fairly reflect the consensus of the Board. 	Yes	<p>The Chairman encourages all Directors to devote themselves fully to the affairs of the Board, facilitates the Directors to make effective contributions to the Board and to lead by example, and also directs the Board to act in the best interest of the Company.</p>
<ul style="list-style-type: none"> The Chairman shall hold a meeting with the independent non-executive Directors without the presence of other Directors at least once a year. 	Yes	<p>The Chairman had adequate face-to-face communication with the independent non-executive Directors at appropriate time before and after on-site Board meetings. In 2025, the Chairman took advantage of the opportunities of convening Board meetings to hold meetings with independent non-executive Directors for face-to-face communications and exchange, and conducted in-depth communication and discussion on relevant issues of concern with the independent non-executive Directors.</p>

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Chairman shall ensure that appropriate steps are taken to maintain effective communication with shareholders and ensure that shareholders' views are communicated to the Board as a whole. 	Yes	The Chairman attaches great importance to the effective communication between the Company and the Shareholders, attends and presides over the Shareholders' general meetings, and continuously promotes and improves investor relations with a view to maximizing the return to Shareholders.
<ul style="list-style-type: none"> The Chairman should promote a culture of open and active discussion, facilitate the effective contributions of Directors (especially non-executive Directors) to the Board and ensure that a constructive relationship is maintained between the executive Directors and the non-executive Directors. 	Yes	The Chairman values the contributions made by Directors to the Board and endeavours to maintain a constructive relationship between the executive Directors and the non-executive Directors.

C3. Management Functions

Principle of the Code

- The issuer should have a formal pre-determined plan outlining matters specifically requiring the approval by the Board. The Board should give clear instructions to the management on matters that require prior approval of the Board before making decisions on behalf of the issuer.*

Corporate governance of the Company

- The main functions and powers of the Board include convening the general meetings of Shareholders; deciding on the Company's business plans and investment plans and establishing the Company's internal management organization; formulating the Company's annual financial budget, final accounts and profit distribution plan; formulating proposals for company merger, division and dissolution and major acquisition or disposal plans, etc., and implementing the resolutions of the general meetings of Shareholders.
- The Board may delegate some of its functions and powers to Board committees and management and identify matters that require approval by the Board.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> When the Board delegates its managerial and administrative functions to the management, it must also give clear guidance on the powers of management, particularly where the management should report relevant matters to the Board and obtain approval from the Board before making any decision or entering into any commitment on behalf of the issuer. 	Yes	<p>The management is accountable to the Board, and its main duties include presiding over the operation and management of the Company, organizing the implementation of Board resolutions, carrying out investment, asset disposal and other economic activities related to the implementation of Board resolutions, and reporting to the Board. The management shall not exceed its terms of reference and resolutions of the Board in exercising its powers.</p>
<ul style="list-style-type: none"> The issuer should determine those functions reserved to the Board and those delegated to management; the issuer should also review regularly to ensure that such arrangement meets the needs of the issuer. 	Yes	<p>The Company sets out the matters required to be resolved by the Board and the functions delegated to the management in the established Rules of Procedures of the Board and Operation Rules for the General Manager.</p>
<ul style="list-style-type: none"> Directors should have a clear understanding of the delegation arrangements in place. The issuer should have a formal letter of appointment as a Director setting out the principal terms and conditions of the appointment. 	Yes	<p>Each newly appointed Director has a formal appointment letter which sets out the principal terms and conditions of such appointment.</p>

Corporate Governance Report

C4. Committees of the Board

Principle of the Code

- *Each committee of the Board shall be established with specific written terms of reference which clearly set out the powers and duties of the committee.*

Corporate governance of the Company

- The Board of the Company has established five Board committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategic Development Committee and the Risk Control Committee. The Board thoroughly considers the professional skills and experience of each Director to select the members of each committee, so that the work of each committee can be carried out efficiently. Among them, the majority of the members of the Audit Committee, the Remuneration Committee and the Nomination Committee are independent non-executive Directors.
- Each committee has clear operation rules, setting out the rights and duties of the committee and the rules of procedures of the committee.

Corporate Governance Report

The attendance of the meetings of Board committees (number of meetings attended in person/number of meetings to be attended)

	Strategic Development Committee	Risk Control Committee	Audit Committee	Remuneration Committee	Nomination Committee
WAN Min					
ZHANG Feng (Appointed on 28 May 2025)	–				
CHEN Yangfan (Resigned on 16 April 2025)	1/1				
TAO Weidong		4/4			6/6
ZHU Tao		2/2			
XU Feipan (Appointed on 28 May 2025)	–				
YU De (Resigned on 11 December 2025)		3/3			
MA Si-hang Frederick	1/1		6/6	2/2	6/6
SHEN Dou			6/6	2/2	6/6
HAI Chi-yuet			6/6	2/2	6/6

Notes:

During the Reporting Period, the composition of the committees of the seventh session of the Board was as follows:

1. Strategic Development Committee: Mr. ZHANG Feng (chairman), Mr. CHEN Yangfan (chairman) *, Mr. XU Feipan (member) and Prof. MA Si-hang Frederick (member);
2. Risk Control Committee: Mr. TAO Weidong (chairman), Mr. ZHU Tao (member) and Mr. YU De (member) *;
3. Audit Committee: Prof. MA Si-hang Frederick (chairman), Mr. SHEN Dou (member) and Ms. HAI Chi-yuet (member);
4. Remuneration Committee: Ms. HAI Chi-yuet (chairman), Prof. MA Si-hang Frederick (member) and Mr. SHEN Dou (member); and
5. Nomination Committee: Mr. SHEN Dou (chairman), Mr. TAO Weidong (member), Ms. HAI Chi-yuet (member) and Prof. MA Si-hang Frederick (member).

* Resigned as of the end of the Reporting Period

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Where a committee is to be set up to handle matters, the Board should provide such committee with sufficiently clear terms of reference to enable it to perform its functions properly. 	Yes	The Board has five committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategic Development Committee and the Risk Control Committee, and each committee has formulated detailed operation rules and defined the terms of reference.
<ul style="list-style-type: none"> The terms of reference of each committee of the Board shall require such committee to report its decisions or recommendations to the Board, unless such committee is subject to legal or regulatory restrictions that prevent such reporting (e.g. restrictions on disclosure due to regulatory requirements). 	Yes	Each committee reports its decisions and recommendations to the Board after each meeting and submits matters that require Board's decision to the Board for consideration.

C5. Proceedings of the Board and Supply of and Access to Information

Principle of the Code

- The issuer shall ensure that its directors are able to participate in the proceedings of the Board in a meaningful and effective manner. Directors should be provided with appropriate and timely information in a form and quality that enables them to make decisions with such information and to discharge their duties and responsibilities.*

Corporate governance of the Company

- The Board of the Company fully represents the interests of the Shareholders, formulates the development strategies of the Company and monitors the implementation of the operation and management of the Company within the terms of reference stipulated in the Articles of Association, so as to achieve stable long-term performance and returns.
- The Directors have attended the Board meetings on time, carefully reviewed the meeting materials, and actively performed the responsibilities of the Directors. The independent non-executive Directors also conducted regular inspections on the management of the Company's connected transactions.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance																																																											
<ul style="list-style-type: none"> The Board shall meet regularly and the Board meetings shall be held at least four times a year, approximately once every quarter. It is expected that each regular Board meeting will be attended by a majority of the Directors entitled to attend the meeting either in person or through electronic means of communication. Therefore, regular Board meetings shall not include the practice of obtaining Board approval by way of circulation of written resolutions. 	Yes	<p>In 2025, the Company convened a total of 11 Board meetings. The attendance rate of the Board members for the 2025 Board meetings was 100%. The details of the attendance of the Board meetings and general meetings are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">(No. of meetings attended/No. of meetings to be attended)</th> </tr> <tr> <th>Board meetings</th> <th>Attendance</th> <th>General meetings</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>WAN Min</td> <td>11/11</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>ZHANG Feng (Appointed on 28 May 2025)</td> <td>6/6</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>CHEN Yangfan (Resigned on 16 April 2025)</td> <td>3/3</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>TAO Weidong</td> <td>11/11</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>ZHU Tao</td> <td>11/11</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>XU Feipan (Appointed on 28 May 2025)</td> <td>6/6</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>YU De (Resigned on 11 December 2025)</td> <td>10/10</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>MA Si-hang Frederick</td> <td>11/11</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>SHEN Dou</td> <td>11/11</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> <tr> <td>HAI Chi-yuet</td> <td>11/11</td> <td>100%</td> <td>2/2</td> <td>100%</td> </tr> </tbody> </table>		(No. of meetings attended/No. of meetings to be attended)				Board meetings	Attendance	General meetings	Attendance	WAN Min	11/11	100%	2/2	100%	ZHANG Feng (Appointed on 28 May 2025)	6/6	100%	2/2	100%	CHEN Yangfan (Resigned on 16 April 2025)	3/3	100%	2/2	100%	TAO Weidong	11/11	100%	2/2	100%	ZHU Tao	11/11	100%	2/2	100%	XU Feipan (Appointed on 28 May 2025)	6/6	100%	2/2	100%	YU De (Resigned on 11 December 2025)	10/10	100%	2/2	100%	MA Si-hang Frederick	11/11	100%	2/2	100%	SHEN Dou	11/11	100%	2/2	100%	HAI Chi-yuet	11/11	100%	2/2	100%
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<ul style="list-style-type: none"> The Board should have arrangements in place to ensure that all Directors have the opportunity to put forward matters for discussion on the agenda of regular Board meetings. 	Yes	<p>Notice is given prior to the meeting to allow sufficient time for the Directors to put forward matters for discussion on the agenda of the Board meeting. All Directors have the opportunity to put forward matters for discussion on the agenda of regular Board meetings.</p>																																																											

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> At least 14 days' notice should be given to convene a regular Board meeting to allow all Directors to be free to attend. For all other Board meetings, a reasonable notice should be given. 	Yes	Notice of regular Board meeting was given at least 14 days before the meeting, and the notice and agenda were given within a reasonable period of time in compliance with the Articles of Association for extraordinary Board meetings.
<ul style="list-style-type: none"> The secretary duly appointed for a meeting shall keep minutes of the meetings of the Board and its committees and, if reasonable notice has been given by any Director, make such minutes of meeting available for inspection at any reasonable time. 	Yes	The Secretary to the Board is responsible for collating and keeping the minutes of the Board meetings, and the minutes of the Board meetings and the minutes of the Board committees and relevant materials, which are properly and permanently kept at the office of the Company as important files of the Company, are available for the Directors' inspection at any time.
<ul style="list-style-type: none"> Minutes of meetings of the Board and its committees should be recorded in sufficient detail of the matters considered and decisions reached at the meetings, including any concerns raised or objections expressed by the Directors. After the conclusion of the Board meeting, the first draft and the final version of the meeting minutes shall be sent to all Directors within a reasonable period of time. The first draft is for the Directors to express their opinions, and the final version is used for their records. 	Yes	The minutes of the Board meetings provide objective and detailed records of the matters considered at the meeting, the voting results and the opinions expressed by all Directors, and are confirmed by the Directors in attendance of the meetings.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Board should agree on procedures for the directors to seek independent professional advice in appropriate circumstances upon reasonable request and at the expense of the issuer. The Board shall resolve to provide additional independent professional advice to the Directors to assist them in discharging their responsibilities to the issuer. 	Yes	For matters that require opinions from professional institutions, the Company shall engage professional institutions to issue independent opinions at the request of the Directors at the expense of the Company.
<ul style="list-style-type: none"> Where a substantial shareholder or Director has a conflict of interest in a matter to be considered by the Board, the matter shall be dealt with by way of a board meeting rather than a written resolution. Independent non-executive directors who have no material interest in the transaction and their close associates should attend the relevant Board meeting. 	Yes	The Company has stipulated in the Articles of Association and the Rules of Procedures of the Board the requirements on Directors to abstain from voting.
<ul style="list-style-type: none"> The agenda and relevant meeting documents for regular meetings of the Board shall be sent to all Directors in a timely manner and at least three days prior to the date of the scheduled meeting of the Board or its committees (or such other time as agreed). All other meetings of the Board should also adopt the above arrangements where practicable. 	Yes	Documents for all meetings of the Board and Board committees of the Company are delivered to each Director at least three days before the meeting.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The management has responsibility to provide the Board and its committees with adequate and timely information to enable the Directors to make decisions with such information. Information provided by the management must be complete and reliable. To fulfil his duties properly, a Director may not, in all circumstances, be able to rely purely on the information provided voluntarily by the management and he may need to make further enquiries. Where any Director requires additional information from the management (other than the information provided voluntarily by the management), he should make further enquiries where necessary. So, the Board and individual Directors should have Independent access to the issuer's senior management. 	Yes	<p>The management of the Company is able to provide adequate information to the Board and its committees in a timely manner. Each Director is able to communicate with the management of the Company and obtain further information as required.</p>
<ul style="list-style-type: none"> All Directors have access to Board papers and related information. Such documents and related information shall be sufficient in form and quality to enable the Board to make informed decisions with grounds on the matters referred to the Board. Issuers must respond as promptly and fully as possible to questions raised by Directors. 	Yes	<p>The documents of the Board and the Board committees are kept by the Secretary to the Board and are available for inspection by all Directors at any time. The Company have arranged relevant personnel to give timely responses to the questions raised by the Directors.</p>

Corporate Governance Report

C6. Company Secretary

Principle of the Code

- *The Company Secretary plays an important role in supporting the Board, ensuring that there is a good exchange of information among Board members and the Board policies and procedures are followed. The Company Secretary is responsible for advising the Board on governance matters through the Chairman and/or the Chief Executive, and making arrangements for induction training and professional development of Directors.*

Corporate governance of the Company

- Currently, the Company has appointed a Company Secretary, whose main duties are to promote improvement in the Company's governance standards, provide support to the Directors to perform their duties, and take lead in arranging for information disclosure of the Company.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The Company Secretary should be an employee of the issuer with knowledge of the issuer's day-to-day affairs. 	Yes	The Company Secretary is an employee of the Company and is familiar with the daily affairs of the Company.
<ul style="list-style-type: none"> • The selection, appointment or dismissal of the Company Secretary shall be subject to approval by the Board. 	Yes	The appointment of the current Company Secretary was considered and approved at the first meeting of the seventh session of the Board.
<ul style="list-style-type: none"> • The Company Secretary shall report to the Chairman of the Board and/or the Chief Executive. 	Yes	The Company Secretary reports to the Chairman of the Board and/or the general manager.
<ul style="list-style-type: none"> • All Directors shall have access to the advice and services of the Company Secretary to ensure compliance with procedures of the Board and all applicable laws, rules and regulations. 	Yes	The Company Secretary has established good communication channels with all Directors in order to assist the Board and the general manager to effectively perform their duties and powers in accordance with domestic and overseas laws and regulations, the Articles of Association and other relevant requirements.

Corporate Governance Report

D. Audit, Internal Control and Risk Management

D1. Financial Reporting

Principle of the Code

- *The Board should assess the performance, position and prospects of the Company in a balanced, clear and comprehensive manner.*

Corporate governance of the Company

- The Board has complied with the regulatory requirements of the Stock Exchanges in Hong Kong and Shanghai in all previous regular financial reports issued to Shareholders, and constantly improves the management's discussion and analysis, and fully discloses the Company's production and operation, finance, and project development status. At the same time, the Group has proactively increased the amount of information, including information on the Company's operating environment, development strategies and corporate culture, strengthened corporate governance reports, and makes comprehensive, objective, fair and clear presentation of the Group's operating and management status and prospects.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The management should provide sufficient explanations and information to the Board to enable the Board to make an informed review of the financial and other information submitted to them for approval. 	Yes	The management of the Company provides the Directors with information on the Company's business progress, development plans and financial objectives from time to time for the purpose of making an informed assessment by the Directors.
<ul style="list-style-type: none"> • The management should provide members of the Board with monthly updates containing a fair and understandable assessment of the issuer's performance, financial position and prospects sufficient to enable the Directors to perform their required duties under Rule 3.08 and Chapter 13 of the Listing Rules. 	Yes	The management of the Company submits key performance data of the Company to the members of the Board on a monthly basis.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Directors should acknowledge their responsibility for the preparation of the accounts in the Corporate Governance Report and the auditors should state their reporting responsibilities in the auditor's report on the relevant financial statements. <p>Unless it is inappropriate to assume that the Company will continue as a going concern, the Directors' accounts shall be based on the Company being a going concern, and supplemented by assumptions or qualifications where necessary.</p>	<p>Yes</p>	<p>The Directors acknowledge their responsibility for preparing financial statements that give a true and fair view of the Company's circumstances for the financial year. The auditor's report sets out the auditor's reporting responsibilities.</p> <p>The Company prepares performance and related reports in strict accordance with the laws and regulations of the place of listing. All previous annual reports, interim reports, quarterly reports (including the first quarter reports and the third quarter reports) and performance announcements issued by the Company have been unanimously approved by all the Directors and there has never been any case of having Directors expressing reserved opinions.</p> <p>Since the initial public offering, the domestic and foreign auditors have issued standard unqualified opinions in each annual audit report.</p>
<ul style="list-style-type: none"> The relevant Board should provide a balanced, clear and understandable assessment of the performance of the Company in its annual and interim reports and other financial information required to be disclosed pursuant to the Listing Rules. In addition, it should make the same statement in the report submitted to the regulator and in the information disclosed in accordance with legal requirements. 	<p>Yes</p>	<p>There is disclosure of the basis for the Company's long-term generation or retention of value and the strategy for achieving the Company's goals in the Company's annual report.</p>

Corporate Governance Report

Recommended Best Practices	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Issuers should announce and publish quarterly financial results within 45 days after the end of the relevant quarter. The disclosure should be sufficient to allow shareholders to assess the issuer's performance, financial position and prospects. Issuers should follow the accounting policies in their semi-annual and annual accounts when preparing quarterly financial results. 	Yes	<p>In addition to the reports of annual results and interim results, the Company also prepares and publishes reports on the first quarterly and third quarterly results. The Company announces and publishes quarterly financial results within one month after the end of the first quarter and the third quarter, and the information disclosed therein is sufficient to enable Shareholders to evaluate the Company's performance, financial position and prospects.</p>
<ul style="list-style-type: none"> The issuer shall continue to report quarterly results for the third and ninth months for subsequent financial years after it begins to report quarterly financial results. 	Yes	<p>The Company announces and publishes quarterly financial results and discloses the quarterly results up to the third and ninth months within one month after the end of the first quarter and the third quarter of each year respectively.</p>

Corporate Governance Report

D2. Risk Management and Internal Control

Principle of the Code

- *The Board is responsible for assessing and determining the nature and extent of the risks that the issuer is willing to accept in achieving its strategic objectives and ensuring that the issuer establishes and maintains appropriate and effective risk management and internal control systems. The above risks include but are not limited to material risks relating to environmental, social and governance (“ESG”) aspects (Please refer to the Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules for details). The Board should oversee the management’s design, implementation and monitoring of the risk management and internal control systems, and the management should provide the Board with confirmation of the effectiveness of such systems.*

Corporate governance of the Company

- The Company has established an internal control system to review the financial, operational and regulatory control procedures from time to time, and constantly update and improve them according to the actual situation in order to protect the assets of the Company and the interests of Shareholders.
- The Company has established an internal audit department within its organizational structure, which regularly inspects, supervises and evaluates the financial position, operation and internal control activities of the Company according to different businesses and processes, and engages external audit institutions to conduct regular audits on the Company’s financial reports in accordance with the Accounting Standards for Business Enterprises and the HKFRS Accounting Standards, and to provide independent and objective evaluations and recommendations in the form of audit reports.
- The Company has in place a strict system for handling and disseminating inside information in accordance with the relevant requirements of the Listing Rules and the Securities and Futures Ordinance, and to prohibit any unauthorized use or dissemination of confidential information or inside information. The Directors, Supervisors and senior management of the Company take all reasonable steps to ensure that proper precautions are in place to prevent non-compliance with the Company’s disclosure requirements.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Board should continue to monitor the issuer’s risk management and internal control systems and ensure that the effectiveness of the risk management and internal control systems of the issuer and its subsidiaries will be reviewed at least once a year and reported to the shareholders in the Corporate Governance Report on the completion of the relevant review. The review should cover all important control aspects including financial control, operational control and compliance control. 	Yes	<p>The Board is fully responsible for assessing and determining the nature and extent of the risks it is willing to take in achieving the Group’s strategic objectives, maintaining a sound and effective risk management and internal control system and reviewing its effectiveness to safeguard the investments of the Shareholders and the assets of the Group. To this end, the management continues to devote resources to the internal control and risk management system with the aim of managing (rather than eliminating) the risk of failure in order to achieve business objectives, and can only provide reasonable (but not absolute) warranties for the absence of material misstatements or losses. The Board has conducted an annual review on the risk management and internal control systems of the Group for the year ended 31 December 2025 and is of the view that the operation of such systems is effective and adequate.</p> <p>The Company attaches great importance to internal control and has established an internal control system. An internal audit department has been set up within the Company’s organizational structure to monitor the Company’s financial, business, compliance and risk management. The chief financial officer of the Company reports to the Audit Committee and the Board on the internal control situation every year, which is evaluated by all Directors.</p>
<ul style="list-style-type: none"> When conducting an annual review, the Board should ensure that the issuer’s accounting, internal audit and financial reporting functions, as well as resources, staff qualifications and experience, training programmes for staff in relation to the issuer’s environmental, social and governance performance and reporting and the relevant budgets are adequate. 	Yes	<p>The Company attaches great importance to the professional management and training of financial personnel, and continuously improves the professional skills and comprehensive quality of financial personnel. The Company has strictly complied with the requirements of the Accounting Law of the People’s Republic of China by organizing in – service financial personnel to participate in annual continuing education for accounting personnel according to schedule, as well as planned arrangements for financial staff to receive professional training such as accounting standards in relation to changes in national financial and taxation policies and working requirements, and providing assurance for sufficient budget for training expenses.</p>

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The Board’s annual review should include, in particular, the following: (a) changes in the nature and severity of material risks (including environmental, social and governance risks) since previous year’s review, and the issuer’s abilities in response to changes in business and external environment; (b) the management continuously monitors the working scope and quality of the risk (including environmental, social and governance risks) and internal control systems, and where applicable, the internal audit function and the work of other assurance providers; (c) the detail level and frequency of communicating the control results to the Board (or its committees) to help the Board assess the issuer’s control and the effectiveness of risk management; (d) occurrence of material failure in control or discovery of material control deficiency during the period, and the severity of unforeseen consequences or emergencies as a result, and the material effects of such consequences or conditions have, may have or will likely have in future on the financial performance or conditions of the issuer; and (e) the effectiveness of the issuer’s procedures for financial reporting and compliance with the Listing Rules. 	<p style="text-align: center;">Yes</p>	<p>Regarding the annual review of the Board:</p> <ul style="list-style-type: none"> (a) The Company annually reviews the potential risks of the previous year, analyzes their causes and effects, puts forward strategic suggestions, and discloses such matters in the annual report, social responsibility report and internal control evaluation report; (b) During the Reporting Period, the Risk Control Committee of the Board held four meetings to review the Company’s internal control evaluation report, ongoing risk assessment report of the finance company, sustainability report and work report on the internal control system, as well as consider and approve the Procedure Rules of Risk Control Committee of COSCO SHIPPING Holding’s Board of Directors and Internal Control and Risk Management Measures of COSCO SHIPPING Holdings Co., Ltd. (2025 Revised Edition). The Management of the Company continuously monitors the scope and quality of risk and internal control system, as well as the internal audit function and the work of other assurance providers: the Board is responsible for enabling the Company to establish, improve and effectively implement internal control, evaluate its effectiveness and truthfully disclose the internal control evaluation report in accordance with the provisions of the Company’s internal control standard system. The managers are responsible for organizing and leading the daily operation of the Company’s internal control; (c) During the Reporting Period, there was no occurrence of material failure in terms of control or discovery of any material control deficiency; and (d) The Company has complied with the Listing Rules, the HKFRS Accounting Standards and the Companies Ordinance in the preparation of the annual audit report, which was submitted to the Board and the Audit Committee of the Board for review and publication.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The issuer should disclose in the Corporate Governance Report in narrative form on how it has complied with the code provisions on risk management and internal control during the Reporting Period. Specifically, the content should include matters stipulated in the Corporate Governance Code. 	Yes	According to the relevant requirements of the Corporate Governance Report, the Company has disclosed in narrative form that the code provisions on risk management and internal control have been complied with during the Reporting Period.
<ul style="list-style-type: none"> The issuer should set up an internal audit function. 	Yes	The Company has set up an internal audit function which is responsible by the supervision and audit department of the Company. The Board has authorized the Audit Committee to review the effectiveness of the Company's internal audit function, supervise the establishment and implementation of the Company's internal audit system, and ensures that the internal audit function will have sufficient resources and appropriate status to operate within the Company. The Audit Committee has reviewed the effectiveness of the Company's internal audit function during the Reporting Period.
<ul style="list-style-type: none"> The issuer should have a whistleblowing policy and system in place whereby employees and others with whom the issuer interacts (such as customers and suppliers) can report confidentially and anonymously to the Audit Committee (or any designated committee comprising a majority of independent non-executive Directors) on their concerns about any possible impropriety in relation to the issuer. 	Yes	The Company has established a mechanism for notifying Directors about relevant misconduct cases, and shall submit the case in a timely manner after knowing the details, and one report should be submitted for each case.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Issuer should develop policies and systems to promote and support anti-corruption laws and regulations. 	Yes	The Company has established a mechanism for notifying Directors about relevant misconduct cases, and shall submit the case in a timely manner after knowing the details, and one report should be submitted for each case.
Recommended Best Practices		
<ul style="list-style-type: none"> The Board may disclose in the Corporate Governance Report that it has obtained the management's confirmation on the effectiveness of the issuer's risk management and internal control systems. 	Yes	The Board is responsible for establishing and maintaining appropriate and effective internal control systems for the Group and reviewing the effectiveness of such systems at least once a year through the Audit Committee. Such reviews cover all major controls, including financial, operational and compliance controls and risk management functions, and the procedures taken to review the effectiveness of these internal control systems include discussing with the management of the Company the scope of risks as determined by the management and the Group's major subsidiaries and reviewing significant issues identified during the internal and external audit processes.
<ul style="list-style-type: none"> The Board may disclose details of any material concerns in the Corporate Governance Report. 	Yes	The Company has no material concerns to be disclosed for the year of 2025.

Corporate Governance Report

D3. Audit Committee

Principle of the Code

- *The Board should establish formal and transparent arrangements on how to apply the principles of financial reporting, risk management and internal control and how to maintain an appropriate relationship with the issuer's auditor. The Audit Committee established under the Listing Rules must have clear terms of reference.*

Corporate governance of the Company

- The Board has set up an Audit Committee, chaired by Prof. MA Si-hang Frederick, an independent non-executive Director. Other members include Mr. SHEN Dou (an independent non-executive Director) and Ms. HAI Chi-yuet (an independent non-executive Director), all of whom have professional skills and experience in financial management or legal affairs, and all committee members are independent non-executive Directors. One independent non-executive Director with professional qualification and professional experience in financial management has also been appointed.
- The Audit Committee is mainly responsible for the supervision of the internal design system set up by the Company and its subsidiaries and its implementation, audit on the financial information and disclosures of the Company and its subsidiaries, review on the internal control system (including financial control and risk management) of the Company and its subsidiaries, planning of material connected transactions and communications, supervisions and verifications of the Company's internal and external audits.
- In 2025, the Audit Committee held six meetings in total, at which 25 issues such as the annual reports, interim reports, quarterly reports, effectiveness of risk management and internal control, internal audit, appointment of domestic and international accountancy firms, etc. were fully reviewed and considered.

The Audit Committee arrived at the opinion that the financial reports of the Company for various periods in 2025, which had been reviewed, were prepared in compliance with the accounting standards of the Chinese Mainland and Hong Kong, and the content of disclosure therein also satisfied the requirements of the listing system and regulations of both places.

Corporate Governance Report

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Full minutes of the Audit Committee meetings should be kept by a duly appointed secretary of the meeting (usually the Company Secretary). The first draft and the final version of the minutes shall be sent to all members of the Committee within a reasonable time after the meeting for their comments and the final version shall be used for their records. 	Yes	The minutes of the Audit Committee meetings and relevant meeting materials shall be properly kept by the secretary to the Board. The secretary of the Audit Committee is responsible for making detailed records of the matters considered at the meetings, and submitting the minutes to relevant leading officers, departments and intermediaries attending the meeting for modification and confirmation. Upon confirmation by all members of the Audit Committee in attendance, the minutes shall be signed by the Chairman.
<ul style="list-style-type: none"> A former partner of the audit firm currently auditing the issuer's accounts shall not be a member of the issuer's Audit Committee within two years from the following date, whichever is the later: (a) the date on which the person ceased to be a partner of the firm; or (b) the date on which the person ceases to have a financial interest in the firm. 	Yes	Two years prior to the date of appointment of Prof. MA Si-hang Frederick as the chairman of the Audit Committee and the appointment of Mr. SHEN Dou and Ms. HAI Chi-yuet as members of the Audit Committee, each of them was not a partner of, nor had any financial interest in, the audit firm currently responsible for auditing the accounts of the Company.
<ul style="list-style-type: none"> The terms of reference of the Audit Committee shall include at least the scope of work as stipulated in the Corporate Governance Code. 	Yes	The Company has formulated the Rules of Procedures of the Audit Committee, which sets out the terms of reference and rules of procedure of the Audit Committee in respect of its relationship with the Company's auditors, review of the Company's financial information, supervision of the Company's financial reporting system and internal control procedures.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Audit Committee shall make available its terms of reference explaining its role and the authority delegated to it by the Board on the website of the Stock Exchange (i.e. the HKEXnews website) and the website of the issuer. 	Yes	The terms of reference of the Audit Committee have been published on the Company's website and the website of the Hong Kong Stock Exchange.
<ul style="list-style-type: none"> Where the Board disagrees with the Audit Committee's opinion on the selection, appointment, resignation or removal of the external auditor, the issuer should include a statement from the Audit Committee elaborating its recommendation in the Corporate Governance Report and the reasons of disagreement from the Board. 	Yes	The Board has never disagreed with the opinions of the Audit Committee on the selection, appointment, resignation or removal of external auditors.
<ul style="list-style-type: none"> The Audit Committee should be provided with sufficient resources to discharge its duties. 	Yes	The Company actively assists the Audit Committee in its work. Its members may seek independent professional advice in accordance with established procedures at the Company's expense.
<ul style="list-style-type: none"> The terms of reference of the Audit Committee shall include additional requirements for the Audit Committee as stipulated in the Corporate Governance Code. 	Yes	The Company has formulated the Rules of Procedures of the Audit Committee to facilitate the Company to set up corresponding channels to report to the Audit Committee on possible improprieties in financial reporting, internal control or other aspects, so that the Company can conduct fair and independent investigation and take appropriate actions.

Corporate Governance Report

E. Remuneration

E1. Level and Composition of Remuneration and Disclosure

Principle of the Code

- *The issuer should establish formal and transparent policies on Directors' remuneration and other remuneration – related matters, and should have formal and transparent procedures in place to formulate the policies on executive Directors' remuneration and remuneration and benefits of all Directors. The level of remuneration should be sufficient to attract and retain the Directors to manage the operation of the Company without excessive remuneration. No director shall participate in deciding his own remuneration.*

Corporate governance of the Company

- The Company has established the Remuneration Committee, the terms of reference of which include formulating and reviewing the remuneration policies and plans of the Directors and the managers of the Company.
- In 2025, the Remuneration Committee held a total of six meetings to consider and approve eight resolutions. For details, please refer to “Corporate Governance Report – Summary report on the performance of the Remuneration Committee under the Board” in this report.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The Remuneration Committee shall consult the Chairman and/ or the Chief Executive Officer on the remuneration proposals of other executive Directors. The Remuneration Committee should be able to seek independent professional advice, if necessary. 	Yes	The Remuneration Committee has communicated with the Chairman and the general manager on the remuneration of Directors, Supervisors (the supervisory committee was abolished on 28 May 2025) and senior management. The Remuneration Committee should be able to seek independent professional advice, if necessary.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The terms of reference of the Remuneration Committee should include, at a minimum, the duties as stipulated in the Corporate Governance Code. 	Yes	The Company has formulated the “Operation Rules for the Remuneration Committee of the Company” to clarify the duties of the committee.
<ul style="list-style-type: none"> The Remuneration Committee shall make available its terms of reference explaining its role and authority delegated to it by the Board on the website of the Stock Exchange (i.e. the HKEXnews website) and the website of the issuer. 	Yes	The terms of reference of the Remuneration Committee are published on the Company’s website and the website of the Hong Kong Stock Exchange.
<ul style="list-style-type: none"> The Remuneration Committee should be provided with sufficient resources to discharge its duties. 	Yes	The Human Resources Department and the General Manager’s Office of the Company actively cooperate with the Remuneration Committee to discharge their duties.
<ul style="list-style-type: none"> The issuer shall disclose in its annual report the Directors’ remuneration policy, details of the remuneration of senior management by remuneration bands and other remuneration – related matters. 	Yes	The Company has disclosed the remuneration of senior management by remuneration bands in the annual report and accounts.

Corporate Governance Report

Recommended Best Practices	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> Where the remuneration or emolument arrangements resolved by the Board meeting are not agreed by the Remuneration Committee, the Board shall disclose the reasons for such resolution in the next Corporate Governance Report. 	Yes	The remuneration of the Directors, Supervisors and senior management of the Company strictly adheres to the plan reviewed by the Board (For the senior management who takes part-time jobs and receives salaries from the subordinates of the Company, the remuneration standards are determined by the board of directors of such subordinates).
<ul style="list-style-type: none"> A substantial portion of the remuneration of executive Directors should be linked to corporate and individual performance. 	Yes	The remuneration of executive Directors and the senior management is linked to corporate and individual performance.
<ul style="list-style-type: none"> The issuer shall disclose the remuneration of each senior management in its annual report and include the name of each senior management. 	Yes	The Company has disclosed the remuneration of each senior management in its annual report and accounts.
<ul style="list-style-type: none"> Issuers generally should not pay independent non – executive Directors’ equity – settled performance – based remuneration (such as share options or grants of shares) as this may bias their decisions and affect their objectivity and independence. 	Yes	Independent Directors and Supervisors are not participants of the Company’s share option.

Corporate Governance Report

F. Participation of Shareholders

F1. Effective Communication

Principle of the Code

- *The Board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.*

Corporate governance of the Company

- The Board endeavours to maintain on-going communication with Shareholders and considers annual general meetings and extraordinary general meetings to be the principal opportunities to engage with Shareholders, and all Shareholders who hold shares of the Company are entitled to attend.
- The Company issues notices and circulars of general meetings in accordance with the Articles of Association and the Listing Rules, setting out the matters to be considered and voting procedures at the meetings in detail.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • The issuer should have a policy for the payment of dividends and disclose in the annual report. 	Yes	The Company has formulated a policy for the payment of dividends. For details, please refer to the sub-section headed “Dividend” under the section of “Management Discussion and Analysis” in this annual report.

Corporate Governance Report

Recommended Best Practices	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Stock Exchange encourages an issuer to include the following information in its Corporate Governance Report: (a) details of the class of shareholders and total shareholding; (b) a diary of significant shareholder events for the following financial year; (c) percentage of public float, which shall be based on the public information available to the issuer as at the latest practicable date prior to the publication of the annual report and to the knowledge of its directors; and (d) the shareholding of each senior management officer. 	<p>Yes</p>	<ul style="list-style-type: none"> (a) The Company has disclosed details of the class of Shareholders and total shareholding in the section headed “Shareholder and actual controller” of this annual report; (b) The Company has disclosed the significant shareholder events for the following financial year in the section headed “Other Significant Events” of this annual report; (c) Based on the information available to the public and also as known to the Company as at the latest practicable date, ie. 20 April 2025, the percentage of public float of the Company was 54.22%; and (d) The shareholding of Mr. WAN Min and Mr. ZHU Tao in the Company has been disclosed in the section headed “Directors’ and Supervisors’ interest in Shares, underlying Shares and debentures” of this annual report; as of the end of the Reporting Period, Mr. QIAN Ming holds 234,260 A Shares of the Company and Ms. WU Yu holds 390,300 A Shares of the Company. Mr. XIAO Janguang, Mr. PAN Zhigang, Mr. QIN Jiangping and Ms. CHENG Jing do not hold any shares of the Company.

Corporate Governance Report

F2. General Meeting

Principle of the Code

- *The issuer shall give sufficient notice to shareholders to convene a general meeting, and shall ensure that shareholders are familiar with the detailed procedures for voting by way of poll. At the same time, the issuer shall arrange for shareholders' questions to be answered at the general meeting.*

Corporate governance of the Company

- The Board endeavours to maintain on-going communication with Shareholders and considers annual general meetings and extraordinary general meetings to be the principal opportunities to engage with Shareholders and all Shareholders who hold shares of the Company are entitled to attend.
- The Company issued notices and circulars of general meetings in accordance with the Articles of Association and the Listing Rules, setting out the matters to be considered and voting procedures at the meetings in detail.

Compliance procedures of the Corporate Governance Code – Code Provisions and Recommended Best Practices

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> • At a general meeting, the chairman of the meeting shall propose a resolution on each of the practically independent matters individually. An issuer should avoid “bundling” resolutions unless they are interdependent and connected so as to form a material proposal. If the resolutions are to be “bundled”, the issuer should explain the reasons and the material effects involved in the meeting notice. 	Yes	Each of the practically independent matters submitted to the general meetings was proposed as a separate resolution. No resolutions have been “bundled” at all previous general meetings of the Company.

Corporate Governance Report

Code Provisions	Compliance	Procedures of Corporate Governance
<ul style="list-style-type: none"> The Chairman of the Board should attend the annual general meeting and invite the chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and any other committees (as appropriate) to attend. If the chairman of the relevant committee fails to attend, the Chairman of the Board shall invite another member (or, if such member is not present, his duly appointed representative) to attend. The person is required to answer questions at the annual general meeting. <p>The chairman of the independent committee under the Board, if any, should also respond to questions at any general meeting to approve the following transaction, that is, a connected transaction or any other transaction that required separate approval.</p> <p>The issuer's management should ensure that the external auditor is present at the annual general meeting to answer questions about, inter alia, audit work, the preparation of the auditor's report and its contents, the accounting policies and independence of the auditor.</p>	Yes	<p>The Chairman of the Board has attended the annual general meeting and the extraordinary general meeting in person, and has arranged for members of the committees and the management of the Company to answer questions raised by Shareholders at the meetings.</p> <p>The external auditors of the Company were present at all annual general meetings and extraordinary general meetings and were ready to answer questions from Shareholders.</p>
<ul style="list-style-type: none"> The chairman of the meeting shall ensure that detailed procedures for voting by poll are explained to shareholders at the meeting and answer any questions from shareholders regarding voting by poll. 	Yes	<p>Prior to the voting procedure at the general meeting, the chairman of the general meeting explained to the Shareholders the voting method and the detailed procedure for voting, and held a question-and-answer session.</p>

Rights of Shareholders

The Company has strictly complied with relevant domestic and foreign laws and regulations and has taken various measures to actively create conditions in accordance with requirements of the Articles of Association of the Company with a view to ensuring that rights of the Shareholders can be well achieved.

Corporate Governance Report

According to the latest Articles of Association approved at the 2024 annual general meeting of the Company held on 28 May 2025, the Board shall convene an extraordinary general meeting within two months at the request of the Shareholders individually or jointly holding 10% or more Shares of the Company. The Shareholders individually or jointly holding over 10% of the Shares of the Company for more than 90 consecutive days may convene and preside over an extraordinary general meeting himself or themselves in case the Board of Directors disagrees with such Shareholders individually or jointly holding over 10% of the Shares of the Company on convening an extraordinary meeting, or it does not give any feedback within 10 days after receiving the proposal, and the Supervisory Committee does not issue a notice calling for the extraordinary meeting within the time limit after the receipt of the proposal. The Shareholders individually or jointly holding over 1% of the Shares of the Company may submit proposals to the Company. The Shareholders individually or jointly holding 1% or more of the Shares of the Company may propose ex tempore motions no later than ten days prior to the convening of the shareholders general meeting by submitting the same in writing to the convener who shall issue a supplementary notice of general meeting within two days upon receipt of the motions to announce the details of such motions. For details, please refer to article 69, article 71 and article 94 of the Articles of Association. In addition, according to the provisions of article 51 of the Articles of Association, Shareholders of the Company have the right to supervise and manage the Company's business operations, make recommendations or inquiries.

The Company values and welcomes the Shareholders, investors and the public to make enquiries and suggestions to the Company. For contact information of the Company, please see the section headed "Company's Basic Information" in this annual report.

Shareholders' communication policy

The Company attaches great importance on investor communication and protection, adhering to the overarching principles of compliance, equality, proactiveness and integrity. Centered around the Company's development strategy and vision, we continuously enhance investors' understanding and recognition of the Company's value, philosophy and strategy, thereby contributing to high-quality development and long-term value creation of the Company.

In building diverse communication channels, in 2025, the Company strengthened its broad interaction and communication with the capital market through various initiatives such as hosting performance briefings, Capital Markets Day events, and participating in special activities like naming ceremonies for new vessels. The Company also conducted domestic and overseas roadshows, attended brokerage strategy conferences, and reception investor research, etc. In total, 252 investor relations meetings were held, reaching a wide audience of approximately 1,900 investor participants.

In strengthening services for retail investors, the Company has communicated with them through multiple platforms, including but not limited to the Company's official website, investor email inbox, investor hotline, the SSE E-interactive platform and the WeChat official account. In 2025, the Company answered approximately 100 investor hotline calls and responded in a timely manner to approximately 500 public enquiries received via the SSE E-interactive and investor email, promptly addressing concerns and interests related to the shipping market, the Company's operational developments and shareholder returns. Meanwhile, the Company organized both online and offline meetings with retail investors and launched activities such as the "I Am a Shareholder – Visiting a Listed Company" initiative, enabling investors to gain a deeper understanding of the Company.

In promoting two-way interaction between investors and the Company, the Company is committed to enhancing the collection of capital market analysis reports and shareholder information, carefully studying constructive suggestions put forward by investors and responding promptly to investor concerns. The Company is continuously improving its operational management and corporate governance standards, constantly refining internal processes and systems and striving to provide investors with more targeted, efficient and high-quality services.

Corporate Governance Report

The Company has also formulated a set of Shareholders' communication policies to ensure that Shareholders can be provided at any time on equal basis in a timely manner with unbiased and digestible information about the Company. Such policies will be reviewed from time to time to ensure its effectiveness, and can be obtained by the Shareholders from the Company if required in writing.

During the above work process, the Directors, senior management and relevant staff participated in the related work strictly abided by the regulatory provisions inside and out of China and the rules and regulations of the Company, and actively carried out the work in accordance with the laws and regulations. During the year, the Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy. As a result of the above measures, the Shareholders' Communication Policy is deemed to have been effectively implemented.

Remuneration of senior management by bands during the Reporting Period

	2025
HK\$500,001 to HK\$1,000,000 (equivalent to approximately RMB451,610 to RMB903,220)	1
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately RMB903,221 to RMB1,354,830)	2
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately RMB1,806,441 to RMB2,258,050)	2
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately RMB2,258,051 to RMB2,709,660)	1
HK\$3,000,001 to HK\$3,500,000 (equivalent to approximately RMB2,709,661 to RMB3,161,270)	3
	9

Summary report on the conditions and details of the establishment of relevant systems and performance of the Audit Committee under the Board

The Company has formulated the Terms of Reference of the Audit Committee, which have defined the duties and responsibilities of the Audit Committee, including its relationship with external auditors, the review of financial information of the Company, the review of the financial control, internal control and risk management, the review of whether the investigations regarding the financial reporting, internal control, risk management and other matters that are not in the ordinary course of business of the Company were conducted independently and fairly, and whether appropriate actions or remedial actions have been taken.

The Audit Committee under the seventh session of the Board comprised Prof. MA Si-hang Frederick (chairman of the Audit Committee of the Company and an independent non-executive Director), Mr. SHEN Dou (independent non-executive Director) and Ms. HAI Chi-yuet (independent non-executive Director).

During the Reporting Period, the Audit Committee held a total of six meetings, mainly for reviewing 25 issues such as the annual reports, interim reports, quarterly reports, financial reports and budget reports, continuing connected transactions reports, the effectiveness and adequacy of risk management and internal control, internal audit, effectiveness of internal audit functions, appointment of auditors, etc.

The Audit Committee arrived at the opinion that the financial reports of the Company for various periods in 2025, which had been reviewed, were prepared in compliance with the Accounting Standards for Business Enterprises and the HKFRS Accounting Standards, and that the content of disclosure therein also satisfied the requirements of the listing system and regulations of both the PRC and Hong Kong.

Corporate Governance Report

Summary report on the performance of the Remuneration Committee under the Board

The Remuneration Committee under the seventh session of the Board comprised Ms. HAI Chi-yuet (chairman of the Remuneration Committee of the Company and an independent non-executive Director), Mr. SHEN Dou (independent non-executive Director) and Prof. MA Si-hang Frederick (independent non-executive Director).

During the Reporting Period, the Remuneration Committee held a total of 2 meetings, during which 4 proposals were considered and approved as follows: Proposal on Amending the Operation Rules for the Remuneration Committee of the Board of Directors; Proposal on the Performance of the Remuneration Committee of the Board of Directors in 2024; Proposal on Reviewing and Confirming the Performance Appraisal of the Senior Management of COSCO SHIPPING Holdings in 2024 and Proposal on Reviewing the Remuneration Payment of Senior Management of COSCO SHIPPING Holdings in 2024.

The Remuneration Committee considered that the remuneration of the senior management of the Company for the year of 2025 complied with the management requirements of the Company's performance appraisal and remuneration system, and the relevant decision-making procedures were legal and effective.

Summary Report on the Performance of the Nomination Committee under the Board

During the Reporting Period, the Nomination Committee under the seventh session of the Board comprised Mr. SHEN Dou (chairman of the Nomination Committee of the Company and an independent non-executive Director), and other members, namely Mr. TAO Weidong (executive Director), Prof. MA Si-hang Frederick (independent non-executive Director) and Ms. HAI Chi-yuet (independent non-executive Director).

During the Reporting Period, the Nomination Committee held a total of 6 meetings, at which, the resolutions such as the Proposal on the Assessment of the Independence of Incumbent Independent Directors and the Performance of the Board of COSCO SHIPPING Holdings and the Issuance of Special Opinions, the Proposal on the Composition of Special Committees of the Seventh Session of the Board of COSCO SHIPPING Holdings, the Proposal on the Nomination of Candidates for Executive Directors and Senior Management of the Company, the Consideration of the Amendments to the Operation Rules for the Nomination Committee of the Board, the Proposal on the Recommendation of the Candidate for the Vice Chairman of the Seventh Session of the Board of COSCO SHIPPING Holdings, the Proposal on the Recommended Adjustment to the Composition of the Special Committees of the Seventh Session of the Board of COSCO SHIPPING Holdings, and the Consideration of the Proposal on the Nomination of Candidates for Non-Executive Directors of the Company were considered and approved, etc.

Corporate Governance Report

Auditors and their Remuneration

As PricewaterhouseCoopers resigned as the 2024 international auditor of the Company on 18 October 2024, the shareholders of the Company approved the appointment of SHINEWING (HK) CPA Limited as the 2024 international auditor of the Company at the extraordinary general meeting held on 13 November 2024. The shareholders of the Company approved the appointment of ShineWing Certified Public Accountants, LLP as the domestic auditor of the Company for 2025 and SHINEWING (HK) CPA Limited as the international auditor of the Company for 2025 at the annual general meeting held on 28 May 2025, holding office until the conclusion of the next annual general meeting of the Company. During 2025, fees in respect of audit services and audit related services provided by the domestic and international auditor of the Company to the Group amounted to RMB25,740,000 and RMB5,033,000, respectively. Save as disclosed above, the Company had not changed its auditors in the past three years.

Amendments to Articles of Association

During the Reporting Period, the Company amended the Articles of Association. For details on the amendments to the Articles of Association, please refer to the sub-section headed “IV. Other Significant Events” under the section of “Significant Events” in this report and the overseas regulatory announcement of the Company dated 29 April 2025, the announcement of the Company dated 30 April 2025, the overseas regulatory announcement and the announcements of the Company dated 29 May 2025, the overseas regulatory announcement and the announcements of the Company dated 22 July 2025.

Directors' Report

Directors' Report

The Board is pleased to present the Directors' Report of the year 2025 together with the audited financial statements of the Group for the year ended 31 December 2025.

Principal Business

During the Reporting Period, the Group was principally engaged in providing container shipping, managing and operating container terminals and other terminal related businesses. The Company is an investment holding company and details of the principal activities of the Company's principal subsidiaries as at 31 December 2025 are set out in note 45 to the consolidated financial statements.

Business Review

A review of the business of the Group during the Reporting Period and a discussion on the Group's future business development are set out in the sections headed "Chairman's Statement" and "Discussion and Analysis of the Board Concerning the Future Development of the Company" on pages 10 to 12 and pages 37 to 42 respectively. The particulars of important events affecting the Group that have occurred since the end of the financial year 2025 and the description of potential risks and uncertainties that the Group may be facing are set out in the sections headed "Subsequent events" and "(IV) Potential Risks" on page 37 and pages 40 to 42. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 14 to 23 of this report. For details of the discussion on the Company's environmental policies and performance, please refer to "Social Responsibility" on pages 45 to 47.

Compliance with the relevant laws and regulations which have a significant impact on the Group

During the Reporting Period, the Company further optimized corporate governance and enhanced standardized operation level strictly in compliance with applicable laws and regulations, including the Company Law of the PRC 《中華人民共和國公司法》, the Securities Law of the PRC 《中華人民共和國證券法》, the Code of Corporate Governance for Listed Companies 《上市公司治理準則》, the Management Measures for Independent Directors of Listed Companies 《上市公司獨立董事管理辦法》, the Rules for the General Meetings of Shareholders of Listed Companies 《上市公司股東會規則》, the Guidelines on Articles of Association of Listed Companies 《上市公司章程指引》 and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 《上海證券交易所股票上市規則》. During the Reporting Period, in compliance with the requirements of regulatory authorities in a timely manner and following the requirements related to risk management and internal control of State-owned Enterprises, the Company further refined its internal control system and risk management procedures. The budget management for the whole system was also strengthened and the organization structure and accountability system of the assets supervision were further improved. Moreover, the Company actively participated in training programmes for directors, supervisors and senior management of listed companies organized by regulatory authorities, and raised the awareness of all employees on compliance through effective trainings. In addition, the Listing Rules, the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the Codes on Takeovers and Mergers and Share Buy-backs are also applicable to the Company and the Group is committed to ensuring the compliance with such requirements through various measures such as internal control and approval procedures, trainings and supervision on different business segments.

Directors' Report

Relationships with major stakeholders

The Company continues to engage with its employees, suppliers and customers through different channels to develop mutually beneficial relationships and promote sustainability. An account of the Company's key relationship with its employees is set out in the section headed "Employees and Remuneration Policies" on page 147. An account of the Company's key relationship with its customers and suppliers are set out in the sections headed "(III) Operation plan" and "Major Suppliers and Customers" on pages 39 to 40 and page 124, respectively. The Company also recognises its obligations as a responsible member of the communities in which the Company operates. For details of the Company's engagement in and contributions to these communities, please refer to the section headed "V. Fulfillment of Social Responsibilities" on pages 45 to 47.

Results of the Group

The Group's results for the year ended 31 December 2025 are set out on pages 172 to 173 of this report.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Five Year Financial Summary" of this report.

Major Suppliers and Customers

For the year ended 31 December 2025, the Group's purchases attributable to the Group's five largest suppliers were less than 30% of the Group's total purchases, and the aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total sales. The Group's five largest suppliers and customers include the Company's controlling shareholders and their subsidiaries. For further details, please refer to the section on "Connected Transactions" in the "Directors' Report".

During the Reporting Period, none of the Company's Directors and their close associates had any interests in the five largest suppliers or customers.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 25 to the consolidated financial statements. There were no distributable reserves of the Company as at 31 December 2025.

Statutory Reserve Funds

Details of the statutory reserve funds are set out in note 25 to the consolidated financial statements.

Directors' Report

Property, Plant and Equipment and Investment Properties

Details of movements in property, plant and equipment and investment properties of the Group and the Company during the Reporting Period are set out in notes 7 and 9 to the consolidated financial statements.

Employees' Retirement Plans

Details of the employees' retirement plans are set out in note 29 to the consolidated financial statements.

Pre-emptive Rights

The Articles of Association of the Company and the laws of the PRC contain no provision for any pre-emptive rights, requiring the Company to offer new shares to the Shareholders on a pro-rata basis to their shareholdings.

Tax Relief

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.

Share Capital

Details of the share capital of the Company are set out in note 24 to the consolidated financial statements.

Donations

Charitable donations made by the Group during the year under review amounted to approximately RMB30,978,100.

Directors' Report

Directors and Supervisors

The Directors during the Reporting Period were as follows:

Name	Date of appointment as Director	Date of resignation as Director
Executive Directors		
WAN Min (Chairman) ¹	29 December 2021	N/A
ZHANG Feng (Vice Chairman) ²	28 May 2025	N/A
CHEN Yangfan (Vice Chairman) ¹	16 November 2023	16 April 2025
TAO Weidong ¹	16 November 2023	N/A
ZHU Tao ³	13 November 2024	N/A
XU Feipan ⁴	28 May 2025	N/A
Non-executive Director		
YU De ¹	16 November 2023	11 December 2025
Independent non-executive Directors		
MA Si-hang Frederick ¹	30 November 2020	N/A
SHEN Dou ¹	16 November 2023	N/A
HAI Chi-yuet ¹	16 November 2023	N/A

Directors' Report

Notes:

- On 16 November 2023, the shareholders of the Company approved (i) the re-election of Mr. WAN Min as an executive Director; (ii) the election of Mr. CHEN Yangfan as an executive Director; (iv) the election of Mr. TAO Weidong as an executive Director; (v) the election of Mr. YU De as a non-executive Director; (vi) the re-election of Prof. MA Si-hang Frederick as an independent non-executive Director; (vii) the election of Mr. SHEN Dou and Ms. HAI Chi-yuet as independent non-executive Directors at the extraordinary general meeting. On the same day, after deliberation and approval at the first meeting of the seventh session of the Board of Directors, Mr. WAN Min was appointed as the Chairman of the seventh session of the Board of Directors. For details, please refer to the announcement of the Company dated 16 November 2023 and the overseas regulatory announcement on the same day.
- On 28 May 2025, the shareholders of the Company approved the appointment of Mr. ZHANG Feng as an executive Director of the Company at the annual general meeting. For details, please refer to the announcements of the Company dated 16 April 2025 and 29 May 2025.
- On 13 November 2024, the shareholders of the Company approved the appointment of Mr. ZHU Tao as an executive Director of the Company at the extraordinary general meeting. For details, please refer to the announcements of the Company dated 21 June 2024 and 13 November 2024 and the overseas regulatory announcements of the same dates.
- On 28 May 2025, the shareholders of the Company approved the appointment of Mr. XU Feipan as an executive Director of the Company at the annual general meeting. For details, please refer to the announcements of the Company dated 3 April 2025 and 29 May 2025.

The Supervisors during the Reporting Period were as follows:

Name	Positions	Date of appointment as Supervisor	Date of resignation as Supervisor
YANG Shicheng ^{1,4}	Chairman of the supervisory committee, Shareholder Supervisor	30 November 2020	28 May 2025
XU Weifeng ^{3,4}	Employee Supervisor	16 November 2023	28 May 2025
SONG Tao ^{3,4}	Employee Supervisor	16 November 2023	28 May 2025
XU Donggen ^{2,4}	Independent Supervisor	16 November 2023	28 May 2025
SI Yuncong ^{2,4}	Independent Supervisor	16 November 2023	28 May 2025

Notes:

- On 16 November 2023, the Shareholders of the Company approved the election of Mr. YANG Shicheng as a shareholder Supervisor of the seventh session of the supervisory committee at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 16 November 2023.
- On 16 November 2023, the Shareholders of the Company approved the election of Mr. XU Donggen and Mr. SI Yuncong as independent Supervisors for the seventh session of the supervisory committee at the extraordinary general meeting. For details, please refer to the announcement of the Company dated 16 November 2023.
- Mr. XU Weifeng and Mr. SONG Tao were elected as employee Supervisors of the seventh session of the supervisory committee at the general meeting of the employee representatives of the Company with effective since the date of election of non-employee representative supervisors at the 2023 first extraordinary general meeting of the Company (i.e. 16 November 2023). For details, please refer to the announcement of the Company dated 8 November 2023.
- On 28 May 2025, the annual general meeting of the Company approved the abolition of the supervisory committee. For details, please refer to the announcement of the Company dated 28 May 2025.

Directors' Report

Independence of the Independent Non-executive Directors

The Company has received the letter of annual confirmation issued by each of the independent non-executive Directors as to his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company confirms that all three independent non-executive Directors are considered to be independent.

Biographies of the Directors, Supervisors and Members of the Senior Management

Biographies of the Directors, Supervisors and members of the senior management of the Company as at the date hereof are set out on pages 56 to 67 of this report.

Competing Interest

None of the Directors or Supervisors has interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Rule 3.09D of the Listing Rules

Mr. ZHANG Feng confirmed that he has (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 20 May 2025, and (ii) understood the requirements under the Listing Rules that are applicable to him as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Mr. XU Feipan confirmed that he has (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 20 May 2025, and (ii) understood the requirements under the Listing Rules that are applicable to him as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, details of the Company's continuing connected transactions and connected transactions during the Reporting Period are as follows:

1. On 29 April 2025, 14 indirect wholly-owned subsidiaries of OOIL (an indirect non-wholly-owned subsidiary of the Company) (as buyers) respectively entered into the shipbuilding contracts on substantially the same terms with Nantong COSCO KHI Ship Engineering Co., Ltd.* (南通中遠海運川崎船舶工程有限公司) ("**Nantong KHI**") and Dalian COSCO KHI Ship Engineering Co., Ltd.* (大連中遠海運川崎船舶工程有限公司) ("**Dalian KHI**") for the construction of the respective vessels for a consideration of US\$220 million (equivalent to approximately HK\$1,716 million) for each vessel and for an aggregate consideration of US\$3,080 million (equivalent to approximately HK\$24,024 million) for all 14 vessels. COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 44.84% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. Nantong KHI is an associate of COSCO SHIPPING, which indirectly holds 50% equity interest in Nantong KHI. Dalian KHI is an indirect subsidiary of COSCO SHIPPING. COSCO SHIPPING (through its wholly owned subsidiaries) holds 36% equity interest, and Nantong KHI directly holds 30% equity interest, respectively, in Dalian KHI. Accordingly, both Nantong KHI and Dalian KHI are connected persons of the Company under Chapter 14A of the Listing Rules, and the shipbuilding transaction constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 29 April 2025 for further information regarding the above transactions.

Directors' Report

2. On 28 August 2025, among others, (i) the Company and COSCO SHIPPING entered into various master agreements in respect of certain transactions (the “**COSCO SHIPPING Master Agreements**”), the nature of which is similar to the transactions under certain existing master agreements with COSCO SHIPPING, for a term of three years from 1 January 2026 to 31 December 2028, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied; (ii) the Company and COSCO SHIPPING Finance entered into a master financial services agreement in relation to the provision of certain financial services by COSCO SHIPPING Finance to the Company and its subsidiaries and associates (the “**Master Financial Services Agreement**”), for a term of three years from 1 January 2026 to 31 December 2028, which can be extended for further three years as agreed in writing by the parties upon the expiration of the term on the basis that the relevant requirements of the applicable listing rules are satisfied. COSCO SHIPPING is the indirect controlling Shareholder and therefore members of COSCO SHIPPING (including COSCO SHIPPING Finance) are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the COSCO SHIPPING Master Agreements and the Master Financial Services Agreement, constitute continuing connected transactions of the Company. For details of the above transactions, please refer to the announcement dated 28 August 2025 and the circular dated 13 October 2025 of the Company.

3. On 15 September 2025, COSCO Container Lines (Hong Kong) (a wholly-owned subsidiary of the Company) entered into the Joint Venture Agreement with COSCO SHIPPING Logistics (Guangzhou), Shenzhen Port Logistics Group (“**Shenzhen Port Logistics Group**”) and CCCC Fourth Harbour Engineering Co., Ltd.* (中交第四航務工程局有限公司) (“**CCCC Fourth Harbour**”), pursuant to which, the parties have agreed to establish the joint venture, for which the capital contribution amount by COSCO Container Lines (Hong Kong) (a wholly-owned subsidiary of the Company) shall be RMB370,000,000 (equivalent to approximately HK\$405,110,000), and the capital contribution amounts by COSCO SHIPPING Logistics (Guangzhou), Shenzhen Port Logistics Group and CCCC Fourth Harbour are RMB300,000,000 (equivalent to approximately HK\$328,470,000), RMB230,000,000 (equivalent to approximately HK\$251,830,000) and RMB100,000,000 (equivalent to approximately HK\$109,490,000), respectively, all of which will be credited to the registered capital of the joint venture. COSCO SHIPPING and its associates control or are entitled to exercise control over approximately 45.25% of the total issued share capital of the Company. Therefore, COSCO SHIPPING is a controlling shareholder of the Company and a connected person of the Company. COSCO SHIPPING Logistics (Guangzhou) is a company controlled by COSCO SHIPPING through COSCO SHIPPING Logistics Supply Chain. Under Chapter 14A of the Hong Kong Listing Rules, COSCO SHIPPING Logistics (Guangzhou) is an associate of COSCO SHIPPING and also a connected person of the Company. Therefore, the formation of the joint venture constitutes a connected transaction of the Company. Please refer to the announcement of the Company dated 15 September 2025 for further information of the above transactions.

Directors' Report

All transactions marked with (b) in Note 44 to the consolidated financial statements included in the annual report constitute connected transactions of the Group and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Unless otherwise defined, terms used in the following table shall have the same meanings as those defined in the Company's announcement dated 30 August 2022. The following table sets out the relevant annual caps and the actual transaction amounts for the year ended 31 December 2025 in relation to the non-exempt continuing connected transactions of the Group:

Transactions	Trading annual cap for the year ended 31 December 2025 RMB'000	Actual transaction amount for the year ended 31 December 2025 RMB'000
1. Transactions under Master Financial Services Agreement		
(a) The Group's maximum daily deposit balance (including accrued interest and handling fees)	150,000,000	96,962,931
(b) The Group's maximum daily loan balance (including accrued interest and handling fees)	26,000,000	1,595,816
(c) Other financial services	80,000	3,571
2. Transactions under the Master Shipping Services Agreement		
(a) Purchasing shipping services from COSCO SHIPPING Group	53,000,000	27,178,867
(b) Providing shipping services to COSCO SHIPPING Group	12,000,000	7,873,978
3. Transactions under the Master Comprehensive Services Agreement		
(a) Purchasing comprehensive services from COSCO SHIPPING Group	600,000	254,336
(b) Providing comprehensive services to COSCO SHIPPING Group	150,000	31,163
4. Transactions under the Master Terminal Services Agreement		
(a) Purchasing terminal services from COSCO SHIPPING Group	8,000,000	3,046,775
(b) Providing terminal services to COSCO SHIPPING Group	800,000	153,142
5. Transactions under the Master Ship and Container Asset Services Agreement	22,000,000	8,642,908
6. Transactions under the SIPG Shipping and Terminal Services Agreement		
(a) Purchasing terminal services from SIPG	3,500,000	1,803,410
(b) Providing shipping services to SIPG	500,000	61,159
7. Trademark License Agreement		
(a) Purchasing services from COSCO SHIPPING Group (RMB)	1	1

Directors' Report

Review of Continuing Connected Transactions for 2025

The independent non-executive Directors have reviewed the above non-exempt continuing connected transactions and confirm that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (3) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

For the purpose of Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company, SHINEWING (HK) CPA Limited, to report on the above continuing connected transactions for the year ended 31 December 2025 (the “**Transactions**”) in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the Transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

Substantial Interests in the Shares and Underlying Shares of the Company

As at 31 December 2025, so far as was known to the Directors, save as disclosed below, there was no person (other than a Director, Supervisor or chief executives of the Company) who had any other interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Directors' Report

Name	Capacity and nature of interest	Number of shares/Percentage of total issued share capital of the Company					
		Long position	% (approx.)	Short position	% (approx.)	Lending pool	% (approx.)
China Ocean Shipping Co., Ltd. (a state-owned enterprise in China and a direct controlling shareholder of the Company)	Beneficial owner	A Shares: 5,924,873,037	38.25	-	-	-	-
China COSCO SHIPPING Corporation Limited (a state-owned enterprise in China and an indirect controlling shareholder of the Company)	Beneficial owner	A Shares: 704,746,860	4.55	-	-	-	-
	Interest of controlled corporation	A Shares: 5,924,873,037	38.25	-	-	-	-
		H Shares: 380,000,000 ⁽¹⁾	2.45	-	-	-	-
		Subtotal: 6,304,873,037	40.70	-	-	-	-
		Total: 7,009,619,897	45.25	-	-	-	-
China Shipping Group Co., Ltd.	Interest of controlled corporation	H Shares: 380,000,000 ⁽¹⁾	2.45	-	-	-	-
COSCO SHIPPING (Hong Kong) Co., Limited	Beneficial owner	H Shares: 158,328,000 ⁽¹⁾	1.02	-	-	-	-
	Interest of controlled corporation	221,672,000 ⁽¹⁾	1.43	-	-	-	-
		Total: 380,000,000	2.45	-	-	-	-
Shanghai Automotive Industry Corporation (Group) Co., Ltd. (上海汽車工業(集團)有限公司)	Beneficial owner	A Shares: 804,700,000	5.20	-	-	-	-
BlackRock, Inc. ⁽²⁾	Interest of controlled corporation	H Shares: 189,866,977	1.23	H Shares: 13,355,500	0.09	-	-
Morgan Stanley ⁽³⁾	Interest of controlled corporation	H Shares: 171,004,882	1.10	H Shares: 212,041,601	1.37	-	-

Notes:

- Among those Shares, 221,672,000 H Shares were directly held by Peaktrade Investments Limited ("**Peaktrade**"), and 158,328,000 H Shares were directly held by COSCO SHIPPING (Hong Kong) Co., Limited, representing approximately 7.70% and 5.50% of the total number of H Shares in issue as of 31 December 2025, respectively. Peaktrade was directly and wholly-owned by COSCO SHIPPING (Hong Kong) Co., Limited, which was directly and wholly-owned by China Shipping Group Co., Ltd., which was in turn directly and wholly-owned by China COSCO SHIPPING Corporation Limited.
- BlackRock, Inc. held relevant interests and short positions in the H Shares through a series of its controlled corporations, representing approximately 6.59% and 0.46% of the total issued H Shares respectively as at 31 December 2025.
- Morgan Stanley held relevant interests and short positions in the H Shares through a series of its controlled corporations, representing approximately 5.94% and 7.36% of the total issued H Shares respectively as at 31 December 2025.

A Share Option Incentive Scheme

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

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

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

Directors' Report

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

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

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

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

Directors' Report

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

On 10 June 2022, the Company convened the 18th meeting of the sixth session of the Board and the 11th meeting of the sixth session of the Supervisory Committee where it was resolved to adjust the exercise price of options granted for the first time from RMB3.15 per share to RMB2.28 per share, and adjust the exercise price of reserved options from RMB2.69 per share to RMB1.82 per share; to cancel the 461,630 stock options which were granted but not exercised for the 2nd and 3rd exercise periods for the first 1 incentive object who no longer met the incentive conditions due to death, thus adjusting the number of incentive objects granted for the first time from 426 to 425, and adjusting the number of options granted but not exercised for the 2nd and 3rd exercise periods for the first time to 152,607,564.

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

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

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

Directors' Report

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

On 24 May 2023, the Company issued the Implementation Announcement on the Satisfaction of Exercise Conditions for the Third Exercise Period of First Grant and the Second Exercise Period of Reserved Grant under the Share Option Incentive Scheme of the Company 《本公司股票期權激勵計劃首次授予期權第三個行權期及預留授予期權第二個行權期符合行權條件的實施公告》, the proposed number of options to be exercised in the 3rd exercise period of the first grant would be 71,191,616 to be exercised by 393 Participants at the exercise price of RMB1 per share during the 3rd exercise period of first grant from 5 June 2023 to 2 June 2026; the proposed number of options to be exercised in the 2nd exercise period of reserved grant would be 6,430,878 to be exercised by 35 Participants at the exercise price of RMB1 per share during the 2nd exercise period of reserved grant from 29 May 2023 to 28 May 2024.

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

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

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

Directors' Report

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

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

Name of Participant	Position of Participant	Number of share options								Weighted average closing price immediately before the exercise date	Date of grant	
		Exercise price per share (RMB)	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2025			
ZHANG Feng Note (2)	Director and Vice Chairman	1	-	-	-	-	-	-	-	-	-	Notes (4), (5)
TAO Weidong	Director and General Manager	1	-	-	-	-	-	-	-	-	-	Notes (4), (5)
ZHU Tao Note (3)	Director and Deputy General Manager	1	222,179	-	56,700	-	-	-	-	165,479	15.24	Note (6)

(2) Share options granted to all Participants

Participants	Number of Participants (person-time)	Number of share options								Weighted average closing price immediately before the exercise date	Date of grant	
		Exercise price per share (RMB)	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Adjusted during the Reporting Period	Outstanding as at 31 December 2025			
Directors and chief executives of the Company	2	1	-	-	-	-	-	-	-	-	-	Notes (4), (5)
	1	1	222,179	-	56,700	-	-	-	-	165,479	15.24	Note (6)
Senior management of the Company	9	1	-	-	-	-	-	-	-	-	-	Notes (4), (5)
Other key business personnel and management personnel of the Company	384	1	939,001	-	-	-	-	-	-	939,001	-	Note (4)
	32	1	3,101,083	-	1,377,337	-	-	-	-	1,723,746	14.86	Note (6)
Total	428	1	4,262,263	-	1,434,037	-	-	-	-	2,828,226	14.88	

Directors' Report

Notes:

- (1) The last exercisable date of the first batch of share options granted is 2 June 2026, and the last exercisable date of the reserved share options granted is 28 May 2027.
- (2) On 28 May 2025, the shareholders of the Company approved the appointment of Mr. ZHANG Feng as an executive Director of the Company at the annual general meeting. For details, please refer to the announcements of the Company dated 16 April 2025 and 29 May 2025.
- (3) Mr. ZHU Tao was appointed as an executive Director of the Company on 13 November 2024. For details, please refer to the announcement of the Company dated 13 November 2024 and the overseas regulatory announcement of the same date.
- (4) Such A share options were granted on 3 June 2019 (i.e. the Date of Grant for the First Batch of the Share Options).
- (5) As at the end of the Reporting Period, no such A share options remained outstanding.
- (6) Such A share options were granted on 29 May 2020 (i.e. the Date of Grant for Reserved Share Options).
- (7) During the Reporting Period, there were no Participants who were granted and would be granted share options in excess of 1% of the individual limit, nor were there any related entity Participants or service providers who were granted or would be granted share options in excess of 0.1% of the relevant class of shares issued by the Company during any 12-month period. The grant of share options was completed on 29 May 2020. There were no outstanding ungranted share options as at the beginning and the end of the Reporting Period and as of the date of this report.
- (8) During the Reporting Period, the A shares capital comprises 4,262,263 A shares which may be issued by the Company under the Share Option Incentive Scheme, representing approximately 0.034% of the weighted average number of A shares in the A shares capital of the Company in issue during the Reporting Period. Among them, 1,434,037 A shares in the A share capital were issued upon the exercise of share options, 0 share options were cancelled, and 2,828,226 share options shall be exercisable in the future, representing 0.011%, 0% and 0.023% of the weighted average number of A Shares in the A shares capital of the Company in issue during the Reporting Period, respectively.
- (9) As of the latest practicable date of this report (i.e. 20 April 2026), the total number of shares which may be issued under the Share Option Incentive Scheme of the Company was 218,007,932 shares, representing approximately 1.39% of the total number of shares issued by the Company and approximately 1.72% of the total number of A shares issued by the Company.
- (10) The accumulative equity interests of the Company granted to any one of the Participants under the Share Option Incentive Scheme did not account for more than 1% of the total A share capital of the Company.
- (11) Only the Participants who satisfied the exercise conditions as of the end of the Reporting Period were counted.

Directors' Report

Validity Period

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

Exercise Period

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

Directors' Report

Conditions of Exercise

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

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

Exercise period	Performance targets
Exercise period in respect of the first batch of the share options	<ul style="list-style-type: none"> (a) the EOE for 2020 shall be no less than 12.15% and the 75th percentile of the peer benchmark companies; (b) the growth rate of the net profit attributable to the owners of the parent company for 2020 shall be no less than 8% as compared to that of the financial year ended 31 December 2018; and (c) the EVA for 2020 shall reach the target assigned by COSCO SHIPPING and the change in EVA is greater than 0.
Exercise period in respect of the second batch of the share options	<ul style="list-style-type: none"> (a) the EOE for 2021 shall be no less than 13% and the 75th percentile of the peer benchmark companies; (b) the growth rate of the net profit attributable to the owners of the parent company for 2021 shall be no less than 18% as compared to that of the financial year ended 31 December 2018; and (c) the EVA for 2021 shall reach the target assigned by COSCO SHIPPING and the change in EVA is greater than 0.
Exercise period in respect of the third batch of the share options	<ul style="list-style-type: none"> (a) the EOE for 2022 shall be no less than 14% and the 75th percentile of the peer benchmark companies; (b) the growth rate of the net profit attributable to the owners of the parent company for 2022 shall be no less than 30% as compared to that of the financial year ended 31 December 2018; and (c) the EVA for 2022 shall reach the target assigned by COSCO SHIPPING and the change in EVA is greater than 0.

Directors' Report

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

Exercise of the first batch of the Share Options

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

Exercise of the second batch of the Share Options

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

Exercise of the third batch of the Share Options

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

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

Exercise of the first batch of the Share Options

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

Exercise of the second batch of the Share Options

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

Exercise of the third batch of the Share Options

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

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

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

Directors' Report

COSCO SHIPPING Ports Share Option Scheme

General Information of COSCO SHIPPING Ports Share Option Scheme

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

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

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

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

Summary of the Principal Terms of the COSCO SHIPPING Ports Share Option Scheme

The COSCO SHIPPING Ports Share Option Scheme was designed to enable COSCO SHIPPING Ports: (i) to establish and cultivate a performance-oriented culture, under which value is created for the shareholders, and to establish an interests-sharing and restraining mechanism between COSCO SHIPPING Ports' shareholders and management; (ii) to further improve the COSCO SHIPPING Ports' corporate governance structure and provide a unified mechanism to balance the interests among the shareholders, decision-makers and executives of COSCO SHIPPING Ports, to secure stable and long-term development of COSCO SHIPPING Ports; (iii) to coordinate the short-term and long-term incentives of the management and professional talents of COSCO SHIPPING Ports, to cultivate and strengthen the key personnel, to attract different kinds of talents more flexibly and to improve the long-term development of COSCO SHIPPING Ports; (iv) to effectively motivate the management and key personnel to enhance their performance and the core competitiveness of COSCO SHIPPING Ports; and (v) to further enhance COSCO SHIPPING Ports' competitive advantage in the labour market, to attract retain and incentivise senior management and personnel at key positions of COSCO SHIPPING Ports for achieving the strategic targets of COSCO SHIPPING Ports, to enhance the realisation of the long-term strategic targets of COSCO SHIPPING Ports and to strengthen cohesion of the COSCO SHIPPING Ports.

Directors' Report

Eligible participants for the COSCO SHIPPING Ports Share Option Scheme include the directors of the COSCO SHIPPING Ports, key management personnel such as senior management members at the headquarters of COSCO SHIPPING Ports and departmental deputy managers and above, and management personnel (including senior and mid-level management personnel) appointed to subsidiaries and other invested companies of COSCO SHIPPING Ports, and senior management members of the COSCO SHIPPING Ports' subsidiaries excluding independent non-executive directors, shareholders or de facto controllers who on their own or in aggregate holding more than 5% of the shares of COSCO SHIPPING Ports and their respective spouses, parents, children or other associates (as defined under the Listing Rules).

The number of share options to be granted to each participant shall be determined on the basis that the estimated benefit upon exercise of the share options will not exceed 40% of twice of his/her total annual emolument (inclusive of the estimated benefit upon exercise of the share options) which was determined according to the annual salary level in 2016. If the results of COSCO SHIPPING Ports is exceptionally outstanding, the cap on the benefit upon exercise of the share options mentioned above may be adjusted according to the regulations of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會). The specific operation and arrangement will be implemented by the board of directors of COSCO SHIPPING Ports in accordance with the then regulations of the SASAC.

The maximum entitlement for any one participant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of shares in issue in any 12 months period.

Share options cannot be exercised during the two-year period commencing from the date of grant of the share options (the **"COSCO SHIPPING Ports Share Option Scheme Restriction Period"**). Subject to the fulfilment of the relevant vesting conditions, share options will be vested in three batches evenly over a period of three years after the expiry of the COSCO SHIPPING Ports Share Option Scheme Restriction Period, and each batch of share options vested is exercisable within the relevant exercise period.

The validity period within which the participants can take up the underlying shares under the share options is 5 years from the date of grant to the share options and no consideration is payable on acceptance of the share options.

The exercise price in relation to each share option is determined based on the principle of fair market value and in any event should be the highest of (i) the closing price of COSCO SHIPPING Ports' shares as stated in the daily quotation sheet of the Stock Exchange on the date when an option was formally granted; (ii) the average closing price of COSCO SHIPPING Ports' shares as stated in the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date on which an option was formally granted, and (iii) the nominal value of the COSCO SHIPPING Ports' shares.

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

According to the terms of the COSCO SHIPPING Ports Share Option Scheme, no share options can be granted under the COSCO SHIPPING Ports Share Option Scheme since 19 June 2019. As at the date of this report, all share options granted thereunder had lapsed pursuant to the terms of the COSCO SHIPPING Ports Share Option Scheme and no share options were outstanding. As at the date of this report, there were no shares available for issuance under the COSCO SHIPPING Ports Share Option Scheme.

Directors' Report

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

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

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

As at the end of 2025, PANASIA Shipping was held as to 62% by COSCO SHIPPING Lines, as to 20% by Shanghai International Port (Group) Co., Ltd., as to 6% by China CITIC Financial Asset Management Co., Ltd. (formerly known as China Huarong Asset Management Co., Ltd.), as to 3% by Shenzhen Qianhai Huajian Equity Investment Co., Ltd. (深圳市前海華建股權投資有限公司), as to 0.9382% by Fosun Industrial Investment, as to 8% by Shanghai Yongyang Enterprise Management Partnership (Limited Partnership) (上海泳陽企業管理合夥企業(有限合夥)) (formerly known as Hongyang) and as to 0.0618% by Gongqingcheng Huanhai Investment Management Partnership (Limited Partnership) (共青城寰海投資管理合夥企業(有限合夥)) (Fosun Group Project Team). The participating employees (including employees in subsidiaries), of a total number of 180, are core management personnel of PANASIA Shipping, accounting for approximately 41.57% of its total headcount.

Directors' Report

Directors' and Supervisors' interest in Shares, underlying Shares and debentures

As at 31 December 2025, the interests of the Directors and Supervisors (The Company abolished the Supervisory Committee on 28 May 2025) in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

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

Name of Director	Capacity	Number of Shares held as at 31 December 2025	Approximate percentage of total issued share capital of the relevant class of Shares	Approximate percentage of total issued share capital
Mr. ZHU Tao ¹	Beneficial owner	222,179 ordinary A Shares	0.00045%	0.00037%

Note:

1. As at 31 December 2025, Mr. ZHU Tao held 165,479 A share options under the A share option incentive scheme of the Company.

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

Name of associated corporation	Name of Director/ Supervisor	Capacity	Number of shares held at 31 December 2025	Approximate percentage of total issued share capital of the relevant class of shares of the relevant associated corporation	Approximate percentage of total issued share capital of the relevant associated corporation
COSCO SHIPPING Development ¹	Mr. WAN Min	Beneficial owner	200,000 ordinary H Shares	0.00580%	0.00152%
		Interest of spouse	90,000 ordinary A Shares	0.00092%	0.00068%
	Mr. ZHU Tao	Beneficial owner	65,000 ordinary H Shares	0.00189%	0.00049%
COSCO SHIPPING Ports	Mr. WAN Min	Beneficial owner	373,163 ordinary shares	0.00942%	0.00942%
		Mr. ZHU Tao	Beneficial owner	8,000 ordinary shares	0.00020%
Hainan Strait Shipping Co., Ltd. ²	Mr. ZHU Tao	Beneficial owner	12,900 ordinary A Shares	0.00058%	0.00058%

Notes:

1. A company listed on the Stock Exchange (stock code: 2866) and the Shanghai Stock Exchange (stock code: 601866).
2. A company listed on the Shenzhen Stock Exchange (stock code:002320).

Directors' Report

(c) Long positions in the underlying shares of equity derivatives of the Company

Nil.

Share options were granted by COSCO SHIPPING Ports to its certain directors (some of whom were also Directors and Supervisor of the Company) pursuant to the COSCO SHIPPING Ports Share Option Scheme. Details of the Directors' and Supervisor's interest in share options granted by COSCO SHIPPING Ports are set out under the previous section headed "COSCO SHIPPING Ports Share Option Scheme" of this report.

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors (the Company abolished the Supervisory Committee on 28 May 2025) or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Arrangements to Purchase Shares or Debentures

At no time during the Reporting Period was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangements to enable the Directors, Supervisors or senior management of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors', Supervisors' and Five Highest Paid Individuals' Remunerations

Details of the remuneration of the Directors and the Supervisors and the five highest paid individuals of the Group are set out in note 38 to the consolidated financial statements.

Save as disclosed above, there were no arrangements under which a Director or Supervisor had waived or agreed to waive any remuneration in respect of the year ended 31 December 2025.

Service Contracts of Directors and Supervisors

Each of the Directors and Supervisors has entered into a service contract with the Company. No Director or Supervisor has entered into any service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Report

Interests of Directors and Supervisors in Contracts or Arrangements

None of the Directors or Supervisors had any material interest, whether directly or indirectly, in any contracts or arrangements of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2025.

Permitted Indemnity Provisions

At no time during the Reporting Period and as at the disclosure date of this report, there was or is, any permitted indemnity provision being in force for the benefit at any of the Directors or Supervisors (the Company abolished the Supervisory Committee on 28 May 2025) of the Company (whether made by the Company or otherwise) or the directors or supervisors of an associated corporation of the Company (if made by the Company).

The Company has arranged appropriate liability insurance for the Directors and Supervisors concerning the relevant legal action they may be faced with.

Board Committees

The Company has established the Strategic Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee.

Corporate Governance

The Company is committed to maintaining high standards of corporate governance by the Group and the Board is of the view that effective corporate governance is essential and makes important contribution to the corporate success and to enhancing Shareholder value. Please refer to pages 68 to 122 of this annual report for details.

Employees and Remuneration Policies

As at 31 December 2025, there were approximately 32,768 employees in the Group. Total staff costs of the Group for the year, including directors' remuneration, was approximately RMB15,651,833,000 in total.

To allow all staff to enjoy the development results of the Company, the Company regularly improve its staff remuneration, benefit and insurance policy in accordance with the conditions of the Company and the external and internal business environment to facilitate the development of the Company and the building of a strong working team. The Company also safeguards the legal rights of less privileged group of staff strictly in accordance with the laws and regulations of China. For entities operating in the PRC, the Company determines the minimum salary standard of staff in accordance with the requirements of the local governments. The Company has established retirement benefit scheme, medical insurance scheme, work injury insurance scheme, pregnancy and birth insurance scheme and unemployment insurance scheme for all staff. The Company has also established a housing provident fund. For entities operating outside China, the Company has established a remuneration policy strictly in accordance with the laws and regulations and policies of the local governments.

Directors' Report

Shareholders' General Meetings

Meeting session	Date of meeting	The designated website for the publication of the announcement of the resolutions	The date of publication of the announcement of the resolutions
2024 Annual General Meeting, 2025 First A Share Class Meeting and 2025 First H Share Class Meeting	28 May 2025	www.hkexnews.hk www.sse.com.cn	29 May 2025
2025 First Extraordinary General Meeting	31 October 2025	www.hkexnews.hk www.sse.com.cn	31 October 2025

Explanation on general meetings

Please refer to relevant announcements for details.

Objections of independent non-executive Directors on relevant matters of the Company

Not applicable

Major opinions and recommendations made by Board committees under the Board when performing duties during the Reporting Period

Strategic Development Committee

In 2025, the Strategic Development Committee held one meeting, at which the Request for Instructions of COSCO SHIPPING Holdings' 2025 Investment Plan and Disposal Plan was considered and approved.

Audit Committee

In 2025, the Audit Committee of the Board held a total of six meetings, during which 25 proposals including the effectiveness of the Company's annual report, interim report, quarterly report, risk management and internal control, the status of internal audit work, the engagement of domestic and foreign auditors, etc. were considered and approved.

The Audit Committee of the Board is of the view that the financial reports of the Company for various periods in 2025 which had been reviewed were prepared in compliance with the Accounting Standards for Business Enterprises and HKFRS Accounting Standards, and the content of disclosure therein also satisfied the requirements of the listing system and regulations of China mainland and Hong Kong.

Directors' Report

Remuneration Committee

In 2025, the Remuneration Committee of the Board held a total of two meetings, at which it considered and approved the following four resolutions: the “Consideration of the Resolution on Amendments to the Operation Rules for the Remuneration Committee of the Board of Directors”, the “Resolution on the Performance of the Remuneration Committee of the Board of Directors in 2024”, the “Resolution on the Consideration and Confirmation of the Appraisal of Senior Management of COSCO SHIPPING Holdings in 2024”, and the “Consideration of the Resolution on the Remuneration Encashment Situation of Senior Management of COSCO SHIPPING Holdings in 2024”.

Nomination Committee

In 2025, the Nomination Committee of the Board held a total of six meetings, at which it considered and approved the “Resolution on Assessing the Independence of Current Independent Directors and the Performance of the Board of Directors of COSCO SHIPPING Holding, and Issuing a Special Opinion”, the “Resolution on the Composition of the Special Committees of the Seventh Board of Directors of COSCO SHIPPING Holding”, the “Resolution on the Nomination of Candidates for Executive Directors and Senior Management of the Company”, “Consideration of the Opinions on Amendments to the Operation Rules for the Nomination Committee of the Board of Directors”, the “Resolution on Recommending Candidates for Vice Chairman of the Seventh Board of Directors of COSCO SHIPPING Holdings”, the “Resolution on Recommending Adjustments to the Composition of the Special Committees of the Seventh Board of Directors of COSCO SHIPPING Holdings” and the “Resolution on Considering the Nomination of Candidates for Non-executive Directors of the Company”, etc.

Risk Control Committee

In 2025, the Risk Control Committee of the Board held a total of four meetings, at which it considered the resolutions in relation to the evaluation report of internal control, the ongoing risk assessment report of finance company, the sustainability report, the work report on the internal control system and also reviewed and approved the Rules of Procedure for the Risk Control Committee of the Board of Directors of COSCO Shipping Holdings Co., Ltd. and the Internal Control and Risk Management Measures of COSCO Shipping Holdings Co., Ltd. (2025 Revised). Through systematic inspection and assessment, it is of the view that the Company has a relatively reasonable and effective internal control and risk management system which provides reasonable assurance to achieve the risk management objective of the Company and the Company is able to analyze the existing conditions of its own control system objectively and to improve, satisfy and adapt to the development requirements of the Company in a timely manner.

The establishment and implementation of the appraisal system and incentive mechanism for senior management during the Reporting Period

Pursuant to the Administrative Measures for the Remuneration of Officers in Charge of COSCO SHIPPING Holdings Co., Ltd. 《中遠海運控股股份有限公司企業負責人薪酬管理辦法》(considered and approved by the Remuneration Committee of the Fifth Board and the Board of the Company), annual salary was paid to senior management members of the Company, including the general manager, deputy general managers, Chief Financial Officer and secretary to the Board. The annual salary comprises basic salary, performance-based annual salary, and task accomplishment bonus, among which, the performance-based annual salary is linked to the appraisal results of the Company and individual appraisal results of the senior management of the Company, and shall be submitted to the Board of the Company to determine after consideration by the Remuneration

Directors' Report

Committee; task accomplishment bonus shall be determined by the accomplishment condition of the Company's annual task objectives. Where the Directors and senior executives of the Company hold their posts in and receive remunerations from its subsidiaries (COSCO SHIPPING Lines, COSCO SHIPPING Ports and OOIL), their annual salary standard shall be determined by their respective board of directors in accordance with corresponding salary system, and its results of fulfillment will be reported to the Company.

Internal Control and Self-evaluation Report

According to the requirements of corporate internal control standard system, the Board is responsible for establishing, improving and effectively implementing the internal control, evaluating the effectiveness of the internal control and disclosing the internal control evaluation report accurately. The Audit Committee shall supervise the internal control established and implemented by the Board. The managers are responsible for organizing and providing explanations on the relevant circumstances of the internal control audit report, determining whether to disclose the internal control audit report and other related matters, and leading the day-to-day operation of the internal control of the Company. The Board, the Directors and senior management officers of the Company confirm that information contained in this report is true, accurate, and complete without any false and misleading statements or material omissions, and assume several and joint liability for the above.

The objectives of the Company's internal control are to reasonably guarantee the authenticity and completeness of information of the compliance, asset security, financial report and relevant information of operation and management of the Company, improve the operating efficiency and results, and promote the realization of development strategies. Due to the inherent limitations of the internal control, reasonable guarantees shall only be provided for realizing the above objectives. In addition, changes in situation may result in that the internal control becomes inappropriate or the extent to which the compliance with policies and process is lessened. There may be certain risks in presuming the effectiveness of future internal control according to the evaluation results of the internal control.

The Company's self-evaluation of internal control in 2025

The Company's self-evaluation report on internal control for 2025 was published on the website of Shanghai Stock Exchange and the website of the Company on 19 March 2026.

Audit report on internal control

In accordance with the relevant requirements, such as the guidelines on internal control audit, the Company engaged ShineWing Certified Public Accountants, LLP to audit and prepare the audit report on the internal control of the Company.

For details of the internal control audit report, please refer to the report of the Company published on the website of Shanghai Stock Exchange on 19 March 2026.

Directors' Report

I. Positions of current Directors and senior management and those who resigned during the Reporting Period

(I) Position in the Controlling Shareholder and other subsidiaries of the Company

Name	Name of entity	Position	Date of appointment	Date of termination
WAN Min	China COSCO SHIPPING Corporation Limited	Chairman of the Board and Secretary of the Party Committee	October 2021	
	Orient Overseas (International) Limited	Chairman of the Board and Executive Director	December 2021	
ZHANG Feng	China COSCO SHIPPING Corporation Limited	Deputy General Manager	August 2024	
	Orient Overseas (International) Limited	Executive Director, Chief Executive Officer	April 2025	
CHEN Yangfan	China COSCO SHIPPING Corporation Limited	Deputy General Manager	November 2021	February 2025
	Orient Overseas (International) Limited	Executive Director, Chief Executive Officer	September 2023	April 2025
TAO Weidong	COSCO SHIPPING Lines Co., Ltd.	Chairman of the Board and Secretary of the Party Committee	May 2024	
	Orient Overseas (International) Limited	Executive Director	May 2024	
	Orient Overseas Container Line Limited	Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer (CEO)	May 2024	
	China COSCO SHIPPING Corporation Limited	Employee Representative Director	December 2024	
ZHU Tao	COSCO SHIPPING Ports Limited	Chairman of the Board, Executive Director	June 2024	
XU Feipan	COSCO SHIPPING Lines Co., Ltd.	Director, General Manager and Deputy Secretary of the Party Committee	May 2025	
	COSCO SHIPPING (North America) Inc.	Director, President	September 2024	
	COSCO SHIPPING Logistics & Supply Chain Management Co., Ltd.	Director	May 2025	
	Hainan Harbor & Shipping Holding Co., Ltd.	Director	July 2025	

Directors' Report

Name	Name of entity	Position	Date of appointment	Date of termination
WU Yu	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	July 2022	April 2025
	COSCO SHIPPING Ports Limited	Executive Director, Managing Director	April 2025	
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	December 2020	
	Shanghai COSCO SHIPPING Information Technology Co., Ltd.	Chairman of the Board	February 2020	
	Shanghai COSCO SHIPPING Information Technology Co., Ltd.	Secretary of the Party Committee	December 2022	
XIAO Janguang	COSCO SHIPPING Lines Co., Ltd.	Secretary of the Board	August 2022	
	COSCO SHIPPING Lines Co., Ltd.	General Legal Counsel	August 2022	January 2026
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	October 2020	
	Orient Overseas (International) Limited	Secretary of the Company, Legal Counsel of the Group	August 2020	
QIAN Ming	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	January 2020	
	COSCO SHIPPING Lines Co., Ltd.	General Legal Counsel	January 2026	
	Coheung Marine Shipping Company Limited	Chairman of the Board	December 2024	December 2025
PAN Zhigang	COSCO SHIPPING Lines Co., Ltd.	Chief Finance Officer	April 2025	
	Orient Overseas (International) Limited	Chief Finance Officer	April 2025	
	Orient Overseas Container Line Limited	Chief Finance Officer	April 2025	
	COSCO SHIPPING Finance Co., Ltd.	Director	October 2025	
	COSCO Shipping Container Line Agencies Limited	Supervisor	December 2025	
QIN Jiangping	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	June 2024	
	Shanghai Ocean Shipping Company Limited	Chairman of the Board, Secretary of the Party Committee	December 2022	
	China-Japan International Ferry Co., Ltd.	Chairman of the Board	August 2023	
	Coheung Marine Shipping Company Limited	Chairman of the Board	December 2025	

Directors' Report

Name	Name of entity	Position	Date of appointment	Date of termination
CHENG Jing	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	March 2025	
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	April 2025	
	COSCO Shipping Container Line Agencies Limited	Chairman of the Board	December 2025	
ZHENG Qi	COSCO SHIPPING Lines Co., Ltd.	Chief Financial Officer	March 2016	March 2025
	COSCO SHIPPING Finance Co., Ltd.	Director	December 2017	March 2025
	Orient Overseas (International) Limited	Chief Financial Officer ("CFO")	June 2022	March 2025
	Orient Overseas Container Line Limited	Director, CFO, member of the Executive Committee	June 2022	March 2025
YU Tao	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	January 2016	March 2025
	Orient Overseas Container Line Limited	Director, member of the Executive Committee	December 2020	March 2025
	COSCO SHIPPING (Piraeus) Ports Limited	Director	October 2021	
	COSCO SHIPPING Captive Insurance Co., Ltd	Director	July 2020	
	COSCO SHIPPING Lines Co., Ltd.	Deputy General Manager	July 2022	March 2025
GE Heyue	COSCO SHIPPING Logistics Co., Ltd.	Director	November 2022	
	COSCO SHIPPING Logistics & Supply Chain Management Co., Ltd.	Director	November 2022	May 2025
	Hainan Harbour & Shipping Holding Co., Ltd.	Director	December 2022	
	COSCO SHIPPING Container Lines Agencies Limited	Chairman of the Board	December 2024	December 2025
	Description of the position	Nil		

Directors' Report

(II) Position in other entities

Name	Name of entity	Position	Date of appointment	Date of termination
TAO Weidong	China Shipowners Mutual Assurance Association	Director	August 2024	
MA Si-hang Frederick	FWD Group Limited	Independent Non-executive Director	December 2013	
	FWD Group Limited	Chairman	July 2022	
	HH&L Acquisition Co.	Independent Non-executive Director	February 2021	
	Unicorn II Holdings Limited	Independent Non-executive Director	January 2022	
	BOC Hong Kong (Holdings) Limited	Independent Non-executive Director	October 2023	
	Bank of China (Hong Kong) Limited	Independent Non-executive Director	October 2023	
	SHEN Dou	Baidu, Inc.	Executive Vice President	May 2019
WU Yu	CITIC Aibank Corporation Limited	Director	July 2023	
	Dalian Neusoft Holdings Co., Ltd.	Director	July 2023	
	Beijing iQIYI Science & Technology Co., Ltd.	Director	September 2019	
	China United Network Communications Limited	Director	November 2023	
	Global Shipping Business Network Limited (GSBN)	Director	February 2021	
XIAO Junguang	Swedish Shipowners Mutual Assurance Association (瑞典船東互保協會)	Director	March 2023	
QIAN Ming	Anji AUTOMOTIVE Logistics Co., Ltd.	Director	December 2024	
QIN Jiangping	West Basin Container Terminal LLC.	Director	October 2024	
	Shanghai International Port (Group) Co., Ltd.	Director	October 2024	
CHENG Jing	Pacific Terminals Company (太平洋碼頭公司) (PMS Terminals)	Director	December 2025	
Description of the position Nil				

Directors' Report

II. Remuneration of Directors and Senior Management of the Company

Determination of remuneration of Directors and senior management	Remuneration of Directors were determined at Shareholders' general meeting. Determination of the remuneration of the senior management of the Company is set out in the section headed "The establishment and implementation of the appraisal system and incentive mechanism for senior management during the Reporting Period" of this annual report.
Whether Directors avoid when discussing matters on their own remuneration by the Board	Yes
Details on the recommendations made by the remuneration and assessment committee or the special meeting of independent Directors on remuneration of Directors and senior management	The Remuneration Committee of the Board reviewed and confirmed the proposal based on the industry in which the Company operates, the size of the Company and the actual situation of the Company.
Basis of remuneration of Directors and senior management	Remuneration of Directors were determined at Shareholders' general meeting. Decision-making process of the remuneration of the senior management of the Company is set out in the section headed "The establishment and implementation of the appraisal system and incentive mechanism for senior management during the Reporting Period" of this annual report.
Actual payment of remuneration of Directors and senior management	The salaries of Directors shall be paid in accordance with the service contracts entered into by them. Remuneration of the senior management of the Company shall be determined on annual basis taking into account the operating results and annual personal appraisal results and in accordance with the "Administrative Measures for the Remuneration of Officers in Charge of COSCO SHIPPING Holdings Co., Ltd." approved by the Board. Where the senior executives of the Company hold their posts in and receive remunerations from its subsidiaries (COSCO SHIPPING Lines, COSCO SHIPPING Ports, OOIL), their annual salary standard shall be determined by their respective board of directors in accordance with corresponding salary system, and its salary results of fulfillment will be reported to COSCO SHIPPING Holdings for check.
Total actual remuneration of all Directors and senior management at the end of the Reporting Period	RMB28.5391 million
Assessment basis and completion of the remuneration actually received by all Directors and senior management at the end of the Reporting Period	The resolution on the annual appraisal and cash remuneration of the senior management in 2025 was considered and approved at the sixth meeting of the Remuneration Committee of the seventh session of the Board and the 26th meeting of the seventh session of the Board of COSCO SHIPPING Holdings.
Deferred payment of remuneration actually received by all Directors and senior management at the end of the Reporting Period	Where the senior executives of the Company hold their posts in and receive remunerations from its subsidiaries, 10% of their annual performance-based salary in 2025 will be deferred and paid out in principle after three years based on the performance evaluation.
Claims for stop-payment of remuneration actually received by all Directors and senior management at the end of the Reporting Period	Nil

Directors' Report

III. Changes in Directors, Supervisors and Senior Management of the Company during the Reporting Period

1. Appointment of Directors and Changes

On 28 May 2025, the shareholders of the Company approved at the annual general meeting to appoint Mr. Zhang Feng as an executive director of the Company with immediate effect. For details, please refer to the announcements of the Company dated 16 April 2025 and 29 May 2025.

On 28 May 2025, the shareholders of the Company approved at the annual general meeting to appoint Mr. Xu Feipan as an executive director of the Company with immediate effect. For details, please refer to the announcements of the Company dated 3 April 2025 and 29 May 2025.

On 16 April 2025, Chen Yangfan resigned as vice chairman, executive director and chairman of the Strategic Development Committee of the Board of the Company with immediate effect. For details, please refer to the announcement of the Company dated 16 April 2025 and the overseas regulatory announcement of the same date.

On 11 December 2025, Yu De resigned from his positions as a non-executive director and member of the Risk Control Committee of the Board of the Company with immediate effect. On the same day, as recommended by the shareholders of the Company, reviewed by the nomination committee under the Board, and considered at the 24th meeting of the seventh session of the Board of the Company, it was unanimously approved to nominate Mr. Wu Heng as a non-executive director candidate of the Company and proposed to submit it to the latest shareholders' meeting of the Company for consideration. For details, please refer to the Company's announcement dated 11 December 2025 and the overseas regulatory announcement of the same date.

2. Appointment of Supervisors and Changes

On 28 May 2025, the shareholders of the Company approved at the annual general meeting to abolish the Supervisory Committee and repeal the Rules of Procedure for the Supervisory Committee, Mr. Yang Shicheng, Mr. Xu Weifeng, Mr. Song Tao, Mr. Xu Donggen and Mr. Si Yuncong, the members of the Supervisory Committee of the Company, resigned immediately. For details, please refer to the announcement of the Company dated 29 April 2025 and the overseas regulatory announcement of the same date, and the announcement of the Company dated 28 May 2025 and the overseas regulatory announcement of the same date.

Directors' Report

3. Changes in Senior Management

On 3 April 2025, the Company convened the 15th meeting of the seventh session of the Board, at which it was approved to appoint Mr. Pan Zhigang as the chief accountant of the Company with immediate effect. For details, please refer to the announcement of the Company dated 3 April 2025 and the overseas regulatory announcement of the same date.

On 3 April 2025, the Board of the Company received a letter of resignation from Ms. Yu Tao that Ms. Yu Tao resigned voluntarily as the deputy general manager of the Company with immediate effect due to the change of position. On the same day, the Company received a letter of resignation from Ms. Zheng Qi that Ms. Zheng Qi resigned voluntarily as the chief accountant of the Company with immediate effect due to her retirement. For details, please refer to the announcement of the Company dated 3 April 2025 and the overseas regulatory announcement of the same date.

On 16 April 2025, the Company convened the 17th meeting of the seventh session of the Board, at which it was agreed to appoint Ms. Cheng Jing as the deputy general manager of the Company with immediate effect. For details, please refer to the announcement of the Company dated 16 April 2025 and the overseas regulatory announcement of the same date.

On 28 May 2025, the Board of the Company received the resignation letter from Mr. Ge Heyue. Due to job change, Mr. Ge Heyue voluntarily resigned as the deputy general manager of the Company with immediate effect. For details, please refer to the announcement of the Company dated 28 May 2025 and the overseas regulatory announcement of the same date.

IV. Penalty imposed by security regulatory authorities in recent three years

Not applicable

Directors' Report

V. Staff of the Company and its significant subsidiaries

(1) Information of staff

Number of working staff of parent company	55
Number of working staff of significant subsidiaries	32,713
Total number of working staff	32,768

Qualification

Category of qualification	Number of staff
Production	7,694
Sales	7,179
Technicians	4,468
Accounting	1,840
Administration	1,954
Others	9,633
Total	32,768

Education level

Education background	Number of staff
Master's degree or above	2,826
Graduate	17,137
Tertiary	8,161
Secondary or below	4,644
Total	32,768

Directors' Report

(2) Employee diversity policy

As of the end of the Reporting Period, the Company had a total of 32,768 employees (including senior management), of which 57% were male employees and 43% were female employees.

The Company attaches great importance to the building of pool of talent pool and continues to explore talents in the industry. Under the principle of fair, transparent and equal recruitment, the Company continues to recruit and build a pool of outstanding talents through online and offline campus and social recruitments. The Group actively recruits new graduates and solicits a group of outstanding students through special campus promotion activities and corporate publicity to join the shipping team.

Combining the principle of equal recruitment, the Company continuously builds a diversified and inclusive team and provides its employees with equal employment opportunities. Any form of discrimination or unfair treatment based on any non-work-related factors is prohibited, irrespective of colour, nationality, ethnicity, age, gender, religious belief or physical disability. The Company actively recruits retired firefighters and provides diversified stages and career development opportunities for such retired personnel. The Company also cares for the disabled persons and offers various benefits and remunerations to the disabled employees, helping them to explore their career development and job positioning.

There are no factors and circumstances that would make it more challenging or less possible to achieve gender diversity for all employees, including senior management.

During the year, the Company had reviewed the implementation and effectiveness of the gender diversity policy for employees, including senior management. As a result of the above measures, the gender diversity policy for employees, including senior management, was considered to have been effectively implemented.

(3) Remuneration policy

To allow all staff to enjoy the development results of the Company, the Company regularly improves its staff remuneration, benefit and insurance policy in accordance with the conditions of the Company and the external and internal business environment to facilitate the development of the Company and the building of a strong working team. The Company also safeguards the legal rights of less privileged group of staff strictly in accordance with the laws and regulations of China. For entities operating in the PRC, the Company determines the minimum salary standard of staff in accordance with the requirements of the local governments. The Company has established retirement benefit scheme, medical insurance scheme, work injury insurance scheme, pregnancy and birth insurance scheme and unemployment insurance scheme for all staff. The Company has also established a housing provident fund. For entities operating outside China, the Company has established a remuneration policy strictly in accordance with the laws and regulations and policies of the local governments.

Directors' Report

(4) Training plans

In respect of the training work in 2025, the Company adhered to the general keynote of “seeking progress while maintaining stability”, strictly in line with four major work priorities of “focusing on the essence”, “promoting stability through progress”, “building before dismantling”, and “keeping precision and effectiveness”. Guided by the Company and the “14th Five-Year Plan for Talent Development”, the training work served the strategic transformation of the Company and the construction of talent team, adapted to the new requirements of training management under the new situation, and gave full play to the important role of education and training in talent cultivation.

(5) Outsourcing

Total cost of outsourcing	RMB0.619 billion
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VI. Repurchase, Sale or Redemption of the Company's Shares

On 29 May 2024, 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 18 October 2024, the Board considered and approved the Resolution on the Shares Repurchase Plan of COSCO SHIPPING Holdings with Special Loans Provided by Bank(s) and Own Funds 《(關於中遠海控以銀行專項貸款及自有資金回購公司股份方案的議案)》, pursuant to which it is proposed to repurchase A Shares through centralized price bidding pursuant to the General Mandate to Repurchase A Shares and to repurchase H Shares pursuant to the General Mandate to Repurchase H Shares. On 13 November 2024, the extraordinary general meeting of the Company considered and approved the implementation of the A Shares Repurchase Plan. All purchased Shares shall be cancelled and the registered share capital shall be reduced accordingly.

On 28 May 2025, 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 (“**General Mandate to Repurchase A Shares**”) and H Shares (“**General Mandate to Repurchase 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 13 October 2025, the Board considered and approved the Resolution on the Shares Repurchase of COSCO SHIPPING Holdings 《(關於中遠海控回購公司股份的議案)》, pursuant to which it is proposed to repurchase A Shares through centralized price bidding pursuant to the General Mandate to Repurchase A Shares and to repurchase H Shares pursuant to the General Mandate to Repurchase H Shares. All purchased Shares shall be cancelled and the registered share capital shall be reduced accordingly.

Directors' Report

The monthly reports on the repurchase of A Shares and H Shares during the Reporting Period are as follows:

Repurchase of A Shares

Month of repurchase	Number of repurchased Shares	Purchase price per Share		Total price (excluding transaction costs) (RMB)
		Highest (RMB/Share)	Lowest (RMB/Share)	
January	7,105,070	14.41	13.97	100,819,231.10
February	31,974,992	14.50	13.58	446,420,170.10
March	3,227,630	13.79	13.46	43,859,831.10
April	54,936,551	14.59	13.06	775,846,757.96
May	5,173,256	14.77	14.41	75,460,355.62
November	50,000,065	14.98	14.86	748,337,989.95
December	5,101,650	14.98	14.88	76,279,591.90
Total	157,519,214			2,267,023,927.73

Repurchase of H Shares

Month of repurchase	Number of repurchased Shares	Purchase price per Share		Total price (excluding transaction costs) (HK\$)
		Highest (HK\$/Share)	Lowest (HK\$/Share)	
January	79,801,000	11.90	11.40	933,187,840.00
February	45,616,000	12.72	11.18	544,560,800.00
March	19,890,000	12.64	12.10	246,665,290.00
April	12,971,500	11.76	11.40	150,852,060.00
May	79,028,500	15.04	11.78	1,088,788,410.00
October	3,000,000	13.75	13.35	40,706,215.00
November	53,598,000	14.43	13.18	739,105,130.00
December	66,742,000	14.06	13.24	915,737,800.00
Total	360,647,000			4,659,603,545.00

Directors' Report

As of the latest practicable date of this report (i.e., 20 April 2026), all A Shares and H Shares repurchased by the Company during the Reporting Period have been fully cancelled. During the period from 23 March 2026 to 27 March 2026, the Company repurchased 8,549,500 H shares, which have not been cancelled.

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. No treasury Shares (as defined in the Listing Rules) were held, sold or transferred by the Company, nor were any securities of the Company redeemed during the Reporting Period.

VII. Public Float

As of the latest practicable date prior to the issue of this report (i.e. 20 April 2026), based on information that is publicly available to the Company and within the knowledge of the Directors, the public float of the Company satisfied the requirement of the Listing Rules.

By Order of the Board of Directors

Wan Min

Chairman

Shanghai, the PRC

19 March 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF COSCO SHIPPING Holdings Co., Ltd.

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

Opinion

We have audited the consolidated financial statements of COSCO SHIPPING Holdings Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 170 to 303, which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended; and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audit of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as follows:

- Impairment assessment of goodwill;
- Freight revenues for vessel voyages in progress at year end;
- Provision for onerous contract for the Terminal Service Agreement ("TSA") for Long Beach Container Terminal ("LBCT");

Independent Auditor's Report

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of goodwill Refer to notes 3.1(e), 5(a) and 11 to the consolidated financial statements.</p>	
<p>As at 31 December 2025, the Group had goodwill with total carrying amount of RMB6,359 million out of which RMB4,985 million was generated from the acquisition transaction of Orient Overseas (International) Limited (“OOIL”).</p> <p>Management tests whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 3.1(e). The recoverable amounts of cash generating units (“CGUs”) have been determined based on value-in-use calculations. The value-in-use calculations use cash flow projections based on financial budgets which involve judgments by management such as determining revenue growth rates, operating margins and the discount rate. Changes in these assumptions may impact the recoverable amount of goodwill. Management concluded that the goodwill was not impaired.</p> <p>We focused on this area as the assessment involved significant judgments, including the revenue growth rates, operating margins and discount rate applied to the estimates of the recoverable amount. All these factors are with estimation uncertainties and may impact the results of the impairment assessment.</p>	<p>Our procedures in relation to the impairment assessment of goodwill included:</p> <ul style="list-style-type: none"> • obtained an understanding of management’s internal control and assessment process of impairment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud; • obtained the calculation prepared by the management and tested the mathematical accuracy of the value-in-use calculations; • compared and analyzed the actual results of relevant asset during the current year against the respective forecasts in previous year to evaluate the reliability of management’s historical prediction of future cash flow; • assessed the reasonableness of key assumptions applied in the financial budgets such as revenue growth rates and operating margins applied by management by comparing historical performance and available market reports, where applicable; • involved our internal valuation experts to assess the appropriateness of the valuation methodologies used to determine value-in-use and benchmarked the discount rates applied to other comparable companies in the same industry; and • assessed management’s sensitivity analyses on the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, would result in the assets being impaired.

Independent Auditor's Report

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Freight revenues for vessel voyages in progress at year end Refer to note 3.1(i), 5(c) and 6 to the consolidated financial statements.</p> <p>For the year ended 31 December 2025, the Group recognized revenue of RMB219,504 million out of which RMB210,641 million was related to freight revenues from container shipping.</p> <p>The Group recognizes freight revenues over time which is determined on the time proportion of each individual vessel voyage completed at year end with reference to their voyage details such as freight rates, voyage departure and arrival information.</p> <p>We focused on the recognition of freight revenues at year end because the transaction volume of the voyages which were in progress at year end is significant and complex calculations are involved in the estimation of freight revenue on a percentage of completion basis.</p>	<p>Our procedures in relation to management's estimation of freight revenues for vessel voyages in progress at year end included:</p> <ul style="list-style-type: none"> • obtained an understanding of management's internal control and estimation process and assessed the level of inherent risk by considering the degree of estimation uncertainty and factors such as complexity; • evaluated and tested the key controls that management has established in respect of recording freight revenues on a sample basis, focusing on management's controls over the estimate of freight revenues for vessel voyages which were still in progress at year end; • tested the freight rates maintained in the Group's operation system on a sample basis by comparing with supporting documents such as customer contracts; • checked the vessel voyage departure and arrival information (i.e. time and date) from the Group's operation system on a sample basis against the supporting documents such as terminal records; and • recomputed the estimated freight revenues calculations of vessels voyages in progress recorded in the Group's operation system on a sample basis and reconciled to the accounting records.

Independent Auditor's Report

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Provision for onerous contract for the TSA for LBCT Refer to notes 3.1(g), 5(d) and 27 to the consolidated financial statements.</p> <p>In October 2019, OOIL entered into a terminal service agreement for procuring the placement of an annual minimum number of vessel lifts ("MVC") at LBCT for each of the 20 years commencing on 1 November 2019 ("TSA"). According to the TSA, OOIL is obliged to pay a deficiency payment when there is shortfall over the respective MVC for each year during the contract period.</p> <p>A provision should be made for the present obligation under the TSA where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Management performed an assessment to determine if any onerous provision for the TSA is required.</p> <p>As at 31 December 2025, OOIL recognized a provision for onerous contract of US\$876.7 million (equivalent to approximately RMB6,162.5 million) for the TSA, which is calculated using an expected value approach involving probability weighted possible scenarios taking into considerations of respective economic benefits to be received and associated fulfilment costs during the remaining contract period.</p> <p>The estimation of the fulfilment costs and economic benefits over the remaining contract period involves significant judgements and assumptions including, a) the projected vessel lifts to be placed at LBCT, b) the amount of expected bunker costs and other operating costs, c) the expected freight rate from operating the service routes to/from LBCT and d) the probability weighting applied to the possible scenarios prepared by management.</p> <p>We focused on this area because of the significance of the onerous provision as well as the estimation of it involved a high degree of uncertainty. The inherent risk in relation to the onerous contract assessment is significant due to the complexity of the calculation methodology and model and high level of subjectivity of management's judgements and assumptions made.</p>	<p>Our procedures in relation to the assessment of the provision for onerous contract for the TSA included:</p> <ul style="list-style-type: none"> obtained an understanding of management's assessment process of the onerous provision for the TSA and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and factors such as complexity and subjectivity; evaluated the appropriateness of the identification of expected economic benefits and fulfilment cost element included in management's assessment through discussion with management and corroborated with our review of the key terms of the TSA and our understanding of the applicable accounting standard requirements; assessed the calculation methodology and model for onerous contract provision with the involvement of our in house specialists; evaluated management's projected vessel lifts for the remaining contract period under the TSA through discussion with management, referencing to market data and comparing to historical vessel lifts and trends of LBCT; checked management's calculation of the excess rebate or deficiency payment according to the terms in the TSA and the projected vessel lifts at LBCT; assessed the reasonableness of expected bunker costs with reference to market forecast and other expected operating costs and freight rate based on the approved budget, market data, and our knowledge of the business and industry;

Independent Auditor's Report

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Provision for onerous contract for the TSA for LBCT (Continued) Refer to notes 3.1(g), 5(d) and 27 to the consolidated financial statements.</p>	<ul style="list-style-type: none"> • evaluated the probability weighting applied to the possible scenarios prepared by management based on our understanding of the OOIL's business and industry as well as discussion with management and corroborated with management's sensitivity analysis on the probability weighting applied to possible scenarios; and • evaluated the appropriateness and adequacy of the relevant disclosures made in the Group's consolidated financial statements.

Other information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of Directors of the Company and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Shun Ming.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Lee Shun Ming

Practising Certificate Number: P07068

Hong Kong

19 March 2026

Consolidated Balance Sheet

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	165,243,955	151,162,582
Right-of-use assets	8	45,003,792	43,951,780
Investment properties	9	3,267,937	3,415,219
Intangible assets	10	4,983,904	4,668,995
Goodwill	11	6,359,324	6,400,680
Investments in joint ventures	13	9,038,460	8,926,606
Investments in associates	14	67,832,168	63,574,793
Financial assets at fair value through other comprehensive income	16	5,116,288	4,916,682
Financial assets at fair value through profit or loss	17	46,942	444,761
Financial assets at amortised cost	18	119,490	344,248
Deferred income tax assets	19	1,196,818	1,045,988
Loans to associates	15	910,230	840,964
Pension and retirement assets	29	114,369	122,006
Other non-current assets	20	1,208,768	1,539,933
Total non-current assets		310,442,445	291,355,237
Current assets			
Inventories	22	6,665,191	6,332,469
Trade and other receivables and contract assets	23	14,666,028	14,497,444
Financial assets at fair value through profit or loss	17	78,260	65,948
Financial assets at amortised cost	18	221,965	41,758
Taxes recoverable		214,424	116,742
Restricted bank deposits	21	588,110	873,538
Cash and cash equivalents	21	150,881,601	184,189,078
Total current assets		173,315,579	206,116,977
Total assets		483,758,024	497,472,214

The notes on pages 178 to 303 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet (Continued)

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	24	15,489,883	15,960,827
Reserves	25	216,775,441	218,707,236
		232,265,324	234,668,063
Non-controlling interests		51,140,701	50,390,714
Total equity		283,406,025	285,058,777
LIABILITIES			
Non-current liabilities			
Long-term borrowings	26	25,678,460	30,946,004
Lease liabilities	8	32,082,871	31,607,130
Provisions and other liabilities	27	6,627,954	6,898,584
Pension and retirement liabilities	29	327,248	350,429
Deferred income tax liabilities	19	20,592,531	19,820,587
Total non-current liabilities		85,309,064	89,622,734
Current liabilities			
Trade and other payables and contract liabilities	30	93,057,122	104,269,055
Short-term borrowings	26	2,068,718	1,703,638
Current portion of long-term borrowings	26	5,447,092	2,026,044
Current portion of lease liabilities	8	11,282,455	9,939,455
Current portion of provisions and other liabilities	27	43,261	37,376
Put option liability	28	1,740,608	1,820,032
Tax payables		1,403,679	2,995,103
Total current liabilities		115,042,935	122,790,703
Total liabilities		200,351,999	212,413,437
Total equity and liabilities		483,758,024	497,472,214
Net current assets		58,272,644	83,326,274
Total assets less current liabilities		368,715,089	374,681,511

The consolidated financial statements on pages 170 to 303 were approved by the Board of Directors on 19 March 2026 and were signed on its behalf.

Mr. Wan Min
Director

Mr. Tao Weidong
Director

Consolidated Income Statement

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenues	6	219,503,805	233,859,079
Cost of services	31	(176,802,237)	(166,175,223)
Gross profit		42,701,568	67,683,856
Other income	32	2,121,642	2,120,213
Other expenses	32	(153,178)	(175,488)
Reversal of/(provision for) impairment losses on financial assets, net		18,752	(67,950)
Selling, administrative and general expenses	31	(10,170,143)	(10,537,477)
Operating profit		34,518,641	59,023,154
Finance income	33	5,377,864	6,297,079
Finance costs	33	(3,146,349)	(3,177,195)
Net finance income		2,231,515	3,119,884
		36,750,156	62,143,038
Share of profits less losses of			
– joint ventures	13	627,971	565,522
– associates	14	4,609,790	4,378,196
Profit before income tax		41,987,917	67,086,756
Income tax expenses	34	(6,771,694)	(11,494,089)
Profit for the year		35,216,223	55,592,667
Profit attributable to:			
– Equity holders of the Company		30,859,651	49,172,465
– Non-controlling interests		4,356,572	6,420,202
		35,216,223	55,592,667
		2025 RMB	2024 RMB
Earnings per share attributable to equity holders of the Company:			
Basic earnings per share	36	1.99	3.08
Diluted earnings per share	36	1.98	3.08

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Profit for the year	35,216,223	55,592,667
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss</i>		
Share of other comprehensive income/(loss) of joint ventures and associates, net	233,003	(20,505)
Cash flow hedges, net of tax	–	(30,390)
Currency translation differences	(2,469,744)	1,510,872
<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	296,456	909,624
Remeasurements of post-employment benefit obligations	(7,201)	10,078
Share of other comprehensive loss of joint ventures and associates, net	(63,314)	(33,871)
Currency translation differences	(499,971)	371,367
Other comprehensive income for the year, net of tax	(2,510,771)	2,717,175
Total comprehensive income for the year	32,705,452	58,309,842
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	28,834,823	51,515,030
– Non-controlling interests	3,870,629	6,794,812
	32,705,452	58,309,842

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to equity holders of the Company				Total RMB'000
	Share capital RMB'000	Reserves RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2025, as previously reported	15,960,827	218,707,236	234,668,063	50,390,714	285,058,777
Comprehensive income					
Profit for the year	-	30,859,651	30,859,651	4,356,572	35,216,223
Other comprehensive income/(loss):					
Share of other comprehensive income of joint ventures and associates, net	-	152,218	152,218	17,471	169,689
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	302,975	302,975	(6,519)	296,456
Remeasurements of post-employment benefit obligations	-	(10,277)	(10,277)	3,076	(7,201)
Currency translation differences	-	(2,469,744)	(2,469,744)	(499,971)	(2,969,715)
Total other comprehensive loss	-	(2,024,828)	(2,024,828)	(485,943)	(2,510,771)
Total comprehensive income	-	28,834,823	28,834,823	3,870,629	32,705,452
Transactions with owners:					
Issue of A shares in connection with the exercise of share options	1,434	-	1,434	-	1,434
Transaction with non-controlling shareholder of subsidiaries	-	165,428	165,428	689,155	854,583
Dividends declared to shareholders of the Company	-	(24,628,710)	(24,628,710)	-	(24,628,710)
Dividends declared to non-controlling shareholders of subsidiaries	-	-	-	(3,821,239)	(3,821,239)
Put option liability movement	-	28,640	28,640	10,987	39,627
Repurchase and cancellation of shares	(472,378)	(6,090,450)	(6,562,828)	-	(6,562,828)
Transfer from retained profits	-	404,387	404,387	91,018	495,405
Utilisation of reserve fund	-	(404,387)	(404,387)	(91,018)	(495,405)
Others	-	(241,526)	(241,526)	455	(241,071)
Total transactions with owners	(470,944)	(30,766,618)	(31,237,562)	(3,120,642)	(34,358,204)
Balance at 31 December 2025	15,489,883	216,775,441	232,265,324	51,140,701	283,406,025

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2025

	Attributable to equity holders of the Company			Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Reserves RMB'000	Sub-total RMB'000		
Balance at 1 January 2024	16,071,058	180,044,171	196,115,229	47,235,796	243,351,025
Comprehensive income					
Profit for the year	–	49,172,465	49,172,465	6,420,202	55,592,667
Other comprehensive income/(loss):					
Share of other comprehensive loss of joint ventures and associates, net	–	(45,885)	(45,885)	(8,491)	(54,376)
Cash flow hedges, net of tax	–	(15,344)	(15,344)	(15,046)	(30,390)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	884,693	884,693	24,931	909,624
Remeasurements of post-employment benefit obligations	–	8,229	8,229	1,849	10,078
Currency translation differences	–	1,510,872	1,510,872	371,367	1,882,239
Total other comprehensive income	–	2,342,565	2,342,565	374,610	2,717,175
Total comprehensive income	–	51,515,030	51,515,030	6,794,812	58,309,842
Transactions with owners:					
Issue of A shares in connection with the exercise of share options	3,302	–	3,302	–	3,302
Transaction with non-controlling shareholders of subsidiaries	–	1,261,061	1,261,061	(1,871,334)	(610,273)
Dividends declared to shareholders of the Company	–	(11,970,479)	(11,970,479)	–	(11,970,479)
Dividends declared to non-controlling shareholders of subsidiaries	–	–	–	(2,040,865)	(2,040,865)
Fair value of share options granted	–	327	327	–	327
Put option liability movement	–	(36,534)	(36,534)	(14,525)	(51,059)
Repurchase and cancellation of shares	(113,533)	(1,905,141)	(2,018,674)	–	(2,018,674)
Transfer from retained profits	–	95,280	95,280	25,132	120,412
Utilisation of reserve fund	–	(95,280)	(95,280)	(25,132)	(120,412)
Others	–	(201,199)	(201,199)	286,830	85,631
Total transactions with owners,	(110,231)	(12,851,965)	(12,962,196)	(3,639,894)	(16,602,090)
Balance at 31 December 2024	15,960,827	218,707,236	234,668,063	50,390,714	285,058,777

Consolidated Cash Flow Statement

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	39(a)	47,892,321	71,424,747
Interest received		5,592,187	6,487,638
Income tax paid		(7,938,738)	(8,599,466)
Net cash generated from operating activities		45,545,770	69,312,919
Cash flows from investing activities			
Purchase of property, plant and equipment investment properties and intangible assets		(25,015,552)	(25,999,119)
Acquisition of subsidiaries, net cash (outflow)/inflow	41	(314)	12,222
Investments in joint ventures, associates and financial assets		(3,219,289)	(4,709,949)
Proceeds from disposal of property, plant and equipment, investment properties, right-of-use assets and intangible assets		335,136	373,146
Cash received from disposal investment in associates, joint ventures and subsidiaries		–	82,975
Cash received from disposal of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, or financial assets at amortised cost		35,696	40,780
Dividends received from joint ventures		621,859	553,248
Dividends received from associates		2,356,954	2,687,634
Dividends received from financial assets		174,219	–
Interest income from financial assets at amortised cost		18,608	19,432
Increase in balances placed with an expected holding period exceeding one year		(700,000)	–
Others		13,917	(32,001)
Net cash used in investing activities		(25,378,766)	(26,971,632)

Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Cash flows from financing activities	39(b)		
Proceed from borrowings		2,675,863	8,544,272
Repayment of borrowings		(3,976,489)	(17,325,111)
Repayment of loans from non-controlling shareholders of subsidiaries		(47,611)	–
Repayment of loans from an associate and joint venture		–	(150,660)
Repurchase of shares of the Company	24(a)	(6,560,757)	(2,017,951)
Transaction with non-controlling shareholders of subsidiaries		600,627	(786,487)
Dividends paid to non-controlling shareholders of subsidiaries		(3,697,701)	(1,862,949)
Dividends paid to shareholders of the Company		(24,638,847)	(12,050,398)
Issue of A shares in connection with the exercise of share options		1,434	3,302
Payment of lease liabilities		(14,513,408)	(13,148,891)
Interest paid		(1,611,418)	(1,955,059)
Others		31,018	129,867
Net cash used in financing activities		(51,737,289)	(40,620,065)
Net (decrease)/increase in cash and cash equivalents		(31,570,285)	1,721,222
Cash and cash equivalents as at 1 January		184,189,078	181,165,440
Exchange differences		(1,737,192)	1,302,416
Cash and cash equivalents as at 31 December	21	150,881,601	184,189,078

Notes to the Consolidated Financial Statements

1. General information

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

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

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

The consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

These consolidated financial statements have been approved for issue by the Directors on 19 March 2026.

2. Basis of preparation and changes in accounting policies

2.1 Basis of preparation

(a) Compliance with HKFRS Accounting Standards and HKCO

The consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with HKFRS Accounting Standards issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure the Rules Governing the listing of Securities of the Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (the “HKCO”).

(b) Historical cost convention

The consolidated financial statements have been prepared on a going concern basis and under a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value
- defined benefit pension plans – plan assets measured at fair value.

Notes to the Consolidated Financial Statements

2. Basis of preparation and changes in accounting policies (Continued)

2.2 Changes in accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out in Note 3. These accounting policies have been consistently applied to all the years presented unless otherwise mentioned.

- (a) Amendments to existing standards which are effective in 2025 and adopted by the Group

The following amendments to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2025:

Amendments to existing standards

HKAS 21 (Amendments)	Lack of Exchangeability
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The adoption of the above amendments to existing standards does not have a material impact to the results and financial position of the Group.

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

The following standards, amendments, interpretation and improvements to existing standards, which are relevant to the operations of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2026 but have not been early adopted by the Group:

New standards, amendments, interpretation and improvements		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS Accounting Standards (Amendments)	Annual Improvements – Volume 11	1 January 2026
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

Notes to the Consolidated Financial Statements

2. Basis of preparation and changes in accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

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

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements

3. Accounting policies

3.1 Material accounting policies

(a) Group accounting

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(i) Merger accounting for common control combinations

Business combinations under common control are accounted for in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations”. In applying merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties’ perspective. No amount is recognized in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognized as expenses in the year in which they are incurred.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(ii) Purchase method of accounting for non-common control combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group, other than the common control combinations (note 3.1(a)(i)). The consideration transferred for the acquisition of subsidiaries is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are with limited exceptions measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit or loss.

(iii) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the Company's balance sheet, the investments in subsidiaries are accounted for at cost less impairment (note 3.1(f)). For common control combination, the cost of investment is being the amount of the net asset value of the subsidiary acquired at date of completion (for share-settled transactions). For non-common control combination, the cost of investment is being the amount of the fair value of the consideration for the subsidiary acquired at date of completion.

The results of subsidiaries are accounted by the Company on the basis of dividend income.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(iv) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Non-controlling interest put options are put options over non-controlling interests in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognized as financial liabilities.

Under this method, the non-controlling interest is not derecognized when the financial liability in respect of the put option is recognized, as the non-controlling interest still has present access to the economic benefits associated with the underlying ownership interest.

Non-controlling interest put options are initially recognized at the present value of expected future cash flows and subsequently remeasured at the present value of expected future cash flows with any changes in value (accretion and interest) through equity.

(v) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as joint venture, associate, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or equity.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

- (a) Group accounting (Continued)
- (vi) Investments in joint ventures/associates

HKFRS 11 classifies joint arrangements as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in joint ventures/associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investments in joint ventures/associates include goodwill identified on acquisition. The measurement of goodwill is the same as that of goodwill arising from the acquisition of subsidiaries. Appropriate adjustments to the Group's share of the profits or losses after acquisition are made to the consolidated financial statements based on the fair values of the assets and liabilities acquired at the date of acquisition.

Distributions received from an investee reduce the carrying amount of the investment.

If the ownership interest in a joint venture/an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss or equity where appropriate.

The Group's share of its joint ventures'/associates' post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture/an associate equals or exceeds its interest in the joint ventures/associates, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures/associates.

Dilution or partial disposal gains and losses arising in investments in joint ventures/associates are recognized in the consolidated income statement.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(a) Group accounting (Continued)

(vi) Investments in joint ventures/associates (Continued)

In the Group's consolidated balance sheet, the investments in the joint ventures/associates are stated at cost less provision for impairment losses (note 3.1(f)).

Accounting policies of subsidiaries, joint ventures and associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Intercompany transactions and balances between group companies are eliminated. Unrealized gains on transactions between group companies and between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest. Unrealized losses are also eliminated but unless the transaction provides evidence of an impairment of the asset transferred.

(b) Property, plant and equipment

(i) Assets under construction

Assets under construction represent primarily vessels and buildings under construction, and plant and equipment pending installation and are stated at cost less accumulated impairment losses. Cost includes all direct costs relating to the construction of the assets and acquisition. No depreciation is provided for assets under construction until such time as the relevant assets are completed and ready for intended use. Assets under construction are transferred to relevant categories of property, plant and equipment upon the completion of their respective construction.

(ii) Container vessels and containers

Container vessels and containers are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Container vessels and containers are depreciated on a straight-line basis over their anticipated useful lives, after taking into account the estimated residual values.

Container vessels	25 years
Containers	15 years

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(b) Property, plant and equipment (Continued)

(ii) Container vessels and containers (Continued)

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next dry-docking are identified and their costs are depreciated over the period to the next estimated dry-docking date. Costs incurred on subsequent dry-docking of vessels are capitalized and depreciated over the period to the next estimated dry-docking date. When significant dry-docking costs incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off immediately.

(iii) Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Other property, plant and equipment are depreciated at rates sufficient to write off their costs less accumulated impairment losses over their estimated useful lives to their respective residual values estimated by the Directors or management on a straight-line basis. The estimated useful lives of these assets are summarized as follows:

Buildings	Not exceeding 75 years
Trucks, chassis and motor vehicles	5 to 10 years
Computers, office and other equipments	3 to 30 years
Terminal equipments and improvements	3 to 15 years

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in profit or loss during the period in which they are incurred.

The residual values of the property, plant and equipment and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 3.1(f)).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as investment property.

Investment properties are stated at cost less accumulated depreciation and impairment losses. The cost less accumulated impairment and residual values of investment properties are depreciated on a straight-line basis over their estimated useful lives.

(d) Intangible assets

(i) Computer software

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years on a straight-line basis.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

(ii) Concession rights

Concession rights are resulted from the entering of agreement for the right to construct, operate, manage and develop container terminals. Concession rights are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line basis over the period of operation of approximately 23 to 32 years.

(iii) Customer relationships

Customer relationships, which are acquired in a business combination, are recognized at fair value at the acquisition date. Customer relationships are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships, ranging from approximately 12 to 20 years.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(d) Intangible assets (Continued)

(iv) Trademarks

Trademarks are capitalized at their fair value as at the acquisition date. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment on an annual basis, as is the case with goodwill. Trademarks are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows.

(e) Goodwill

Goodwill arising from acquisition of subsidiaries represents the excess of the aggregate of the consideration transferred, the amount of the non-controlling interest and fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(f) Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets

Assets that have an indefinite useful life are not subject to depreciation/amortisation and are tested annually for impairment. Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash – generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(f) Impairment of investments in subsidiaries, joint ventures, associates and non-financial assets (Continued)

Impairment testing of the investments in subsidiaries, joint ventures or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries, joint ventures or associates in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(g) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them.

The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both:

- the incremental costs of fulfilling that contract – for example, cargo cost; and
- an allocation of other costs that related directly to fulfilling contracts – for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(h) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(i) Recognition of revenues and income

Revenues are recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point of time.

When control of goods or services is transferred over time, the progress towards complete satisfaction of performance obligation is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

- (i) direct measurements of the value of individual services transferred by the Group to the customer, such as units produced or delivered, contract milestones, or surveys of work performed; or
- (ii) the Group's efforts or inputs to the satisfaction of the performance obligation.

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, and it should be presented separately. Incremental costs incurred to obtain a contract, if recoverable, are capitalized and presented as contract assets and subsequently amortised when the related revenue is recognized. A contract asset becomes a receivable when receipt of the consideration is conditional only on the passage of time.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

Contract liabilities (included in trade and other payables and contract liabilities) are recognized for expected volume discounts to customers in relation to sales made until the end of the reporting period.

The Group does not have any significant variable consideration such as discounts, refunds, rebates, credits, penalties, performance bonuses or royalties. Trade receivables and contract assets expected to be recovered in one year or less are classified as current assets. If not, they are represented as non-current assets.

The Group assesses, and includes in the transaction price at contract inception, the amount of variable consideration to which it expects to be entitled. There is no material contract fulfilment cost or cost of obtaining contracts of the Group.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(i) Recognition of revenues and income (Continued)

The following is a description of accounting policy for the revenue streams of the Group:

(i) Revenues from container shipping

Freight revenues from the operation of international and domestic containerised transportation business are recognized over time, which are determined on the time proportion of each individual vessel voyage completed at year end.

(ii) Revenues from container terminal operations

Revenues from container terminal operations are recognized over time in which the services are rendered as the Group's performance provides all of the benefits received and consumed simultaneously by the customer. Revenues are recognized based on the price specified in the contract, net of the estimated volume discounts. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Accumulated experience is used to estimate and provide for the discounts, using either the expected value or the most likely amount approach, and revenues are only recognized to the extent that it is highly probable that a significant reversal will not occur.

(iii) Revenues from freight forwarding

Revenues are recognized when the services are rendered or over time which is determined on the time proportion method of the progress of the transportation.

(iv) Interest income

Interest income on financial assets at amortised cost and financial assets at FVPL and FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(i) Recognition of revenues and income (Continued)

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vi) Other service income

Other service income is recognised when the services are rendered.

(j) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.1 Material accounting policies (Continued)

(j) Leases (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated balance sheet based on their nature.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges.

Foreign exchange gains and losses that related to borrowings and cash and cash equivalents are presented in profit or loss within "finance income and costs". All other foreign exchange gains and losses are presented in profit or loss within "other income and other expenses".

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets are analyzed between translation differences resulting from changes in the amortised cost of the securities, and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognized in the consolidated income statement, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial assets at fair value through other comprehensive income ("FVOCI") are included in other comprehensive income.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

- (a) Foreign currency translation (Continued)
- (iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange difference arising are recognized in other comprehensive income and accumulated in a separate reserve within equity.

- (iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss or to other comprehensive income.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate shares of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures or associates that do not result in the Group losing significant influence or joint control), the proportionate shares of the accumulated exchange differences are reclassified to profit or loss or other comprehensive income.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(b) Non-current assets (or disposal groups) held-for-sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets, (or disposal groups), are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out in note 3.

Non-current assets classified as held for sale and the assets of disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognized on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(c) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(c) Investments and other financial assets (Continued)

(i) Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(c) Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income and other expenses together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income and other expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as a separate line item in the consolidated income statement.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other income and other expenses in the period in which it arises.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(c) Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income and other expenses in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on financial assets measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see note 23 for further details.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are calculated on a weighted average basis. Net realizable value of bunkers is the expected amount to be realized from use as estimated by the management. Net realizable value of other inventories such as general merchandise, spare parts and consumable stores and marine supplies is determined on the basis of anticipated sales proceeds less estimated selling expenses.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(e) Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in short-term borrowings on consolidated the balance sheet.

(f) Trade and other receivables and contract assets

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables and contract assets is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables and contract assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 23 for further information about the Group's accounting for trade and other receivables and contract assets and note 3.2(c)(iv) for a description of the Group's impairment policies.

(g) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(h) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(i) Subsidy

Subsidies are recognized at their fair value where there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions. Subsidies relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Subsidies relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

(j) Employee benefits

(i) Post-retirement and early retirement benefit costs

The Group has both defined benefit and defined contribution plans in a number of territories. The assets of defined contribution plans are generally held in separate trustee-administered funds. The plans are generally funded by payments from employees and the relevant companies in the Group.

Contributions under the defined contribution plans are charged to profit or loss as expense when incurred.

The liability recognized in the consolidated balance sheet in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries/management using the projected unit credit method/expected benefit payments. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(j) Employee benefits (Continued)

(i) Post-retirement and early retirement benefit costs (Continued)

Past-service costs are recognized immediately in income statements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income directly in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered retirement benefit insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due and reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date as approved by management. The related benefit payments are made from the date of early retirement through the normal retirement date.

(ii) Housing funds

All full-time employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

- (j) Employee benefits (Continued)
- (iii) Housing subsidies

The Group has provided one-off cash housing subsidies based on PRC regulations to those eligible employees who have not been allocated with staff quarters at all or who have not been allocated with quarters up to the prescribed standards before 31 December 1998 when the staff quarter allocation schemes were terminated. The subsidies are determined based on staff member's years of service, position and other criteria. In addition, monthly cash housing allowances should be made to other employees following the withdrawal of allocation of staff quarters regulations, which are recognized as incurred.

The liability recognized in the consolidated balance sheet is the present value of the obligation of the one-off housing subsidies at the balance sheet date and the past-service costs are recognized immediately in profit or loss.

- (iv) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

- (v) Share-based payments

The Group regularly entered into equity-settled or cash-settled share-based payment transactions with employees.

- (1) Employee services settled in cash

Employee services received in exchange for cash-settled share-based payments, are recognized at the fair value of the liability incurred and are expensed over the vesting period, when consumed or capitalized as assets, which are depreciated or amortised. The liability is remeasured at each balance sheet date to its fair value, with all changes recognized immediately in profit or loss.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

- (j) Employee benefits (Continued)
- (v) Share-based payments (Continued)
 - (2) Employee services settled in equity instruments

The Company and one of the Group's subsidiaries operates certain equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share options of the subsidiary is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the consolidated income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium of the subsidiary when the options are exercised.

- (3) Modification and cancellation

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognized for that award, as at the date of forfeiture, is treated as if it had never been recognized. At the same time, any expense previously recognized on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

- (j) Employee benefits (Continued)
- (v) Share-based payments (Continued)
- (4) Cash-settled share-based payment transactions

For cash-settled share-based payment transactions, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

The Group recognized the services received, and a liability to pay for those services, as the employees render services. For example, some share appreciation rights vest immediately, and the employees are therefore not required to complete a specified period of service to become entitled to the cash payment. In the absence of evidence to the contrary, the Group presumes that the services rendered by the employees in exchange for the share appreciation rights have been received. Thus, the Group recognized immediately the services received and a liability to pay for them. If the share appreciation rights do not vest until the employees have completed a specified period of service, the Group recognized the services received, and a liability to pay for them, as the employees render service during that period.

The liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

- (k) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(k) Contingent liabilities and contingent assets (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognized but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

(l) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Dividend distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's equity holders or Directors, where appropriate.

(n) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to profit or loss in the year in which they are incurred.

Interest expense is presented in the consolidated cash flow statement within "Cash flows from financing activities".

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9 “Financial Instruments”; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 “Revenue from Contracts with Customers”.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates and joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment.

(p) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedging, the Group documents the economics, relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedge items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Notes to the Consolidated Financial Statements

3. Accounting policies (Continued)

3.2 Other accounting policies (Continued)

(p) Derivatives and hedging activities (Continued)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss within other operating income or other operating expenses.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director that makes strategic decisions.

Notes to the Consolidated Financial Statements

4. Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including market freight rate risk, foreign exchange risk, interest rate risk and bunker price risk), credit and counterparty risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to mitigate certain risk exposures.

The Group's Risk Management Committee identifies the financial risks associated with the Group. The Risk Management Committee reviews the controls and procedures for managing the risks identified. The risk management controls and procedures are carried out by respective operating units under the risk management policies as approved by the Directors.

(i) Market risk

(1) Market freight rate risk

The freight rates of the Group's shipping businesses are very sensitive to economic fluctuations. The Group's revenues from operations of container shipping may be impacted if freight rates will have any significant changes.

(2) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various non-functional currencies. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The actual foreign exchange risk faced by the Group therefore is primarily with respect to non-functional currency bank balances, receivable and payable balances and borrowings (collectively "Non-Functional Currency Items").

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

As at 31 December 2025, with all other variables held constant, if non-functional currencies had strengthened/weakened by 5%, the Group's post-tax profit for the year would have decreased/increased by approximately RMB339,871,000 (2024: decreased/increased by approximately RMB703,140,000) and the equity as at 31 December 2025 would have decreased/increased by approximately RMB339,871,000 (2024: decreased/increased by approximately RMB703,140,000) respectively as a result of the translation of those Non-Functional Currency Items.

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Market risk (Continued)

(3) Cash flow and fair value interest rate risk

Other than the deposits placed with banks and financial institutions, and loans to joint ventures and associates (collectively the “Interest Bearing Assets”), the Group has no other significant interest bearing assets.

The Group’s interest rate risk also arises from borrowings and certain balances payable to related parties (collectively the “Interest Bearing Liabilities”). Interest Bearing Assets and Interest Bearing Liabilities are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk.

As at 31 December 2025, with all other variables held constant, if the interest rate had increased/decreased by 50 basis points, the corresponding increase/decrease in net finance income would have resulted in an increase/decrease in the Group’s post-tax profit for the year by approximately RMB454,041,000 (2024: an increase/decrease by approximately RMB572,180,000) and the equity as at 31 December 2025 would have increased/decreased by approximately RMB454,041,000 (2024: increased/decreased by approximately RMB572,180,000).

Management monitors the capital market conditions and where appropriate, interest rate swap contracts with financial institutions will be used to achieve optimum ratio between fixed and floating rates borrowings.

(4) Bunker price risk

The Group is also exposed to fluctuations in bunker prices. Bunker cost is part of the voyage expenses and is a significant cost item to the Group. Management monitors the market conditions and bunker price fluctuations and where appropriate, bunker forward contracts are used to lock up the price of part of the Group’s bunker requirements.

(ii) Credit and counterparty risk

The credit and counterparty risk mainly arises from deposits placed with banks and financial institutions, financial assets transacted with banks, financial institutions and shipping companies through shipping agents or brokers, loans to joint ventures and associates, down payment to shipyards, other financial assets at amortised cost, and guarantee.

The Group has limited its credit exposure by restricting their selection of financial institutions on those state-owned PRC banks, overseas banks with good credit rating, and the associate, a state-owned financial institution with high credit rating. Management does not expect significant losses from non-performance by these counterparties.

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Credit and counterparty risk (Continued)

The trade customers (including related parties), joint ventures, associates and shipping companies are assessed and rated based on their credit quality, taking into account their financial position, past experience and other factors. Individual risk limits are set by management of the respective operating units.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group has assessed that other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit losses approach that results from possible default event within 12 months of each reporting date is adopted by management. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to subsidiaries, joint ventures and associates through exercising control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

(iii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group's cash management policy is to regularly monitor its current and expected liquidity positions to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all time so that the Group can meet its short-term and long-term funding requirements.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

The table below analyzes the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table, except for derivative financial instruments, are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
As at 31 December 2025				
Bank and other borrowings	8,552,956	5,750,295	13,721,553	10,380,576
Trade and other payables	92,446,107	-	-	-
Put option liability	1,968,064	-	-	-
Lease liabilities	12,800,762	8,353,468	12,533,652	18,984,483
As at 31 December 2024				
Bank and other borrowings	5,013,427	7,106,379	15,047,585	14,490,452
Trade and other payables	103,622,333	-	-	-
Put option liability	2,012,752	-	-	-
Lease liabilities	11,173,871	8,164,387	11,045,089	20,555,029

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders/equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(b) Capital risk management (Continued)

The Group monitors capital on the basis of the net debt to total equity (capital and reserves attributable to equity holders of the Company and non-controlling interests) ratio and the compliance of covenants of its borrowings. Net debt is calculated as total borrowings less cash and cash equivalents. As at 31 December 2025, the net debt to equity ratio is summarized as follows:

	2025 RMB'000	2024 RMB'000
Total borrowings (note 26)	33,194,270	34,675,686
Less: cash and cash equivalents (note 21)	(150,881,601)	(184,189,078)
Net cash	(117,687,331)	(149,513,392)
Total equity	283,406,025	285,058,777
Net debt to total equity ratio	N/A	N/A

Under the terms of the major bank loans, which have carrying amounts of US\$1,800,159,000 (equivalent to approximately RMB12,652,958,000) (2024: US\$2,170,460,000 (equivalent to approximately RMB15,602,135,000)) that the Group is required to comply with certain financial covenants at the end of each annual and interim reporting period including but not limited to maintenance of interest coverage ratio and debt to asset ratio requirement.

The Group has complied with these covenants throughout the reporting period.

As at 31 December 2025, there is no indication that the Group would have any non-compliance with these covenants when they will be next tested.

(c) Fair value estimation

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

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

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's assets that are measured at fair value as at 31 December 2025:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVPL (note 17)				
– Equity securities	78,260	–	–	78,260
– Unlisted investments	–	–	46,942	46,942
Financial assets at FVOCI (note 16)	4,849,476	–	266,812	5,116,288

The following table presents the Group's assets that are measured at fair value as at 31 December 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVPL (note 17)				
– Equity securities	65,948	–	–	65,948
– Listed convertible bonds	401,865	–	–	401,865
– Unlisted investments	–	–	42,896	42,896
Financial assets at FVOCI (note 16)	4,621,399	–	295,283	4,916,682

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

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

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

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(c) Fair value estimation (Continued)

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as price-to-book ratio method, are used to determine fair value for the remaining financial instruments.

Movements of financial instruments classified as level 3 recognised in the consolidated balance sheets are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets at FVPL		
As at 1 January	42,896	44,797
Currency translation differences	4,046	(1,901)
As at 31 December	46,942	42,896

	2025 RMB'000	2024 RMB'000
Financial assets at FVOCI		
As at 1 January	295,283	280,967
Fair value change	(28,952)	14,535
Currency translation differences	481	(219)
As at 31 December	266,812	295,283

Notes to the Consolidated Financial Statements

4. Financial risk management (Continued)

(c) Fair value estimation (Continued)

As at 31 December 2025, description of the valuation techniques and the inputs used in the fair value measurement in level 3 include:

- The fair value of other unlisted financial assets is determined by reference to valuation report or the valuation performed by management using valuation techniques (including price-to-book ratio method). The inputs are mainly price-to-book multiples.

The directors of the Company consider the carrying amounts of financial assets and liabilities recorded at amortised cost approximate their fair values.

5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment assessment of goodwill and intangible assets with indefinite useful lives impairment

The Group tests annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment and when there is indication that they may be impaired, in accordance with the accounting policy stated in note 3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require the use of assumptions. These calculations require the use of estimates. The key assumptions and sensitivity test was disclosed in note 11.

Notes to the Consolidated Financial Statements

5. Critical accounting estimates and judgments (Continued)

(b) Impairment assessment of investments in joint ventures and associates

Management assesses whether investments in joint ventures and associates have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and estimated to their recoverable amounts determined by the cash-generating units based on value-in-use calculations. The determination of impairment requires significant judgement, and the calculations require the use of estimates which are subject to change of economic environment in future.

(c) Recognition of container shipping revenue for vessel voyages in progress at year end

Revenue for container shipping is one performance obligation per shipment, which is rendered on a period-related basis, i.e. for the duration of transport. The Group recognizes revenue for container shipping over time which is determined on the time proportion of each individual voyage completed at end of reporting period with reference to their voyage details, such as freight rates, departure dates and arrival dates. If the total estimated voyage days were different from the estimate, this would have an impact on the freight revenues in the following reporting period.

Had the freight revenues from voyages in progress at year end been decreased/increased by 10% from management's estimates for the year ended 31 December 2025, the revenue would have been RMB492,389,000 (2024: RMB499,789,000) lower or higher in the future periods.

Changes in management's estimate of container shipping revenue for vessel voyages in progress at year end could caused a material change in the revenue recognized in the future periods.

(d) Commitment to long-term service agreement

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

As at 31 December 2025, 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 current economic environment, tariff policies and other targeted policies in the USA are still highly uncertain. Frequent shifts in tariff policies and the exceptionally intense market competition are expected to have some negative impact on the demand/import of the USA in the near future. As at 31 December 2025, with these uncertainties over such a long-term contract period, management reassessed that the projected vessel lifts in LBCT would result in a shortfall on minimum volume commitment over the remaining contract period.

Notes to the Consolidated Financial Statements

5. Critical accounting estimates and judgments (Continued)

(d) Commitment to long-term service agreement (Continued)

As such, OOIL further estimated the present value of the unavoidable costs of meeting the obligations under the remaining term of the TSA (till October 2039) and the corresponding associated economic benefits in relation to the Group with reference to a) the expected number of vessel lifts; b) the expected amount of deficiency payment/excess rebates as stipulated in the TSA when the volume is below/in excess of the MVC; c) the expected operating costs (including cargo and logistics costs, vessel and voyage costs and equipment and repositioning costs); and d) the associated income expected to be earned from operating the service routes to/from LBCT. Based on the assessment performed by management, an onerous provision of US\$876.7 million (equivalent to approximately RMB6,162.5 million) (2024: US\$896.7 million (equivalent to approximately RMB6,446.2 million)) was recognised as at 31 December 2025.

OOIL applied the expected value approach considering several probability-weighted possible scenarios which included adjusting key assumptions such as volume, freight rate, bunker cost and probability applied on the scenarios. The onerous contract assessment involves a significant level of management estimates and judgement, including the future profitability generated from routes using LBCT and the expected number of vessel lifts handled in LBCT during the remaining contract term. To the extent that the actual results differ from these estimates, the amount of provision will be differed and will affect the consolidated profit and loss account. The provision, including the estimates and assumptions contained therein, are reviewed regularly by management. The key assumptions used by management as at 31 December 2025 and 2024 are as follows:

Key assumptions	Range of possible scenarios	
	2025	2024
Volume growth rate	-9% to +2%	-8% to +2%
Freight rate growth rate	-17% to +83%	-23% to +72%
Bunker cost	-5% to +10% on fuel oil futures	-5% to +10% on fuel oil futures
Probability applied	2% to 60%	2% to 60%

The major changes in key assumptions from previous year are as follows:

- adjusted the inflation rate based on the latest market information;
- adjusted the discount rate based on the latest rate for the US Treasury Bills;
- adjusted the bunker price based on the latest futures in the market; and
- adjusted the expected freight rate based on the standardised freight rate from actual operation data, together with the latest inflation rate and forward bunker price.

Notes to the Consolidated Financial Statements

5. Critical accounting estimates and judgments (Continued)

(d) Commitment to long-term service agreement (Continued)

For illustration purpose, management has performed sensitivity analysis by adjusting the probability applied to the possible scenarios. The effects for the respective sensitivity analysis, holding other factors constant, are set out below:

Sensitivity cases

Changing the most probable scenario from 60% to 100%

Changing the most probable scenario from 60% to 40% and the most probable pessimistic scenario from 15% to 35%

Changing the most probable scenario from 60% to 40% and the most probable optimistic scenario from 15% to 35%

Change of onerous provision as at 31 December 2025

Decrease by approximately US\$15 million (equivalent to approximately RMB105 million)

Increase by approximately US\$50 million (equivalent to approximately RMB351 million)

Decrease by approximately US\$37 million (equivalent to approximately RMB260 million)

Sensitivity cases

Changing the most probable scenario from 60% to 100%

Changing the most probable scenario from 60% to 40% and the most probable pessimistic scenario from 15% to 35%

Changing the most probable scenario from 60% to 40% and the most probable optimistic scenario from 15% to 35%

Change of onerous provision as at 31 December 2024

Decrease by approximately US\$13 million (equivalent to approximately RMB93 million)

Increase by approximately US\$53 million (equivalent to approximately RMB381 million)

Decrease by approximately US\$39 million (equivalent to approximately RMB280 million)

(e) Estimated useful lives and residual values of container vessels and containers

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

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

Had the useful lives been extended/shortened by 10% from management's estimates as at 31 December 2025 with all other variables held constant, the estimated depreciation expenses of container vessels and containers for the year would have been decreased by RMB1,012,570,000 (2024: RMB918,576,000) or increased by RMB1,679,268,000 (2024: RMB1,420,816,000) for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

5. Critical accounting estimates and judgments (Continued)

(e) Estimated useful lives and residual values of container vessels and containers (Continued)

Had the residual values been increased/decreased by 10% from management's estimates as at 31 December 2025 with all other variables held constant, the estimated depreciation expenses of container vessels and containers for the year would have been decreased or increased by RMB263,565,000 (2024: RMB235,928,000) for the year ended 31 December 2025.

(f) Impairment assessment of terminal assets

Management determines whether terminal assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, according to their recoverable amounts determined by the cash-generating units based on value-in-use calculations. The determination of impairment indication requires significant judgment, and the calculations require the use of estimates which are subject to change of economic environment in future.

(g) Income taxes and withholding taxes

The Group is subject to income taxes and withholding taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes and withholding taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of overseas subsidiaries to be repatriated and distributed by way of dividends as the Directors consider that the timing of the reversal of the related temporary differences can be controlled or such profits will not be distributed and such temporary differences will not be reversed in the foreseeable future (note 19).

If those undistributed earnings of the overseas subsidiaries had been repatriated and distributed by way of dividends, the deferred income tax charge for the year and deferred income tax liabilities as at 31 December 2025 would have been increased by the same amount of RMB24,093,631,000 (2024: RMB22,427,688,000).

Recognition of deferred tax assets, which principally relate to temporary differences, depend on the management's expectation of the timing of reversal and the taxable profit that will be available against which tax losses can be utilized. The outcome of their actual utilization or reversal may be different (note 19).

Notes to the Consolidated Financial Statements

6. Revenues and segment information

Operating segments

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports and analysed 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") and financial assets at amortised cost not related to the operating activities of a segment. Segment liabilities are those operating liabilities that result from the operating activities of a segment.

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

Notes to the Consolidated Financial Statements

6. Revenues and segment information (Continued)

Operating segments (Continued)

	Year ended 31 December 2025				Total RMB'000
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter- segment elimination RMB'000	
Income statement					
Total revenues	210,731,494	12,041,308	-	(3,268,997)	219,503,805
Comprising:					
– Inter-segment revenues	90,861	3,178,136	-	(3,268,997)	-
– Revenues (from external customers)	210,640,633	8,863,172	-	-	219,503,805
Revenues from contracts with customers:					
Recognised over time	210,731,494	12,041,308	-	(3,268,997)	219,503,805
Segment operating profit	32,915,375	1,625,382	13,420,441	(13,442,557)	34,518,641
Finance income	4,631,104	192,192	554,735	(167)	5,377,864
Finance costs	(2,016,974)	(1,126,332)	(3,210)	167	(3,146,349)
Share of profits less losses of					
– joint ventures	173,108	454,863	-	-	627,971
– associates	179,516	1,984,977	2,569,231	(123,934)	4,609,790
Profit before income tax	35,882,129	3,131,082	16,541,197	(13,566,491)	41,987,917
Income tax expenses	(6,379,925)	(375,775)	(15,994)	-	(6,771,694)
Profit for the year	29,502,204	2,755,307	16,525,203	(13,566,491)	35,216,223
Gain on disposal of property, plant and equipment, net	129,338	(3,352)	-	-	125,986
Depreciation and amortisation	18,931,985	2,055,994	1,852	-	20,989,831
Addition to non-current assets	37,855,211	1,583,345	5,352	-	39,443,908

Notes to the Consolidated Financial Statements

6. Revenues and segment information (Continued)

Operating segments (Continued)

	Year ended 31 December 2024				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Income statement					
Total revenues	225,971,372	10,809,999	–	(2,922,292)	233,859,079
Comprising:					
– Inter-segment revenues	80,683	2,841,609	–	(2,922,292)	–
– Revenues (from external customers)	225,890,689	7,968,390	–	–	233,859,079
Revenues from contracts with customers:					
Recognised over time	225,971,372	10,809,999	–	(2,922,292)	233,859,079
Segment operating profit	57,485,633	1,714,476	22,802,745	(22,979,700)	59,023,154
Finance income	5,363,499	204,533	729,373	(326)	6,297,079
Finance costs	(2,057,214)	(1,089,176)	(31,131)	326	(3,177,195)
Share of profits less losses of					
– joint ventures	158,791	406,731	–	–	565,522
– associates	79,612	2,067,795	2,234,558	(3,769)	4,378,196
Profit before income tax	61,030,321	3,304,359	25,735,545	(22,983,469)	67,086,756
Income tax expenses	(10,972,585)	(527,646)	6,142	–	(11,494,089)
Profit for the year	50,057,736	2,776,713	25,741,687	(22,983,469)	55,592,667
Gain on disposal of property, plant and equipment, net	137,749	(4,614)	–	–	133,135
Depreciation and amortisation	16,822,252	1,847,538	241	–	18,670,031
Addition to non-current assets	34,282,022	3,818,411	–	–	38,100,433

Notes to the Consolidated Financial Statements

6. Revenues and segment information (Continued)

Operating segments (Continued)

	As at 31 December 2025				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Balance sheet					
Segment operating assets	330,992,458	53,727,166	103,190,247	(87,515,650)	400,394,221
Investments in joint ventures	1,165,250	7,873,210	–	–	9,038,460
Investments in associates	6,317,025	26,166,168	35,695,206	(346,231)	67,832,168
Loans to associates	–	910,230	–	–	910,230
Financial assets at FVOCI	184,029	1,051,652	3,880,607	–	5,116,288
Financial assets at FVPL	125,202	–	–	–	125,202
Financial assets at amortised cost	341,455	–	–	–	341,455
Total assets	339,125,419	89,728,426	142,766,060	(87,861,881)	483,758,024
Segment operating liabilities & total liabilities	159,166,953	36,831,356	12,811,433	(8,457,743)	200,351,999

	As at 31 December 2024				
	Container shipping business RMB'000	Terminal business RMB'000	Corporate and other operations RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Balance sheet					
Segment operating assets	337,363,423	51,784,297	115,071,906	(85,903,172)	418,316,454
Investments in joint ventures	1,132,778	7,793,828	–	–	8,926,606
Investments in associates	6,295,888	24,375,244	33,249,391	(345,730)	63,574,793
Loans to associates	–	840,964	–	–	840,964
Financial assets at FVOCI	175,877	1,093,834	3,646,971	–	4,916,682
Financial assets at FVPL	108,845	401,864	–	–	510,709
Financial assets at amortised cost	386,006	–	–	–	386,006
Total assets	345,462,817	86,290,031	151,968,268	(86,248,902)	497,472,214
Segment operating liabilities & total liabilities	169,510,527	35,770,461	13,309,688	(6,177,239)	212,413,437

Notes to the Consolidated Financial Statements

6. Revenues and segment information (Continued)

Geographical information

(a) Revenues

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

For the geographical information, freight revenues from container shipping are analysed 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 2025		
	Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
Container shipping business			
– America	55,627,049	–	55,627,049
– Europe	41,552,686	–	41,552,686
– Asia Pacific	55,507,548	–	55,507,548
– Mainland China	25,096,102	(90,861)	25,005,241
– Other international market	32,948,109	–	32,948,109
	210,731,494	(90,861)	210,640,633
Terminal business			
– Mainland China	5,346,688	(1,510,371)	3,836,317
– Europe	5,616,639	(1,363,926)	4,252,713
– Asia Pacific	627,744	(185,810)	441,934
– Other international market	450,237	(118,029)	332,208
	12,041,308	(3,178,136)	8,863,172
Total	222,772,802	(3,268,997)	219,503,805

Notes to the Consolidated Financial Statements

6. Revenues and segment information (Continued)

Geographical information (Continued)

(a) Revenues (Continued)

	Year ended 31 December 2024		
	Total revenues RMB'000	Inter-segment revenues RMB'000	External revenues RMB'000
Container shipping business			
– America	66,253,843	–	66,253,843
– Europe	49,076,815	–	49,076,815
– Asia Pacific	55,207,874	–	55,207,874
– Mainland China	22,323,223	(80,683)	22,242,540
– Other international market	33,109,617	–	33,109,617
	225,971,372	(80,683)	225,890,689
Terminal business			
– Mainland China	5,204,031	(1,480,345)	3,723,686
– Europe	4,941,406	(1,151,961)	3,789,445
– Asia Pacific	605,760	(205,520)	400,240
– Other international market	58,802	(3,783)	55,019
	10,809,999	(2,841,609)	7,968,390
Total	236,781,371	(2,922,292)	233,859,079

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

Notes to the Consolidated Financial Statements

6. Revenues and segment information (Continued)

Geographical information (Continued)

(b) Non-current assets

The Group's non-current assets include non-current assets other than financial instruments, pension and retirement assets and deferred income tax assets ("Geographical 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 2025 RMB'000	As at 31 December 2024 RMB'000
Unallocated	169,644,621	154,199,231
Remaining assets		
– Mainland China	93,752,190	92,927,164
– Outside Mainland China	38,841,497	36,514,193

Notes to the Consolidated Financial Statements

7. Property, plant and equipment

	Leasehold land and buildings RMB'000	Container vessels RMB'000	Terminal equipments and improvements RMB'000	Containers RMB'000	Trucks, chassis and motor vehicles RMB'000	Computers, office and other equipments RMB'000	Assets under construction RMB'000	Total RMB'000
Cost								
As at 1 January 2025	23,817,791	112,611,884	12,596,744	20,907,106	100,733	5,244,482	26,019,737	201,298,477
Currency translation differences	38,126	(2,864,459)	326,764	(460,944)	13,111	(57,996)	(413,128)	(3,418,526)
Reclassification	7,244,585	16,976,955	1,546,742	-	23,651	136,629	(24,452,549)	1,476,013
Additions	189,902	549,888	191,665	7,315,809	28,458	574,179	15,506,846	24,356,747
Acquisition of subsidiaries (note 41)	79	-	475	-	-	155	-	709
Disposals	(5,949)	(171,134)	(25,087)	(925,213)	(26,571)	(155,864)	-	(1,309,818)
As at 31 December 2025	31,284,534	127,103,134	14,637,303	26,836,758	139,382	5,741,585	16,660,906	222,403,602
Accumulated depreciation and impairment								
As at 1 January 2025	5,646,511	32,820,266	6,078,425	2,950,462	23,135	2,617,096	-	50,135,895
Currency translation differences	51,323	(973,788)	138,247	(196,150)	14,264	(47,093)	-	(1,013,197)
Depreciation charge for the year (note 31)	884,063	5,148,314	669,976	1,583,213	97,224	752,083	-	9,134,873
Impairment for the year	-	-	2,158	-	78	85	-	2,321
Disposals	(3,950)	(167,451)	(24,932)	(732,112)	(25,120)	(146,680)	-	(1,100,245)
As at 31 December 2025	6,577,947	36,827,341	6,863,874	3,605,413	109,581	3,175,491	-	57,159,647
Net book value								
As at 31 December 2025	24,706,587	90,275,793	7,773,429	23,231,345	29,801	2,566,094	16,660,906	165,243,955

Notes to the Consolidated Financial Statements

7. Property, plant and equipment (Continued)

	Leasehold land and buildings RMB'000	Container vessels RMB'000	Terminal equipments and improvements RMB'000	Containers RMB'000	Trucks, chassis and motor vehicles RMB'000	Computers, office and other equipments RMB'000	Assets under construction RMB'000	Total RMB'000
Cost								
As at 1 January 2024	22,040,197	95,071,121	12,384,690	19,073,118	177,589	4,639,184	19,419,166	172,805,065
Currency translation differences	(73,175)	1,634,284	(135,459)	279,770	(8,582)	26,385	333,365	2,056,588
Reclassification	1,230,922	15,189,243	295,846	-	103,526	99,121	(15,453,082)	1,465,576
Additions	654,529	903,400	78,738	2,518,728	21,126	608,857	21,720,288	26,505,666
Acquisition of subsidiaries	21,199	-	3,102	-	1,065	51,978	-	77,344
Disposals	(55,881)	(186,164)	(30,173)	(964,510)	(193,991)	(181,043)	-	(1,611,762)
As at 31 December 2024	23,817,791	112,611,884	12,596,744	20,907,106	100,733	5,244,482	26,019,737	201,298,477
Accumulated depreciation and impairment								
As at 1 January 2024	4,968,633	28,185,007	5,510,810	2,231,848	109,992	2,002,678	-	43,008,968
Currency translation differences	(38,151)	564,109	(35,266)	125,686	(10,639)	22,189	-	627,928
Depreciation charge for the year (note 31)	732,281	4,248,290	618,667	1,345,075	90,484	761,496	-	7,796,293
Disposals	(16,252)	(177,140)	(15,786)	(752,147)	(166,702)	(169,267)	-	(1,297,294)
As at 31 December 2024	5,646,511	32,820,266	6,078,425	2,950,462	23,135	2,617,096	-	50,135,895
Net book value								
As at 31 December 2024	18,171,280	79,791,618	6,518,319	17,956,644	77,598	2,627,386	26,019,737	151,162,582

- (a) As at 31 December 2025, certain property, plant and equipment with net book value of RMB29,518,912,000 (2024: RMB31,444,436,000) were secured as security for long-term bank borrowings (note 26(f)(i)).
- (b) During the year, interest expenses of RMB432,268,000 (2024: RMB582,320,000) were capitalized in costs during the construction period (note 33).

Notes to the Consolidated Financial Statements

8. Leases

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

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Right-of-use assets		
Land use rights	2,636,183	2,697,296
Concession rights	4,559,062	4,466,059
Container vessels	36,129,187	35,043,440
Others	1,679,360	1,744,985
	45,003,792	43,951,780
Lease liabilities (note)		
Current	11,282,455	9,939,455
Non-current	32,082,871	31,607,130
	43,365,326	41,546,585

Note: The balance included lease liabilities due to related parties of RMB19,505,234,000 as at 31 December 2025 (2024: RMB20,847,911,000).

Notes to the Consolidated Financial Statements

8. Leases (Continued)

(ii) Right-of-use assets

	Container vessels RMB'000	Concession rights RMB'000	Land use rights RMB'000	Others RMB'000	Total RMB'000
Cost					
As at 1 January 2025	64,482,078	5,932,658	3,530,302	3,364,057	77,309,095
Currency translation differences	(1,350,275)	386,424	127,230	(11,210)	(847,831)
Reclassification between property, plant and equipment and right-of-use assets	(3,145,791)	–	–	(420)	(3,146,211)
Additions (note)	14,459,989	78,098	9,055	432,023	14,979,165
Acquisition of subsidiaries (note 41)	–	–	–	4,114	4,114
Disposals	(4,443,438)	(32,095)	(730)	(407,824)	(4,884,087)
As at 31 December 2025	70,002,563	6,365,085	3,665,857	3,380,740	83,414,245
Accumulated depreciation and impairment					
As at 1 January 2025	29,438,638	1,466,599	833,006	1,619,072	33,357,315
Currency translation differences	(625,179)	161,817	108,830	(7,941)	(362,473)
Reclassification between property, plant and equipment and right-of-use assets	(1,176,929)	–	–	(420)	(1,177,349)
Depreciation charge for the year (note 31)	10,635,501	209,698	88,199	484,902	11,418,300
Disposals	(4,398,655)	(32,091)	(361)	(394,233)	(4,825,340)
As at 31 December 2025	33,873,376	1,806,023	1,029,674	1,701,380	38,410,453
Net book value					
As at 31 December 2025	36,129,187	4,559,062	2,636,183	1,679,360	45,003,792

Note:

Additions to the right-of-use assets included the recognition of lease from related parties amounted due to RMB939,929,000 (2024: RMB41,482,000).

Notes to the Consolidated Financial Statements

8. Leases (Continued)

(ii) Right-of-use assets (Continued)

	Container vessels RMB'000	Concession rights RMB'000	Land use rights RMB'000	Others RMB'000	Total RMB'000
Cost					
As at 1 January 2024	67,482,634	5,970,450	3,460,166	3,467,376	80,380,626
Currency translation differences	585,793	(168,111)	(7,523)	(18,956)	391,203
Reclassification between property, plant and equipment and right-of-use assets	(2,814,423)	–	–	(10,162)	(2,824,585)
Reclassification between Investment properties and right-of-use assets	–	–	14,482	–	14,482
Additions (note)	10,791,656	126,865	–	482,023	11,400,544
Acquisition of subsidiaries	–	–	70,196	–	70,196
Disposals	(11,563,582)	–	(7,019)	(556,224)	(12,126,825)
Others	–	3,454	–	–	3,454
As at 31 December 2024	64,482,078	5,932,658	3,530,302	3,364,057	77,309,095
Accumulated depreciation and impairment					
As at 1 January 2024	31,977,983	1,337,876	757,012	1,663,582	35,736,453
Currency translation differences	283,351	(68,086)	(7,718)	(11,621)	195,926
Reclassification between property, plant and equipment and right-of-use assets	(1,009,043)	–	–	(1,792)	(1,010,835)
Depreciation charge for the year (note 31)	9,705,246	190,620	85,035	482,591	10,463,492
Disposals	(11,518,899)	–	(1,323)	(513,097)	(12,033,319)
Others	–	6,189	–	(591)	5,598
As at 31 December 2024	29,438,638	1,466,599	833,006	1,619,072	33,357,315
Net book value					
As at 31 December 2024	35,043,440	4,466,059	2,697,296	1,744,985	43,951,780

Notes to the Consolidated Financial Statements

9. Investment properties

	2025 RMB'000	2024 RMB'000
Cost	3,982,127	3,740,996
Accumulated depreciation	(566,908)	(486,776)
Net book value as at 1 January	3,415,219	3,254,220
Currency translation differences	(45,408)	29,987
Addition of purchase	12,008	11,078
Reclassification between property, plant equipment and investment properties	(36,516)	193,847
Depreciation (note 31)	(77,366)	(73,913)
Net book value as at 31 December	3,267,937	3,415,219
Cost	3,891,930	3,982,127
Accumulated depreciation	(623,993)	(566,908)
Net book value as at 31 December	3,267,937	3,415,219

The fair value of the investment properties as at 31 December 2025 approximates their net book value. The fair value is estimated by management or independent professional property valuers. The valuations are derived using direct comparison method and income capitalization method respectively. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. Income capitalization method is based on the capitalization of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalization rates. Capitalization is estimated by valuer based on the risk profile of the properties being valued.

Notes to the Consolidated Financial Statements

10. Intangible assets

	Computer software RMB'000	Trademark RMB'000	Concession rights RMB'000	Customer relationships RMB'000	Total RMB'000
Cost	1,994,826	3,130,117	1,765,263	316,067	7,206,273
Accumulated amortisation	(1,613,719)	–	(741,232)	(182,327)	(2,537,278)
Net book value as at 1 January 2025	381,107	3,130,117	1,024,031	133,740	4,668,995
Currency translation differences	16	(69,496)	76,633	22,640	29,793
Additions	78,570	–	12,572	–	91,142
Reclassification from property, plant and equipment	122,272	–	407,093	–	529,365
Acquisition of subsidiaries (note 41)	23	–	–	–	23
Disposals	(80)	–	–	–	(80)
Amortisation (note 31)	(184,201)	–	(124,549)	(25,708)	(334,458)
Impairment for the year	(876)	–	–	–	(876)
Net book value as at 31 December 2025	396,831	3,060,621	1,395,780	130,672	4,983,904
Cost	2,190,149	3,060,621	2,299,142	345,880	7,895,792
Accumulated amortisation and impairment	(1,793,318)	–	(903,362)	(215,208)	(2,911,888)
Net book value as at 31 December 2025	396,831	3,060,621	1,395,780	130,672	4,983,904

	Computer software RMB'000	Trademark RMB'000	Concession rights RMB'000	Customer relationships RMB'000	Total RMB'000
Cost	1,776,334	3,084,091	1,823,250	330,082	7,013,757
Accumulated amortisation	(1,498,256)	–	(654,682)	(155,082)	(2,308,020)
Net book value as at 1 January 2024	278,078	3,084,091	1,168,568	175,000	4,705,737
Currency translation differences	112,623	46,026	(37,301)	(16,567)	104,781
Additions	35,582	–	–	–	35,582
Reclassification from property, plant and equipment	139,681	–	164	–	139,845
Acquisition of subsidiaries	23	–	–	–	23
Amortisation (note 31)	(174,484)	–	(107,400)	(24,693)	(306,577)
Impairment for the year	(10,396)	–	–	–	(10,396)
Net book value as at 31 December 2024	381,107	3,130,117	1,024,031	133,740	4,668,995
Cost	1,994,826	3,130,117	1,765,263	316,067	7,206,273
Accumulated amortisation and impairment	(1,613,719)	–	(741,232)	(182,327)	(2,537,278)
Net book value as at 31 December 2024	381,107	3,130,117	1,024,031	133,740	4,668,995

Notes to the Consolidated Financial Statements

10. Intangible assets (Continued)

Impairment test for trademark

Trademark arose from the business acquisition of OOIL and is allocated to the Group's CGUs of container shipping operation of OOIL. The impairment testing is performed annually on trademark (note 11(a)).

The Directors believe there was no impairment for the trademark as at 31 December 2025.

11. Goodwill

	2025 RMB'000	2024 RMB'000
As at 1 January	6,400,680	6,358,223
Currency translation differences	(41,356)	42,457
As at 31 December	6,359,324	6,400,680

Impairment test for goodwill

Goodwill is allocated to the Group's CGUs that are expected to benefit from business combination and impairment testing is performed annually on goodwill allocated to their operating segments and CGUs.

A segment-level summary of the goodwill is presented below:

Operating segment	Cash generating unit	2025 RMB'000	2024 RMB'000
		Carrying amount	
Container shipping business	Container shipping operation of OOIL (note a)	4,985,307	5,098,506
Terminal business	Container terminal operation of COSCO SHIPPING Ports (note b)	1,304,857	1,233,156
Others		69,160	69,018
		6,359,324	6,400,680

Notes to the Consolidated Financial Statements

11. Goodwill (Continued)

Impairment test for goodwill (Continued)

Notes:

The most significant goodwill amount relates to the container shipping and terminal segment, where the impairment test is based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the financial budget and future forecast respectively.

- (a) For the goodwill and trademark (note 10) related to the container shipping operation of OOIL, major cash flow projections are based on forecasts covering five years period using an estimated freight growth rate ranging from 0% to 2.40% and average gross margin of 10.85% (2024: freight growth rate ranging from 0% to 2.50% and average gross margin of 10.75%) with cash flow beyond this period at 2.00% (2024: 2.00%) terminal growth rate. Future cash flows are discounted at a pre-tax rate of 10.20% (2024: 10.20%).

Assuming discount rate increased or freight growth rate, terminal growth rate, average gross margin decreased by 50 basis points, it would have resulted in a decrease in headroom by RMB4,389,095,000, RMB5,025,768,000, RMB3,587,446,000, RMB357,009,000 (2024: RMB3,640,186,000, RMB4,335,767,000, RMB2,911,734,000, RMB345,089,000) respectively. Considering there was still sufficient headroom based on the assessment, the Directors believe there was no impairment for the goodwill as at 31 December 2025.

- (b) For goodwill related to the terminal business, forecast profitability is based on past performance and expected future changes in cost and revenues. Major CGUs cash flow projections are based on financial forecasts covering a five to ten year period using an estimated annual average revenue growth rate of 10.0% (2024: 9.9%) and average operating margin of 24.8% (2024: 27.0%) with cash flows beyond this period at 2.2% (2024: 2.2%) terminal growth rate. In general, a projection period of five years is used for developed terminals. Projection for a period of greater than five years for developing terminals may be used on the basis that these terminals require a longer period to achieve their optimal operation level and it is a more appropriate reflection of the future cash flows generated from these terminals. Future cash flows are discounted at a rate equivalent to pre-tax rate of 11.7% (2024: 11.6%).

Assuming discount rate increased or revenue growth rate, terminal growth rate, operating margin decreased by 50 basis points, impairment charge of US\$1,519,000 (equivalent to approximately RMB10,677,000), US\$22,241,000 (equivalent to approximately RMB156,328,000), US\$457,000 (equivalent to approximately RMB3,212,000) or nil respectively would be required for the goodwill in terminals and related business segment at 31 December 2025 (2024: US\$30,465,000 (equivalent to approximately RMB218,995,000), US\$19,765,000 (equivalent to approximately RMB142,079,000), US\$4,286,000 (equivalent to approximately RMB30,809,000) or nil respectively).

Notes to the Consolidated Financial Statements

12. Subsidiaries

- (a) Details of the principal subsidiaries that impose material influence on either the financial position or the financial performance of the Group as at 31 December 2025 are shown in note 45(a).
- (b) **Material non-controlling interests**

The total non-controlling interests as at 31 December 2025 is RMB51,140,701,000 of which RMB20,058,905,000 is for COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”), and RMB28,135,850,000 is for OOIL.

Set out below are summarized financial information for COSCO SHIPPING Ports.

Summarised consolidated balance sheet

	COSCO SHIPPING Ports	
	2025	2024
	RMB'000	RMB'000
Current		
– Assets	11,315,171	9,115,397
– Liabilities	(12,892,962)	(8,126,445)
Total current net (liabilities)/assets	(1,577,791)	988,952
Non-current		
– Assets	78,413,255	77,174,634
– Liabilities	(23,938,394)	(27,644,016)
Total non-current net assets	54,474,861	49,530,618
Net assets	52,897,070	50,519,570

Summarised statement of comprehensive income

	COSCO SHIPPING Ports	
	2025	2024
	RMB'000	RMB'000
Revenues	12,041,308	10,809,999
Profit before income tax	3,131,082	3,304,360
Income tax expenses	(375,775)	(527,646)
Profit for the year	2,755,307	2,776,714
Other comprehensive income	439,388	47,048
Total comprehensive income	3,194,695	2,823,762
Total comprehensive income attributable to non-controlling interests	1,306,721	1,195,542
Dividends paid to non-controlling interests	875,970	773,234

Notes to the Consolidated Financial Statements

12. Subsidiaries (Continued)

(b) Material non-controlling interests (Continued)

Summarised statement of cash flows

	COSCO SHIPPING Ports	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities	4,366,516	2,943,083
Cash flows used in investing activities	(381,214)	(1,603,474)
Cash flows used in financing activities	(1,949,959)	(2,315,337)
Net increase/(decrease) in cash and cash equivalents	2,035,343	(975,728)

Set out below are summarized financial information for OOIL.

Summarised consolidated balance sheet

	OOIL	
	2025 RMB'000	2024 RMB'000
Current		
– Assets	50,474,046	63,714,067
– Liabilities	(17,476,251)	(18,879,763)
Total net current assets	32,997,795	44,834,304
Non-current		
– Assets	77,542,646	67,924,184
– Liabilities	(12,697,582)	(13,865,102)
Total net non-current assets	64,845,064	54,059,082
Net assets	97,842,859	98,893,386

Notes to the Consolidated Financial Statements

12. Subsidiaries (Continued)

(b) Material non-controlling interests (Continued)

Summarised statement of comprehensive income

	OOIL	
	2025 RMB'000	2024 RMB'000
Revenues	69,409,857	76,133,620
Profit before income tax	10,925,143	18,942,438
Income tax expenses	(112,825)	(361,176)
Profit for the year	10,812,318	18,581,262
Other comprehensive (loss)/income	(2,237,555)	1,364,231
Total comprehensive income	8,574,763	19,945,493
Total comprehensive income attributable to non-controlling interests	2,489,729	5,710,301
Dividends paid to non-controlling interests	2,790,633	1,108,404

Summarised statement of cash flows

	OOIL	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities	14,212,314	22,846,717
Cash flows (used in)/from investing activities	(18,103,787)	17,868,063
Cash flows used in financing activities	(14,309,027)	(8,511,552)
Net (decrease)/increase in cash and cash equivalents	(18,200,500)	32,203,228

The information above is the amount before inter-company eliminations.

Notes to the Consolidated Financial Statements

13. Investments in joint ventures

	2025 RMB'000	2024 RMB'000
Investments in joint ventures (including goodwill on acquisitions) (note a)	8,035,029	7,900,391
Equity loan to a joint venture (note b)	1,003,431	1,026,215
	9,038,460	8,926,606

Notes:

- (a) The carrying amount of goodwill on acquisitions of joint ventures amounted to RMB466,501,000 (2024: RMB477,719,000).
- (b) The balance is equity in nature, unsecured, interest free and has no fixed terms of repayment.
- (c) There is no joint venture that is individually material to the Group as at 31 December 2025. The financial information below, after making necessary adjustments to conform to the Group's material accounting policies, represents the Group's interests in respective joint ventures:

	Net assets RMB'000	Profit less losses for the year RMB'000	Other comprehensive income/(loss) RMB'000	Total comprehensive income RMB'000
31 December 2025	7,568,528	627,971	144,565	772,536
31 December 2024	7,422,672	570,733	(3,269)	567,464

- (d) There are no contingent liabilities relating to the Group's interest in joint ventures.
- (e) The Company has no directly owned joint ventures as at 31 December 2025 and 2024. Details of the principal joint ventures as at 31 December 2025 are shown in note 45(b).

Notes to the Consolidated Financial Statements

14. Investments in associates

	2025 RMB'000	2024 RMB'000
Investments in associates (including goodwill on acquisitions) (note b)	67,199,576	62,927,837
Equity loan (note c)	632,592	646,956
	67,832,168	63,574,793

Notes:

- (a) In February 2025, the Group completed the acquisition of a 10.00% equity interest in SAIC Anji Logistics Co., Ltd (“SAIC Anji”) for a consideration of RMB1,000,943,396.
- (b) The carrying amount of goodwill on acquisitions of associates amounted to RMB2,343,416,000 (2024: RMB2,293,344,000).
- (c) This equity loan is of an equity nature, unsecured, interest-free and without a fixed repayment term.
- (d) There is no associate that is individually material to the Group as at 31 December 2025. The financial information below, after making necessary adjustments to conform to the Group’s material accounting policies, represents the Group’s interests in respective associates:

	Net assets RMB'000	Profit less losses for the year RMB'000	Other comprehensive income/(loss) RMB'000	Total comprehensive income RMB'000
2025	64,856,160	4,609,790	25,124	4,634,914
2024	60,634,493	4,378,196	(51,107)	4,327,089

- (e) There are no significant contingent liabilities relating to the Group’s interest in associates.
- (f) Details of the principal associates as at 31 December 2025 are shown in note 45(c).

Notes to the Consolidated Financial Statements

15. Loans to associates

	2025 RMB'000	2024 RMB'000
Loans to associates	910,230	840,964

Note: Loans to associates mainly consists of (1) a balance of RMB691,782,000 (2024: RMB632,159,000) is unsecured, which bears interest at the aggregate of 2.0% per annum and EURIBOR (2024: the aggregate of 2.0% per annum and EURIBOR), and is repayable in 2029; (2) a balance of RMB53,804,000 (2024: RMB58,351,000) is unsecured, bears interest at 2.5% per annum above 10-year EURIBOR ICE swap rate (2024: 2.5% per annum above 10-year EURIBOR ICE swap rate) and has no fixed terms of repayment; (3) a balance of RMB164,644,000 (2024: RMB150,454,000) is unsecured, bears interest at 4.45% (2024: 4.45%) per annum and is repayable in 2028.

16. Financial assets at fair value through other comprehensive income

Financial assets at FVOCI comprise the following investments in listed and unlisted equity:

	2025 RMB'000	2024 RMB'000
Non-current assets		
Listed securities (note a)	4,849,476	4,621,399
Unlisted investments (note b)	266,812	295,283
	5,116,288	4,916,682

Notes:

- (a) Listed securities represent equity interests in entities which are principally engaged in provision of port related services and securities service.
- (b) Unlisted investments mainly comprise equity interests in terminal operating companies, port information system engineering companies and property investment companies.

Notes to the Consolidated Financial Statements

16. Financial assets at fair value through other comprehensive income (Continued)

Notes: (Continued)

(c) Financial assets at FVOCI are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	1,914,716	2,009,416
HKD	3,195,729	2,901,903
EURO	5,632	5,147
Others	211	216
	5,116,288	4,916,682

(d) Movement of the financial assets at FVOCI during the year is as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	4,916,682	1,918,241
Addition	41,734	2,020,621
Disposals	(41,734)	–
Fair value change recognised in other comprehensive income	269,344	947,263
Currency translation differences	(69,738)	30,557
As at 31 December	5,116,288	4,916,682

(e) Financial assets at fair value through other comprehensive income includes the following classes of financial assets:

	2025 RMB'000	2024 RMB'000
Listed securities		
– Mainland, China	1,653,748	1,719,496
– Hong Kong, China	3,195,728	2,901,903
Unlisted investments	266,812	295,283
	5,116,288	4,916,682

Notes to the Consolidated Financial Statements

17. Financial assets at fair value through profit or loss

Financial assets at FVPL include the following:

	2025 RMB'000	2024 RMB'000
Listed equity securities, current (note)		
– Hong Kong, China	78,260	65,948
Listed convertible bonds, non-current	–	401,865
Unlisted investments	46,942	42,896
	46,942	444,761
Total	125,202	510,709

Note:

As at 31 December 2025, the carrying amounts of the Group's financial assets at FVPL of listed equity securities are mainly denominated in Hong Kong dollar.

The fair value of all listed equity securities are based on their current bid prices in active markets.

Notes to the Consolidated Financial Statements

18. Financial assets at amortised cost

Financial assets at amortised cost include the following:

	2025 RMB'000	2024 RMB'000
Listed debt securities		
– Overseas	341,455	386,006
	341,455	386,006
Less: Current portion included in current assets	(221,965)	(41,758)
	119,490	344,248
Market value	338,981	379,295

Movements in financial assets at amortised cost are as follows:

	2025 RMB'000	2024 RMB'000
Balance at beginning of year	386,006	380,609
Currency translation differences	(8,569)	5,680
Redemptions on maturity	(35,696)	–
Amortisation	(286)	(283)
Balance at end of year	341,455	386,006

- (a) The carrying amounts of financial assets at amortised cost are mainly denominated in US dollar.
- (b) The credit quality of other financial assets at amortised cost by reference to Standard & Poor's and/or Moody's credit ratings is as follows:

	2025 RMB'000	2024 RMB'000
BBB	341,455	386,006

Notes to the Consolidated Financial Statements

19. Deferred income tax assets/(liabilities)

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates ranging from 5% to 39% for the year (2024: 5% to 39%).

The movement on the net deferred tax liabilities is as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	(18,774,599)	(17,313,006)
Currency translation differences	97,072	(53,464)
Charge to consolidated income statement	(750,590)	(1,365,219)
Acquisition of subsidiaries (note 41)	(125)	(5,272)
Credit/(charge) to other comprehensive income	27,112	(37,638)
Credit to equity for the year	5,417	–
As at 31 December	(19,395,713)	(18,774,599)

Deferred income tax assets are recognized for tax losses carry forward to the extent that realization of the related tax benefit through the future taxable profits is probable. As at 31 December 2025, the Group had tax losses of RMB3,704,210,000 (2024: RMB3,271,168,000) to carry forward, which were not recognized as deferred tax assets as the Directors considered that the utilization of these tax losses in the foreseeable future is not probable, of which an amount of RMB1,079,260,000 (2024: RMB795,503,000) will expire through year 2030 (2024: year 2029) and an amount of RMB2,624,950,000 (2024: RMB2,475,665,000) has no expiry date.

Notes to the Consolidated Financial Statements

19. Deferred income tax assets/(liabilities) (Continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year was as follows:

Deferred income tax liabilities

	Undistributed profits of subsidiaries, joint ventures and associates RMB'000	Accelerated tax depreciation and fair value adjustments on assets in relation to business combination RMB'000	Right-of-use assets RMB'000	Fair value gain on financial assets RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024	(16,882,980)	(1,013,034)	(694,730)	(195,204)	(512,694)	(19,298,642)
Currency translation differences	(7,230)	-	(3,489)	11,430	15,661	16,372
(Charge)/credit to consolidated income statement	(1,573,021)	126,479	263,789	(5,301)	(237,326)	(1,425,380)
Acquisition of subsidiaries	-	(5,305)	-	-	-	(5,305)
Charge to other comprehensive income	-	-	-	(33,944)	-	(33,944)
As at 31 December 2024 and 1 January 2025	(18,463,231)	(891,860)	(434,430)	(223,019)	(734,359)	(20,746,899)
Currency translation differences	-	(5,010)	-	9,598	179,958	184,546
(Charge)/credit to consolidated income statement	(1,017,934)	205,184	118,592	(4,581)	(174,493)	(873,232)
Acquisition of subsidiaries (note 41)	-	(125)	-	-	-	(125)
Credit to other comprehensive income	-	-	-	27,112	-	27,112
Credit to equity for the year	-	-	-	5,417	-	5,417
As at 31 December 2025	(19,481,165)	(691,811)	(315,838)	(185,473)	(728,894)	(21,403,181)

Notes to the Consolidated Financial Statements

19. Deferred income tax assets/(liabilities) (Continued)

Deferred income tax assets

	Tax loss RMB'000	Staff benefit RMB'000	Lease liabilities RMB'000	Accelerated accounting depreciation RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024	414,319	52,704	982,322	15,626	520,665	1,985,636
Currency translation differences	17,520	8,776	3,414	5,884	(105,430)	(69,836)
Credit/(charge) to consolidated income statement	91,955	173,455	(248,202)	8,622	34,331	60,161
Acquisition of subsidiaries	-	-	-	-	33	33
Charge to other comprehensive income	-	-	-	-	(3,694)	(3,694)
As at 31 December 2024 and 1 January 2025	523,794	234,935	737,534	30,132	445,905	1,972,300
Currency translation differences	-	-	(1)	1	(87,474)	(87,474)
(Charge)/credit to consolidated income statement	(134,744)	(4,937)	(93,995)	218,952	137,366	122,642
As at 31 December 2025	389,050	229,998	643,538	249,085	495,797	2,007,468

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balance and a net basis. As at 31 December 2025, deferred income tax assets and deferred income tax liabilities amounted to RMB810,650,000 were offset (2024: RMB926,312,000).

Notes to the Consolidated Financial Statements

19. Deferred income tax assets/(liabilities) (Continued)

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2025 RMB'000	2024 RMB'000
Deferred income tax assets		
Deferred income tax assets to be recovered after more than 12 months	811,996	672,787
Deferred income tax assets to be recovered within 12 months	384,822	373,201
	1,196,818	1,045,988
Deferred income tax liabilities		
Deferred income tax liabilities to be settled after more than 12 months	(20,362,956)	(19,615,653)
Deferred income tax liabilities to be settled within 12 months	(229,575)	(204,934)
	(20,592,531)	(19,820,587)
Deferred income tax liabilities, net	(19,395,713)	(18,774,599)

20. Other non-current assets

	2025 RMB'000	2024 RMB'000
Deposits	14,803	14,090
Balances placed with COSCO Shipping Finance Co., Ltd. ("COSCO SHIPPING Finance") with an expected holding period exceeding one year	700,000	–
Others	493,965	1,525,843
	1,208,768	1,539,933

Notes to the Consolidated Financial Statements

21. Cash and cash equivalents and restricted bank deposits

	2025 RMB'000	2024 RMB'000
Balances placed with COSCO SHIPPING Finance (note a)	77,793,990	96,962,931
Bank balances and other cash and cash equivalents	73,675,721	88,099,685
Total bank deposits and cash and cash equivalents (note b)	151,469,711	185,062,616
Less:		
Restricted bank deposits (note c)	(588,110)	(873,538)
Cash and cash equivalents	150,881,601	184,189,078

Notes:

- (a) COSCO SHIPPING Finance is a finance company owned by COSCO SHIPPING and balances placed with COSCO SHIPPING Finance bear interest at prevailing market rates.
- (b) The carrying amounts of bank deposits and cash and cash equivalents are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	54,200,481	62,640,722
US dollar	90,694,026	114,272,153
EURO	3,242,351	3,493,578
HK dollar	221,981	472,128
Other currencies	3,110,872	4,184,035
	151,469,711	185,062,616

- (c) Restricted bank deposits are mainly held as security for borrowings and bank guarantees and facilities (note 26(f)(iv)).
- (d) The effective interest rates on time deposits as at 31 December 2025 were in the range of 0.47% to 6.85% per annum (2024: 1.40% to 5.81% per annum). The deposits earn interests for liquidity management purpose at floating rates based on prevailing market rates.

Notes to the Consolidated Financial Statements

22. Inventories

	2025 RMB'000	2024 RMB'000
Bunkers, voyage supplies, consumables and others	6,665,191	6,332,469

23. Trade and other receivables and contract assets

	2025 RMB'000	2024 RMB'000
Trade receivables (note a)		
– third parties	7,346,310	8,314,921
– fellow subsidiaries	320,551	171,136
– joint ventures and associates	228,720	71,442
– other related companies	163,137	201,726
	8,058,718	8,759,225
Bills receivables (note a)	84,505	149,858
Contract assets (note a)	248,006	239,795
	8,391,229	9,148,878
Prepayments, deposits and other receivables		
– third parties (note b)	4,798,142	4,666,304
– fellow subsidiaries (note d)	490,554	324,705
– joint ventures (note d)	582,001	219,954
– associates (note d)	325,568	126,041
– other related companies (note d)	78,534	11,562
	6,274,799	5,348,566
Total	14,666,028	14,497,444

Notes to the Consolidated Financial Statements

23. Trade and other receivables and contract assets (Continued)

Notes:

- (a) Trade receivables with related parties are unsecured and have similar credit periods as third party customers. The normal credit period granted to the trade receivables of the Group is generally within 90 days. Trade and bills receivables and contract assets primarily consisted of voyage-related receivables. As at 31 December 2025, 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:

	2025 RMB'000	2024 RMB'000
Within 1 year	8,541,572	9,372,549
1 – 2 years	86,662	29,896
2 – 3 years	13,718	36,266
Above 3 years	155,739	145,919
Trade, bills receivables and contract assets, gross	8,797,691	9,584,630
Within 1 year	(181,962)	(227,153)
1 – 2 years	(55,192)	(29,438)
2 – 3 years	(13,569)	(33,242)
Above 3 years	(155,739)	(145,919)
Provision for impairment	(406,462)	(435,752)
Trade, bills receivables and contract assets, net	8,391,229	9,148,878

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled service provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Consolidated Financial Statements

23. Trade and other receivables and contract assets (Continued)

Notes: (Continued)

(a) (Continued)

Movements on the provision for impairment of trade receivables and contract assets are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	435,752	371,744
(Reversal of)/provision for trade receivables and contract assets impairment	(18,962)	67,991
Trade receivables and contract assets written off during the year as uncollectible	(8,120)	(8,102)
Acquisition of subsidiary (note 41)	-	131
Currency translation differences	(2,208)	3,988
As at 31 December	406,462	435,752

The creation and release of provision for impaired receivables have been included in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Management considered that there is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

(b) Prepayments, deposits and other receivables due from third parties

	2025 RMB'000	2024 RMB'000
Prepayments and deposits	2,760,647	2,265,016
Other receivables less provision (note c)	2,037,495	2,401,288
	4,798,142	4,666,304

Notes to the Consolidated Financial Statements

23. Trade and other receivables and contract assets (Continued)

Notes: (Continued)

(c) Movements on the provision for impairment of other receivables are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	60,221	60,275
Provision for/(reversal of) receivable impairment	210	(41)
Receivables written off during the year as uncollectible	(243)	–
Currency translation differences	(42)	(13)
As at 31 December	60,146	60,221

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

(e) The carrying amount of trade and other receivables (excluding prepayments and deposits, and contract assets) are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	1,732,991	2,089,848
USD	5,749,292	5,102,258
EUR	1,881,478	1,849,671
HKD	210,095	282,294
AUD	192,567	235,429
GBP	121,839	150,155
Other currencies	1,769,113	2,282,978
	11,657,375	11,992,633

(f) The carrying amounts of trade and other receivables and contract assets (excluding prepayments and deposits) approximate their fair values.

(g) Management considered the maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

Notes to the Consolidated Financial Statements

24. Share capital and equity linked benefits

(a) Share capital

	Number of shares (thousands)	Nominal value RMB'000
H Shares of RMB1.00 each		
As at 31 December 2024	3,199,780	3,199,780
Cancellation of shares (note)	(319,960)	(319,960)
As at 31 December 2025	2,879,820	2,879,820
A Shares of RMB1.00 each		
As at 31 December 2024	12,761,047	12,761,047
Issue of shares by exercising share options (note b)	1,434	1,434
Cancellation of shares (note)	(152,418)	(152,418)
As at 31 December 2025	12,610,063	12,610,063

Note:

During the year 2025, the Company repurchased a total of 157,519,214 its own ordinary shares on the Shanghai Stock Exchange at an aggregate consideration of approximately RMB2,267,306,641. Meanwhile, the Company repurchased a total of 360,647,000 its own ordinary shares on the Stock Exchange of Hong Kong Limited at an aggregate consideration of approximately RMB4,293,450,507. In total, RMB6,560,757,148 was recognized as treasury share of the Company.

During the year 2025, the Company cancelled a total of 152,417,549 shares amount of approximately RMB2,146,011,747 on the Shanghai Stock Exchange. Meanwhile, the Company cancelled a total of 319,960,500 shares amount of approximately RMB3,641,344,353 on the Stock Exchange of Hong Kong Limited. Stock cancellation resulted in a decrease of share capital of RMB472,378,049, a decrease of treasury shares of RMB5,787,356,100, and a decrease of reserves of RMB5,314,978,051 of the Company. The Company also paid handling fee of RMB2,070,667 and recognised against capital reserve.

Notes to the Consolidated Financial Statements

24. Share capital and equity linked benefits (Continued)

(b) Share options of the Company

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

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

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

Notes to the Consolidated Financial Statements

24. Share capital and equity linked benefits (Continued)

(b) Share options of the Company (Continued)

Movements of the share options granted by the Company during the year ended 31 December 2025 and 2024 are set out below:

Date of grant	Exercisable period	Year ended 31 December 2025			Outstanding as at 31 December 2025
		Outstanding as at 1 January 2025	Exercised during the year	Forfeited during the year	
03 June 2019	Note (i)	939,001	–	–	939,001
29 May 2020	Note (i)	3,323,262	(1,434,037)	–	1,889,225
		4,262,263	(1,434,037)	–	2,828,226

Date of grant	Exercisable period	Year ended 31 December 2024			Outstanding as at 31 December 2024
		Outstanding as at 1 January 2024	Exercised during the year	Forfeited during the year	
03 June 2019	Note (i)	1,011,542	(72,541)	–	939,001
29 May 2020	Note (i)	6,740,504	(3,229,392)	(187,850)	3,323,262
		7,752,046	(3,301,933)	(187,850)	4,262,263

Notes:

- (i) Under the 2019 Share Option Scheme and 2020 Share Option Scheme, the options are divided into three batches with vesting period of two-year, three-year and four-year vesting periods respectively. After the expiration of each vesting period, the participant may exercise the options within one year, one year and three years after the expiration of each vesting period respectively. Within the exercise period of the share options, and subject to the fulfilment of the vesting conditions and the exercise arrangement of the share options, grant of each share option entitles the grantee to subscribe for one A share at relevant exercise price after the expiry of each vesting period.

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

- (ii) 939,001 A Shares under the 2019 Share Option Scheme and 1,889,225 A Shares under the 2020 Share Option Scheme were vested and exercisable as at 31 December 2025. The Company has no legal or constructive obligation to repurchase or settle the options in cash.
- (iii) The Company completed the registration of 1,434,037 A shares due to exercise of A Share Option of the Company under the 2020 Share Option Scheme during the year of 2025.

Notes to the Consolidated Financial Statements

25. Reserves

	Capital reserve RMB'000	Hedging reserve RMB'000	Other reserves RMB'000	Statutory reserve fund RMB'000	Investment revaluation reserve RMB'000	Exchange reserve RMB'000	Treasury shares RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2025, as previously reported	37,098,987	(13,374)	(4,360,315)	12,950,769	1,065,088	933,152	(1,598,187)	-	172,631,116	218,707,236
Comprehensive income/(loss)										
Profit for the year	-	-	-	-	-	-	-	-	30,859,651	30,859,651
Other comprehensive income/(loss):										
Share of other comprehensive income of joint ventures and associates, net	-	-	152,218	-	-	-	-	-	-	152,218
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	302,975	-	-	-	-	302,975
Remeasurements of post-employment benefit obligations	-	-	(10,277)	-	-	-	-	-	-	(10,277)
Currency translation differences	-	-	-	-	-	(2,469,744)	-	-	-	(2,469,744)
Total other comprehensive income/(loss)	-	-	141,941	-	302,975	(2,469,744)	-	-	-	(2,024,828)
Total comprehensive income/(loss)	-	-	141,941	-	302,975	(2,469,744)	-	-	30,859,651	28,834,823
Total contributions by and distributions to owners of the Company recognised directly in equity:										
Transaction with non-controlling shareholders of subsidiaries	165,428	-	-	-	-	-	-	-	-	165,428
Dividends declared to shareholders of the Company	-	-	-	-	-	-	-	-	(24,628,710)	(24,628,710)
Put option liability movement	-	-	-	-	-	-	-	-	28,640	28,640
Repurchase and cancellation of shares (note 24(a))	(5,317,049)	-	-	-	-	-	(773,401)	-	-	(6,090,450)
Transfer from retained profits	-	-	-	1,602,035	(29,299)	-	-	404,387	(1,572,736)	404,387
Utilisation of reserve fund	-	-	-	-	-	-	-	(404,387)	-	(404,387)
Others	(241,526)	-	-	-	-	-	-	-	-	(241,526)
Total contributions by and distributions to owners of the Company	(5,393,147)	-	-	1,602,035	(29,299)	-	(773,401)	-	(26,172,806)	(30,766,618)
Balance at 31 December 2025	31,705,840	(13,374)	(4,218,374)	14,552,804	1,338,764	(1,536,592)	(2,371,588)	-	177,317,961	216,775,441

Notes to the Consolidated Financial Statements

25. Reserves (Continued)

	Capital reserve RMB'000	Hedging reserve RMB'000	Other reserves RMB'000	Statutory reserve fund RMB'000	Investment revaluation reserve RMB'000	Exchange reserve RMB'000	Treasury shares RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2024	36,719,844	1,970	(4,322,401)	10,418,595	180,395	(577,720)	(374,092)	-	137,997,580	180,044,171
Comprehensive income/(loss)										
Profit for the year	-	-	-	-	-	-	-	-	49,172,465	49,172,465
Other comprehensive income/(loss):										
Share of other comprehensive loss of joint ventures and associates, net	-	-	(45,885)	-	-	-	-	-	-	(45,885)
Cash flow hedges, net of tax	-	(15,344)	-	-	-	-	-	-	-	(15,344)
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	-	-	-	-	884,693	-	-	-	-	884,693
Remeasurements of post-employment benefit obligations	-	-	8,229	-	-	-	-	-	-	8,229
Currency translation differences	-	-	-	-	-	1,510,872	-	-	-	1,510,872
Total other comprehensive income/(loss)	-	(15,344)	(37,656)	-	884,693	1,510,872	-	-	-	2,342,565
Total comprehensive income/(loss)	-	(15,344)	(37,656)	-	884,693	1,510,872	-	-	49,172,465	51,515,030
Total contributions by and distributions to owners of the Company recognised directly in equity:										
Transaction with non-controlling shareholders of subsidiaries	1,261,061	-	-	-	-	-	-	-	-	1,261,061
Dividends declared to shareholders of the Company	-	-	-	-	-	-	-	-	(11,970,479)	(11,970,479)
Fair value of share options granted	327	-	-	-	-	-	-	-	-	327
Put option liability movement	-	-	-	-	-	-	-	-	(36,534)	(36,534)
Repurchase and cancellation of shares	(681,046)	-	-	-	-	-	(1,224,095)	-	-	(1,905,141)
Transfer from retained profits	-	-	-	2,532,174	-	-	-	95,280	(2,532,174)	95,280
Utilisation of reserve fund	-	-	-	-	-	-	-	(95,280)	-	(95,280)
Others	(201,199)	-	(258)	-	-	-	-	-	258	(201,199)
Total contributions by and distributions to owners of the Company	379,143	-	(258)	2,532,174	-	-	(1,224,095)	-	(14,538,929)	(12,851,965)
Balance at 31 December 2024	37,098,987	(13,374)	(4,360,315)	12,950,769	1,065,088	933,152	(1,598,187)	-	172,631,116	218,707,236

Notes to the Consolidated Financial Statements

25. Reserves (Continued)

Notes:

(a) Statutory reserve fund

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to allocate 10% of net profit of the Company, as determined in accordance with the China Accounting Standards ("CAS"), to the statutory reserve fund until such statutory reserve fund reaches 50% of the registered capital of the Company. The appropriation to the statutory reserve fund reaches 50% of the registered capital of the Company. The appropriation to the statutory reserve fund must be made before any distribution of dividends to equity holders. The statutory reserve fund can be used to offset previous year's losses, if any, and part of the statutory reserve fund can be capitalised as the Company's share capital provided that the amount of such statutory reserve fund remaining after capitalisation shall not be less than 25% of the share capital of the Company.

(b) In accordance with the articles of association of the Company, the profit available for appropriation by the Company for the purpose of dividend payments is based on the lesser of (i) the net profit determined in accordance with the CAS; and (ii) the net profit determined in accordance with HKFRS Accounting Standards. Profit distribution is made after the appropriation to statutory reserve fund and recovery of previous years' losses.

(c) Other reserves of the Group as at 31 December 2025 represented capital reserve and other reserves of joint ventures and associates, and remeasurements of post-employment benefit obligations.

(d) Capital reserve mainly represents the capitalisation of the reserves of the acquired subsidiaries from the parent company upon the incorporation of the Company on 3 March 2005 and the share premium (net with share issuance expenses) arising upon issuance of the Company's H shares and A shares in 2005, 2007 and 2019.

Notes to the Consolidated Financial Statements

26. Borrowings

	2025 RMB'000	2024 RMB'000
Long term borrowings		
Bank loans		
– secured (note f)	16,542,261	19,279,856
– unsecured	11,997,440	10,992,532
Loans from COSCO SHIPPING Finance		
– unsecured	1,534,816	1,595,816
Loans from non-controlling shareholders of subsidiaries	405,870	418,828
Other loans		
– unsecured	427,500	428,500
Interest payables of long-term borrowings	217,665	256,516
Total long-term borrowings	31,125,552	32,972,048
Current portion of long-term borrowings	(5,447,092)	(2,026,044)
	25,678,460	30,946,004
Short term borrowings		
Bank loans		
– unsecured	2,068,362	1,700,798
Interest payables of short-term borrowings	356	2,840
	2,068,718	1,703,638

Notes to the Consolidated Financial Statements

26. Borrowings (Continued)

Notes:

(a) As at 31 December 2025, the long-term borrowings were payable as follows:

	2025 RMB'000	2024 RMB'000
Bank loans		
– within one year	5,153,427	1,707,528
– in the second year	4,103,448	5,570,275
– in the third to fifth years	10,950,543	11,241,582
– after the fifth year	8,332,283	11,753,003
	28,539,701	30,272,388
Loans from COSCO SHIPPING Finance		
– within one year	75,000	61,000
– in the second year	82,500	75,000
– in the third to fifth years	477,500	357,500
– after the fifth year	899,816	1,102,316
	1,534,816	1,595,816
Loans from non-controlling shareholders of subsidiaries (note b)		
– in the third to fifth years	405,870	418,828
Other loans		
– within one year	1,000	1,000
– in the second year	426,500	1,000
– in the third to fifth years	–	426,500
	427,500	428,500
Interest payables		
– within one year	217,665	256,516
	31,125,552	32,972,048

Notes to the Consolidated Financial Statements

26. Borrowings (Continued)

Notes: (Continued)

(b) As at 31 December 2025, the balance mainly included US\$56,979,000 (equivalent to approximately RMB400,497,000) which is unsecured, bears interest at 1.0% above the 3 months EURIBOR, and repayable on or before June 2029.

(c) The exposure of the Group's long-term borrowings to interest rate changes and the contractual repricing dates at balance sheet date are as follows:

	Less than one year RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025				
Total borrowings	5,447,092	16,446,361	9,232,099	31,125,552
As at 31 December 2024				
Total borrowings	2,026,044	18,090,685	12,855,319	32,972,048

(d) The effective interest rates per annum as at 31 December 2025 were as follows:

	2025			
	USD	RMB	EUR	HKD
Bank loans	4.46% to 6.04%	1.91% to 2.70%	1.50% to 3.93%	2.18% to 4.29%
Loans from COSCO SHIPPING Finance	-	2.43% to 2.45%	-	-

	2024			
	USD	RMB	EUR	HKD
Bank loans	5.96% to 7.06%	1.91% to 3.05%	1.50% to 5.29%	4.74% to 5.48%
Loans from COSCO SHIPPING Finance	-	2.45% to 3.05%	-	-

As at 31 December 2025, balance of RMB30,009,564,000 (2024: RMB31,055,025,000) of loans bore floating interest rates.

Notes to the Consolidated Financial Statements

26. Borrowings (Continued)

Notes: (Continued)

- (e) The carrying amounts of the long-term borrowings and short-term borrowings (excluded interest payables) are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
USD	21,623,284	22,379,877
RMB	6,793,822	7,364,936
EUR	4,017,211	4,023,289
HKD	541,932	648,228
	32,976,249	34,416,330

- (f) The secured bank loans as at 31 December 2025 are secured, inter alia, by one or more of the following:
- (i) First legal mortgage over certain property, plant and equipment of the Group with aggregate net book value of RMB29,518,912,000(2024: RMB31,444,436,000) (notes 7(a));
 - (ii) Assignments of the charter, rental income and earnings, requisition compensation and insurance relating to certain container vessels;
 - (iii) Shares of certain subsidiaries; and
 - (iv) Bank balances of certain subsidiaries (note 21(c)).

Notes to the Consolidated Financial Statements

27. Provisions and other liabilities

	Current RMB'000	2025 Non- current RMB'000	Total RMB'000	Current RMB'000	2024 Non- current RMB'000	Total RMB'000
Provision for one-off housing subsidies	–	20,387	20,387	–	20,838	20,838
Provision for onerous contracts (note)	–	6,162,465	6,162,465	–	6,446,162	6,446,162
Deferred income and others	43,261	445,102	488,363	37,376	431,584	468,960
Total	43,261	6,627,954	6,671,215	37,376	6,898,584	6,935,960

Note:

OOIL entered into TSA in October 2019 to which OOIL committed to place, or procure the placement of an annual minimum number of vessel lifts in LBCT for 20 years. Failure to meet the promised number of vessel lifts for each contract year would require certain level of deficiency payment as stipulated in the TSA.

As at 31 December 2025, 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 current economic environment, tariff policies and other targeted policies in the USA are still highly uncertain. The frequent issuance and inconsistency of tariff policies and the exceptionally intense market competition are to have some adverse impacts on the demand/imports in the US for some time. As at 31 December 2025, with these uncertainties over such a long-term contract period, OOIL reassessed that the 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\$876.7 million (equivalent to approximately RMB6,162.5 million) as at 31 December 2025 (2024: US\$896.7 million (equivalent to approximately RMB6,446.2 million)).

Movements in the onerous contract provision are as follows:

	2025 RMB'000	2024 RMB'000
Balance at beginning of year	6,446,162	6,493,030
Credit to consolidated income statement	(142,782)	(142,280)
Currency translation differences	(140,915)	95,412
Balance at end of year	6,162,465	6,446,162

Notes to the Consolidated Financial Statements

28. Put option liability

As a put option was granted to the non-controlling shareholder of COSCO SHIPPING Ports Chancay Peru S.A. (“CSP Qiankai Wharf”), entitling the non-controlling shareholder to sell 40% of the equity interests in CSP Qiankai Wharf to COSCO SHIPPING Ports, COSCO SHIPPING Ports recognized a put option liability. The put option may be exercised at any time within five years from the commercial operation date of the terminal, at the lower of the fair market value and the annual price cap set for each of the five consecutive years commencing from the commercial operation date. The exercise price of the put option is measured by the market approach. The key parameters adopted are the financial position of CSP Qiankai Wharf and the forecast of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), which are estimated based on the management’s business plans and market parameters. As at 31 December 2025, the carrying amount of the put option liability was US\$247.6 million (equivalent to approximately RMB1,740.6 million) (2024: US\$253.2 million (equivalent to approximately RMB1,820.0 million)).

Movements of put option liabilities are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	1,820,032	1,742,435
Remeasurement	(39,627)	51,059
Currency translation differences	(39,797)	26,538
As at 31 December	1,740,608	1,820,032

Notes to the Consolidated Financial Statements

29. Pension and retirement liabilities

The Group operates a number of defined benefit and defined contribution pension and retirement schemes in the main countries in which the Group operates.

Notes:

- (a) Retirement benefits obligations of the Company, COSCO SHIPPING Lines Limited and its subsidiaries, and COSCO SHIPPING Ports and its subsidiaries

	2025 RMB'000	2024 RMB'000
Balances sheet obligations for:		
Early-retirement benefits for PRC employees	61,992	63,803
Post-retirement benefits for PRC employees	302,377	324,002
Total pension and retirement liabilities	364,369	387,805
Less: Current portion included in provisions and other liabilities (note 27)	(37,121)	(37,376)
Non-current portions of pension and retirement liabilities	327,248	350,429
Expensed in income statement for:		
Early-retirement benefits for PRC employees	16,202	27,500
Post-retirement benefits for PRC employees	1,283	42,726
	17,485	70,226

The Group recognized a liability for the present value of the unfunded obligations relating to retirement benefits payable to certain normal retired or early retired employees in the consolidated balance sheet. The liability related to the benefit obligations for eligible retired employees existing at year end is calculated by independent actuaries, using the projected unit credit method. The actuarial liabilities of early retirement and post retirement as at 31 December 2025 totalled RMB364,369,000 (2024: RMB387,805,000).

The principal actuarial assumptions used were as follows:

	2025		2024	
	Early retirement	Post retirement	Early retirement	Post retirement
Discount rate	1.25%	2.25%	1.00%	1.75%
Retirement benefits inflation rates	5.00%-6.00%	6.00%	3.00%-4.50%	0.00%-8.00%

Notes to the Consolidated Financial Statements

29. Pension and retirement liabilities (Continued)

Notes: (Continued)

(b) Defined benefit scheme of OOIL

The amounts recognised in the consolidated balance sheet are as follows:

	2025 RMB'000	2024 RMB'000
Net scheme assets	114,369	122,006

Net funded scheme assets

The defined benefit scheme is operated in the United Kingdom which was valued by Barnett Waddingham LLP. The defined benefit scheme (the "Scheme") covers less than 1% of OOIL's employees and is funded. The assets of the Scheme are held in trust funds separate from OOIL. Contributions to the Scheme are assessed in accordance with the advice of qualified actuaries in compliance with local practice and regulations. The actuarial assumptions used to calculate the projected benefit obligations of OOIL's pension schemes vary according to the economic conditions of the countries in which they are situated.

The net scheme assets of the Scheme recognised in the consolidated balance sheet are determined as follows:

	2025 RMB'000	2024 RMB'000
Fair value of plan assets	1,021,042	1,005,787
Present value of funded obligations	(906,673)	(883,781)
Surplus of funded plan	114,369	122,006

Movements in the fair value of the plan assets of the Scheme during the year are as follows:

	2025 RMB'000	2024 RMB'000
Balance at beginning of year	1,005,787	1,087,407
Currency translation differences	39,857	4,794
Interest income on plan assets	53,964	47,265
Remeasurement losses on assets	(2,956)	(60,533)
Contribution from OOIL	3,734	6,040
Contributions from the plan members	621	640
Benefits paid	(79,965)	(79,826)
Balance at end of year	1,021,042	1,005,787

Notes to the Consolidated Financial Statements

29. Pension and retirement liabilities (Continued)

Notes: (Continued)

(b) Defined benefit scheme of OOIL (Continued)

Movements in the present value of obligations of the Scheme during the year are as follows:

	2025 RMB'000	2024 RMB'000
Balance at beginning of year	883,781	991,861
Currency translation differences	34,914	4,592
Current service cost	7,353	7,377
Interest expense	47,304	42,990
Experience losses/(gains) on liabilities	27,793	(5,172)
Losses/(gains) from changes in demographic assumptions	171	(2,092)
Gains from changes in financial assumptions	(15,299)	(76,589)
Contributions from the plan members	621	640
Benefits paid	(79,965)	(79,826)
Balance at end of year	906,673	883,781

The charges of the Scheme recognised in the consolidated income statement are as follows:

	2025 RMB'000	2024 RMB'000
Current service cost	7,353	7,377
Interest expense	47,304	42,990
Interest income on plan assets	(53,964)	(47,265)
Net expense recognised for the year	693	3,102

The main actuarial assumptions made for the Scheme are as follows:

	2025	2024
Discount rate	5.40%	5.40%
Inflation rate	3.10%	3.50%
Expected future salary increases	2.40%	2.70%
Expected future pension increases	3.10%	2.60%
Actual return on plan assets (RMB'000)	51,009	(13,268)

Notes to the Consolidated Financial Statements

29. Pension and retirement liabilities (Continued)

Notes: (Continued)

(b) Defined benefit scheme of OOIL (Continued)

At 31 December 2025, if discount rate had been 0.5% higher/lower, with all other variables held constant, the present value of the funded obligations would have been RMB40,692,870 lower/RMB44,262,420 higher. At 31 December 2025, if inflation rate had been 0.2% higher/lower, with all other variables held constant, the present value of the funded obligations would have been RMB8,566,920 higher/lower. The sensitivities show the likely effect of a single assumption being adjusted while holding all other assumptions constant.

Plan assets of the Scheme comprise the following:

	2025 RMB'000	2024 RMB'000
Equity	63,477	65,091
Debt	831,338	695,269
Others	126,227	245,427
	1,021,042	1,005,787

Expected normal and deficit reduction contributions to the Scheme for the year ending 31 December 2025 is RMB1,405,760.

Through its defined benefit pension plans, OOIL is exposed to a number of risks as follows:

- Investment risk. The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if deficit emerges.
- Interest rate and market risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- Inflation risk. A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short-term could lead to deficits emerging.
- Longevity and other demographic risk. If members live longer than assumed, deficit will emerge in the Scheme.

Notes to the Consolidated Financial Statements

30. Trade and other payables and contract liabilities

	2025 RMB'000	2024 RMB'000
Trade and bills payables (note a)		
– third parties	14,364,798	14,830,371
– fellow subsidiaries	417,573	412,513
– joint ventures	93,675	70,240
– associates	37,207	19,119
– other related companies	162,063	236,758
	15,075,316	15,569,001
Accrued expenses	62,057,731	70,469,951
Other payables		
– third parties	14,480,020	15,018,407
– fellow subsidiaries	85,783	2,243,532
– joint ventures	243,554	288,047
– associates	3,245	1,164
– other related companies (note c)	500,458	32,231
	15,313,060	17,583,381
Contract liabilities	611,015	646,722
Total	93,057,122	104,269,055

Notes:

- (a) As at 31 December 2025, the aging analysis of trade and bills payables on the basis of the date of relevant invoice or demand note is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	15,028,142	15,522,978
1 – 2 years	25,845	11,045
2 – 3 years	9,500	2,433
Above 3 years	11,829	32,545
	15,075,316	15,569,001

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

Notes to the Consolidated Financial Statements

30. Trade and other payables and contract liabilities (Continued)

Notes: (Continued)

(b) The carrying amounts of trade and other payables (excluding contract liabilities) are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	31,531,415	40,454,198
USD	53,202,401	55,832,126
HKD	466,664	500,550
EUR	3,530,579	3,092,389
Other currencies	3,715,048	3,743,070
Total	92,446,107	103,622,333

(c) The balance of US\$1,966,000 at 31 December 2025 (equivalent to approximately RMB13,818,621) (2024: US\$2,030,000 (equivalent to approximately RMB14,592,452)) represents the interest payable on loans from non-controlling shareholders of subsidiaries.

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

Notes to the Consolidated Financial Statements

31. Expenses by nature

	2025 RMB'000	2024 RMB'000
Cost of services (note a)		
Container shipping business		
– Equipment and cargo transportation costs	78,971,984	74,169,532
– Voyage costs (note b)	37,221,909	37,637,766
– Vessel costs (note c)	35,980,446	31,695,046
	152,174,339	143,502,344
Other related business costs	14,415,294	13,571,116
Cost of services related to container shipping business	166,589,633	157,073,460
Terminal business costs	8,904,940	7,700,963
Tax and surcharges	1,307,664	1,400,800
Total	176,802,237	166,175,223
Selling, administrative and general expense		
Administrative staff costs	7,313,722	7,958,618
Depreciation and amortisation	857,647	816,637
Expense relating to short-term lease and lease with low value assets	175,177	131,493
Office expense	362,452	350,301
Transportation and travelling expense	130,410	115,094
Auditors' remuneration	50,793	57,386
Telecommunication and utilities	106,937	106,829
Repair and maintenance expense	278,750	217,599
Others	894,255	783,520
Total	10,170,143	10,537,477

Notes:

- (a) Cost of services included depreciation and amortisation expenses of RMB20,132,184,000 (2024: RMB17,853,394,000).
- (b) Voyage costs mainly comprised bunkers and port charges.
- (c) Vessel costs included expense relating to short-term lease and lease with low value assets of RMB8,763,007,000 (2024: RMB8,037,524,000).

Notes to the Consolidated Financial Statements

32. Other income and other expenses

	2025 RMB'000	2024 RMB'000
Dividend income from financial assets at FVOCI	186,876	28,989
Gain on disposal of property, plant and equipment	135,986	150,424
Income from financial assets at FVPL		
– Fair value gain	32,318	38,344
– Dividend and distribution income	3,346	7,653
Interest income from financial assets at amortised cost	18,608	19,110
Subsidies	1,467,053	1,207,563
Exchange gain	252,258	612,922
Others	25,197	55,208
Other income	2,121,642	2,120,213
Loss on disposal of property, plant and equipment	(10,000)	(17,289)
Fair value loss on financial assets at FVPL	–	(12,566)
Donations	(35,512)	(24,565)
Loss on disposal of joint ventures and associates	–	(14,035)
Others	(107,666)	(107,033)
Other expenses	(153,178)	(175,488)

Notes to the Consolidated Financial Statements

33. Finance income and costs

	2025 RMB'000	2024 RMB'000
Finance income		
Interest income from:		
– other financial institutions	3,454,147	4,163,093
– deposits in related parties	1,884,880	2,086,585
– loans to a joint venture and associates	38,837	47,401
Total finance income	5,377,864	6,297,079
Finance costs		
Interest expenses on:		
– loans from third parties	(1,547,278)	(1,846,654)
– loans from related parties	(39,912)	(58,096)
– loans from non-controlling shareholders of subsidiaries	(13,407)	(20,495)
– lease liabilities	(1,844,695)	(1,715,307)
Transaction costs arising from borrowings	(133,325)	(118,963)
	(3,578,617)	(3,759,515)
Less: amount capitalised in construction in progress (note 7(b))	432,268	582,320
Total finance costs	(3,146,349)	(3,177,195)
Net finance income	2,231,515	3,119,884

Notes to the Consolidated Financial Statements

34. Income tax expenses

	2025 RMB'000	2024 RMB'000
Current income tax (note a)		
– PRC enterprise income tax	5,469,674	9,498,542
– Hong Kong profits tax	10,098	22,385
– Overseas taxation	540,290	570,751
Under provision in prior years	1,042	37,192
	6,021,104	10,128,870
Deferred income tax (note 19)	750,590	1,365,219
	6,771,694	11,494,089

Notes:

(a) Current income tax

Taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates. These rates range from 5% to 39% (2024: 5% to 39%).

The statutory rate for PRC enterprise income tax is 25% and certain PRC companies enjoy preferential tax treatment with the reduced rates ranging from 5% to 20% (2024: 5% to 20%).

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits derived from or arising in Hong Kong for the year.

(b) The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:

	2025 RMB'000	2024 RMB'000
Profit before income tax	41,987,917	67,086,756
Less: Share of profits less losses of joint ventures and associates	(5,237,761)	(4,943,718)
	36,750,156	62,143,038
Calculated at a tax rate of 25% (2024: 25%)	9,187,539	15,535,760
Effect of different tax rates of domestic and overseas entities	(1,417,989)	(2,355,269)
Income not subject to income tax	(3,955,240)	(4,916,118)
Expenses not deductible for taxation purposes	2,159,467	2,506,961
Utilisation of previously unrecognised tax losses	(41,006)	(91,935)
Tax losses not recognised	61,127	67,665
Income tax for distribution of profits	756,082	856,960
Others	21,714	(109,935)
Income tax expense	6,771,694	11,494,089

Notes to the Consolidated Financial Statements

34. Income tax expenses (Continued)

Notes: (Continued)

(c) OECD Pillar Two model rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two Model Rules (the Global Anti-Base Erosion Proposal, or “GloBE”) to reform international corporate taxation. Large multinational enterprises with consolidated revenue of over EUR750 million are subject to the rules. They are required to calculate their GloBE effective tax rate for each jurisdiction where they operate and will be liable to pay a minimum effective tax rate of 15%.

COSCO SHIPPING Group, the ultimate parent company of the Group, is within the scope of the GloBE. However, international shipping income and certain qualified ancillary international shipping income are excluded from the GloBE. Certain jurisdictions where the Group has operations, such as the United Kingdom, countries under the European Union, Australia and Canada, etc. have their Pillar Two legislation being effective in 2024. The Pillar Two legislation has also been enacted in Hong Kong in 2025 and becomes effective from 1st January 2025. The Group applies the exception from recognising and disclosing information about deferred tax assets and liabilities related to the Pillar Two income taxes, as provided in the Amendments to HKAS 12.

As the Group operates worldwide and the types of international shipping income and ancillary income covered by the exclusion are subject to complicated rules and restrictions, the Group would continue to cooperate with the COSCO SHIPPING Group in assessing the full impact of the rules, covering all jurisdictions.

35. Dividend

On 19 March 2026, the 26th meeting of the seventh session of the Board proposed a final dividend in respect of 2025 of RMB0.44 per share (inclusive of tax) to all Shareholders. In accordance with the relevant regulations of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, the Company’s repurchased A shares and H shares that have not been cancelled are not entitled to participate in the profit distribution. As of the date of this report, all repurchased A shares and H shares of the Company have completed the cancellation procedures. Therefore, based on the Company’s total share capital of 15,312,687,586 shares as of the date of this report, the total proposed cash dividend amounts to approximately RMB6.738 billion (inclusive of tax). The total cash dividend for the year 2025 (including the interim cash dividend already distributed) is approximately RMB15.412 billion, representing approximately 50% of the net profit attributable to Shareholders of the Company for the year 2025.

If there is a change in the number of shares between the date of this report and the registration date of dividend distribution, the dividend per share shall remain unchanged, with a corresponding adjustment to the total entitled amount of distribution.

The final dividend in respect of 2024 was RMB1.03 per ordinary share (tax inclusive), with total amount of RMB16.131 billion. The total dividend in respect of 2024 amounted to approximately RMB24.431 billion, accounting for approximately 50% of the consolidated net profit attributable to equity holders of the Company for 2024.

Notes to the Consolidated Financial Statements

36. Earnings per share

(a) Basic

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

	2025	2024
Profit attributable to equity holders of the Company (RMB)	30,859,651,000	49,172,465,000
Weighted average number of ordinary shares	15,546,032,763	15,950,222,368
Basic earnings per share (RMB)	1.99	3.08

(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.

	2025	2024
Profit attributable to equity holders of the Company (RMB)	30,859,651,000	49,172,465,000
Weighted average number of ordinary shares	15,546,032,763	15,950,222,368
Adjustments for assumed issuance of shares on exercise of dilutive share options	3,041,663	5,281,618
	15,549,074,426	15,955,503,986
Diluted earnings per share (RMB)	1.98	3.08

Notes to the Consolidated Financial Statements

37. Staff costs

An analysis of staff costs, including Directors', Supervisors' and key management's emoluments, is set out below:

	2025 RMB'000	2024 RMB'000
Wages, salaries and crew expenses (including bonus and share-based payments)	11,767,245	12,768,919
Housing benefits (note a)	557,156	543,905
Retirement benefits costs		
– defined benefit plans	32,825	42,955
– defined contribution plans (note b)	2,092,525	1,923,966
Welfare and other expenses	1,695,879	1,824,372
	16,145,630	17,104,117

Notes:

- (a) These included contributions to PRC government sponsored housing funds for full time employees in the PRC during the year.
- (b) The employees of the subsidiaries in the PRC participate in various retirement contribution plans organized by the relevant municipal and provincial governments in the PRC under which the Group was required to make monthly contributions to these plans at rates ranging from 8% to 20%, depending on the applicable local regulations, of the employees' basic salaries for the year.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries outside the PRC. Employees' and employers' contributions are calculated based on various percentages of employees' gross salaries or fixed sums and length of service. The assets of the schemes are held separately from those of the administered funds independently.

No forfeited contributions were available as at 31 December 2025 and 2024 to reduce future contributions.

Contributions totalling RMB43,503,000 (2024: RMB62,906,000) payable to various retirement benefit plans as at 31 December 2025 are included in pension and retirement liabilities and trade and other payables.

Notes to the Consolidated Financial Statements

38. Emoluments of directors, supervisors and senior management

(a) Directors', chief executive's and supervisors' emoluments

Details of the remuneration of each of the directors, the chief executive and the supervisors are set out below:

Name	Year ended 31 December 2025					Total RMB'000
	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses RMB'000	Benefits in kind ^{*3} RMB'000	Retirement benefits contributions RMB'000	
Wan Min	-	-	-	-	-	-
Zhang Feng ^{*1}	-	-	-	-	-	-
Chen Yangfan ^{*2}	-	-	-	-	-	-
Tao Weidong	-	1,217	2,235	-	289	3,741
Zhu Tao	-	1,270	1,704	-	291	3,265
Xu Feipan ^{*1}	-	847	1,555	-	291	2,693
Yu De ^{*2}	-	-	-	-	-	-
MA Si-hang Frederick	506	-	-	-	-	506
Shen Dou	204	-	-	-	-	204
HAI Chi Yuet	502	-	-	-	-	502
	1,212	3,334	5,494	-	871	10,911

*1 Appointed during the year of 2025.

*2 Resigned during the year 2025.

*3 Benefits in kind mainly include share-based compensation.

Notes to the Consolidated Financial Statements

38. Emoluments of directors, supervisors and senior management (Continued)

(a) Directors', chief executive's and supervisors' emoluments (Continued)

Name	Year ended 31 December 2024						Total RMB'000
	Fees RMB'000	Salaries and allowances RMB'000	Discretionary bonuses RMB'000	Benefits in kind ³ RMB'000	Retirement benefits contributions RMB'000		
Wan Min	–	–	–	–	–	–	
Chen Yangfan	–	–	–	–	–	–	
Yang Zhijian ²	–	2,648	–	28	142	2,818	
Zhang Wei ²	–	700	–	22	95	817	
Zhu Tao ¹	–	859	263	22	154	1,298	
Tao Weidong	–	840	1,260	–	146	2,246	
Yu De	–	–	–	–	–	–	
MA Si-hang Frederick	464	–	–	–	–	464	
Shen Dou	164	–	–	–	–	164	
HAI Chi Yuet	464	–	–	–	–	464	
Zhang Feng ^{1*2}	–	306	–	–	195	501	
Yang Shicheng	–	–	–	–	–	–	
Xu Weifeng	–	509	1,630	–	275	2,414	
Song Tao	–	370	1,412	–	293	2,075	
Si Yuncong	–	–	–	–	–	–	
Xu Donggen	129	–	–	–	–	129	
	1,221	6,232	4,565	72	1,300	13,390	

*1 Appointed during the year of 2024.

*2 Resigned during the year 2024.

*3 Benefits in kind mainly include share-based compensation.

Notes to the Consolidated Financial Statements

38. Emoluments of directors, supervisors and senior management (Continued)

(a) Directors', chief executive's and supervisors' emoluments (Continued)

Notes:

(i) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 December 2025 (2024: Nil).

(ii) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2025 (2024: Nil).

(iii) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

(iv) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities connected with directors

No loans, quasi-loans and other dealings were made available in favour of directors, bodies corporate controlled by and entities connected with directors subsisted at the end of the year or at any time during the year (2024: Nil).

(v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025 (2024: Nil).

(b) Five highest paid individuals

	Number of individuals	
	2025	2024
Directors	–	–
Employees	5	5
	5	5

Notes to the Consolidated Financial Statements

38. Emoluments of directors, supervisors and senior management (Continued)

(b) Five highest paid individuals (Continued)

The details of emoluments paid to five highest paid individuals have included none of directors of the Company as disclosed in note 38(a) above (2024: nil). Details of emoluments paid to the five (2024: five) highest paid non-director individuals for the year ended 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
– Salaries and allowances	15,335	14,042
– Discretionary bonuses	19,099	17,366
– Retirement benefit contributions	4,191	3,165
– Others	–	3,357
	38,625	37,930

The emoluments of the above non-director individuals fell within the following bands:

	Number of individuals	
	2025	2024
HK\$6,000,001 to HK\$6,500,000 (equivalent to approximately RMB5,400,000 to RMB5,900,000)	1	2
HK\$6,500,001 to HK\$7,000,000 (equivalent to approximately RMB5,900,001 to RMB6,400,000)	–	1
HK\$7,000,001 to HK\$7,500,000 (equivalent to approximately RMB6,400,001 to RMB6,800,000)	2	–
HK\$7,500,001 to HK\$8,000,000 (equivalent to approximately RMB6,800,001 to RMB7,300,000)	–	1
HK\$8,000,001 to HK\$8,500,000 (equivalent to approximately RMB7,300,001 to RMB7,700,000)	1	–
HK\$13,500,001 to HK\$14,000,000 (equivalent to approximately RMB12,000,001 to RMB12,500,000)	1	1
Total	5	5

Notes to the Consolidated Financial Statements

39. Notes to the consolidated cash flow statement

(a) Reconciliation of profit before income tax to cash generated from operations:

	2025 RMB'000	2024 RMB'000
Profit before income tax	41,987,917	67,086,756
Depreciation		
– property, plant and equipment	9,134,873	7,796,293
– investment properties	77,366	73,913
– right-of-use assets	11,412,468	10,463,492
Amortisation		
– intangible assets	334,458	306,577
Dividend and distribution income from listed and unlisted investments	(208,830)	(40,590)
Share of profits less losses of		
– joint ventures	(627,971)	(565,522)
– associates	(4,609,790)	(4,378,196)
Interest expense	3,013,024	3,058,232
Interest income	(5,377,864)	(6,316,189)
Transaction costs arising from borrowings	133,325	118,963
Net gain on disposal of property, plant and equipment	(125,986)	(133,135)
Fair value gain from financial assets at FVPL, net	(32,318)	(25,778)
(Reversal of)/provision for impairment losses on financial assets, net	(18,752)	67,950
Provision for impairment losses on non financial assets, net	92,922	10,396
Net losses on disposal of associates, joint ventures and subsidiaries	–	14,035
Net exchange gain	(252,258)	(612,922)
Others	30,666	36,259
Operating profit before working capital changes	54,963,250	76,960,534
(Increase)/decrease in inventories	(338,785)	225,685
Increase in trade and other receivables and contract assets	(62,593)	(1,738,090)
Decrease in trade and other payables and contract liabilities	(6,530,277)	(3,850,968)
Decrease in provisions and other liabilities and pension and retirement liabilities	(146,067)	(164,181)
Decrease/(increase) in restricted bank deposits	6,793	(8,233)
Cash generated from operations	47,892,321	71,424,747

Notes to the Consolidated Financial Statements

39. Notes to the consolidated cash flow statement (Continued)

(b) The reconciliation of liabilities arising from financing activities is as follows:

	Borrowings and loans from non-controlling shareholders of subsidiaries RMB'000	Loans form investment in an associate and a joint venture RMB'000	Lease liabilities RMB'000	Total RMB'000
Balance as at 31 December 2023	43,727,505	150,111	41,108,778	84,986,394
Changes from financing cash flows				
Loans draw down	8,544,272	–	–	8,544,272
Loans repaid	(17,325,111)	(150,660)	–	(17,475,771)
Addition of lease liabilities	–	–	11,400,545	11,400,545
Payment of lease liabilities	–	–	(13,148,891)	(13,148,891)
Interest paid	(1,951,609)	(3,450)	–	(1,955,059)
Other non-cash movements (note)	1,979,332	3,345	1,614,340	3,597,017
Foreign exchange difference	(298,703)	654	571,813	273,764
Balance as at 31 December 2024	34,675,686	–	41,546,585	76,222,271
Changes from financing cash flows				
Loans draw down	2,675,863	–	–	2,675,863
Loans repaid	(3,976,489)	–	–	(3,976,489)
Repayment of loans from non-controlling shareholders of subsidiaries	(47,611)	–	–	(47,611)
Addition of lease liabilities	–	–	14,979,165	14,979,165
Payment of lease liabilities	–	–	(14,513,408)	(14,513,408)
Interest paid	(1,611,418)	–	–	(1,611,418)
Other non-cash movements (note)	1,617,857	–	1,783,430	3,401,287
Foreign exchange difference	(139,618)	–	(430,446)	(570,064)
Balance as at 31 December 2025	33,194,270	–	43,365,326	76,559,596

Note:

Other non-cash movements mainly include interest and loan arrangement fee amortisation.

Notes to the Consolidated Financial Statements

40. Financial instruments by category

	2025 RMB'000	2024 RMB'000
Financial assets as per consolidated balance sheet		
Financial assets at fair value through other comprehensive income	5,116,288	4,916,682
Financial assets at amortised cost		
– Loans to associates	910,230	840,964
– Financial assets at amortised costs	341,455	386,006
– Trade and other receivables	14,418,022	14,257,649
– Cash and cash equivalents	150,881,601	184,189,078
– Restricted bank deposits	588,110	873,538
Financial assets at fair value through profit or loss	125,202	510,709
Total	172,380,908	205,974,626
Financial liabilities as per consolidated balance sheet		
Financial liabilities at amortised cost		
– Trade and other payables	30,388,376	33,152,382
– Borrowings	33,194,270	34,675,686
– Lease liabilities	43,365,326	41,546,585
– Put option liability	1,740,608	1,820,032
Total	108,688,580	111,194,685

41. Acquisition of subsidiaries

During the year, the Group completed the following acquisition:

- (a) Prior to this acquisition, Yingkou Wanying Logistics Co., Ltd. (“Yingkou Wanying”) was held by Dalian COSCO Shipping Container Lines Co., Ltd. (“Dalian Container Shipping”, a wholly-owned subsidiary of the Group) and Yingkou Port Group Co., Ltd. (“Yingkou Port”) with the equity interest of 51% and 49% respectively. Yingkou Wanying was accounted by the Group as investment in joint ventures as unanimous consent on key operating and financing decision was required among shareholders.

During the year, Xinsanli Container Services Co., Ltd. (“Xinsanli”, a wholly-owned subsidiary of the Group) entered into a share transfer agreement with Yingkou Port for the 49.00% equity interest with a total consideration of approximately RMB999,000. The share transfer was completed on 8 September, 2025. Thereafter, Yingkou Wanying became a wholly-owned subsidiary of the Group.

Notes to the Consolidated Financial Statements

41. Acquisition of subsidiaries (Continued)

(a) (Continued)

The major components of assets and liabilities arising from the business combination are as follows:

	Fair value RMB'000
Property, plant and equipment	709
Right-of-use assets	4,114
Intangible assets	23
Trade and other receivables and contract assets	10,358
Cash and cash equivalents	685
Current portion of lease liabilities	(4,977)
Trade and other payables and contract liabilities	(6,877)
Tax payables	(53)
Lease Liabilities	(1,733)
Deferred income tax liabilities	(125)
Total identifiable net assets acquired	2,124
Purchase consideration settled in cash	(999)
Cash and cash equivalents acquired	685
Net cash outflow on acquisition	(314)

The acquired business contributed revenue of RMB38,817,000 and net profit of RMB111,000 to the Group for the period from 1 October to 31 December 2025. If the acquisition had occurred on 1 January 2025, the consolidated revenue and profit for the year ended 31 December 2025 would have increased by RMB79,112,000 and RMB347,000, respectively.

For details of the acquisition of subsidiaries during the year ended 31 December 2024, please refer to the consolidated financial statements for the year ended 31 December 2024.

42. Contingent liabilities

- (a) As at 31 December 2025, the Group was involved in a number of claims. The Group was unable to ascertain the likelihood and amounts of these claims. However, based on the advice of legal counsel and/or information available to the Group, the Directors are of the opinion that the related claim amounts should not be material to the Group's consolidated financial statements for the year ended 31 December 2025.
- (b) **Guarantee**

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

Notes to the Consolidated Financial Statements

43. Commitments

(a) Capital commitments

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Contracted but not provided for		
– Container vessels	52,054,279	42,321,931
– Container	386,898	181,117
– Terminal equipment	2,992,780	2,575,101
– Other property, plant and equipment	47,840	41,071
– Investments in terminals and other companies	115,746	921,660
– Intangible assets	44,432	87,712
	55,641,975	46,128,592

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

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Contracted but not provided for	92,070	55,121

(b) Lease commitments – where the Group is the lessee

The non-cancellable lease commitments include leases of low-value assets, short-term leases with a term of twelve months or less and long-term leases with a term of over twelve months not yet commenced at 31 December 2025. The future aggregate minimum lease payments of these leases are as follows, payable in the following years:

	As at 31 December 2025 RMB'000		
	Containers and container vessels	Leasehold land, buildings and other property, plant and equipment	Total
– not later than one year	7,801,214	46,679	7,847,893
– later than one year	58,592,809	11,860	58,604,669
	66,394,023	58,539	66,452,562

Notes to the Consolidated Financial Statements

43. Commitments (Continued)

(b) Lease commitments – where the Group is the lessee (Continued)

	As at 31 December 2024		
		RMB'000	
	Containers and container vessels	Leasehold land, buildings and other property, plant and equipment	Total
– not later than one year	4,851,637	40,561	4,892,198
– later than one year	17,023,114	98,704	17,121,818
	21,874,751	139,265	22,014,016

44. Significant related party transactions

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

COSCO SHIPPING itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. Government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING Group, other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and COSCO SHIPPING as well as their close family members. The disclosure in relation to related party transactions and outstanding balances with other government-related entities and their subsidiaries are exempted. The Group's transactions with other state-controlled entities include but are not limited to sales or purchases of goods, purchases or sales of property and other assets, rendering or receiving of services, lease of assets, provision of guarantees and receiving of bank deposits and borrowings. The detailed disclosure in relation to these transactions and outstanding balances is exempted. The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

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

In addition to the related party information and transactions disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the year.

Notes to the Consolidated Financial Statements

44. Significant related party transactions (Continued)

	2025 RMB'000	2024 RMB'000
Transactions with subsidiaries of COSCO SHIPPING Group and its related entities (including joint ventures and associates of COSCO SHIPPING)		
Revenues		
Container shipping income (note b)	6,382,897	5,439,285
Freight forwarding income (note b)	1,207,366	1,208,077
Vessel services income (note b)	49,232	65,625
Crew service income (note b)	380	6,945
Terminal handling fee and storage income (note b)	180,163	178,086
Shipping related service income (note b)	81,242	51,159
Other income (note b)	10,403	10,560
Interest income from COSCO SHIPPING Finance (note a · b)	1,884,880	2,086,585
Expenses		
Vessel costs		
Expenses relating to short-term leases and service components included in the rentals – Vessel (note b)	20,157	376,030
Vessel services expenses (note b)	3,224,732	3,217,470
Crew expenses (note b)	2,789,605	2,624,029
Voyage costs		
Bunker costs (note b)	19,098,015	20,561,468
Port charges (note b)	2,938,539	2,864,658
Equipment and cargo transportation costs		
Commission and rebates (note b)	25,360	13,911
Cargo and transshipment and equipment and repositioning expenses (note b)	618,158	477,864
Freight forwarding expenses (note b)	469,540	461,676
General service expenses (note b)	398,775	378,969
Expenses relating to short-term leases and leases with low-value assets-Building (note b)	83,781	67,589
Expenses relating to short-term leases and leases with low-value assets-Container (note b)	1,805,875	1,752,631
Interest expense of lease liabilities (note c)	857,102	847,125
Other expense (note b)	37,103	20,855
Others		
Payment of lease liabilities (note c)	2,158,512	2,431,154
Concession rights fee (note b)	596,269	509,373
Purchase of containers (note b)	6,217,850	2,006,848
Installment of vessel under construction (note b)	13,189,098	15,845,950
COSCO SHIPPING Finance interest expense (note b)	39,912	57,406
Other handling fee (note b)	3,571	1,538
Equity acquisition	-	2,142,606

Notes to the Consolidated Financial Statements

44. Significant related party transactions (Continued)

	2025 RMB'000	2024 RMB'000
Transactions with joint ventures of the Group		
Revenues		
Management fee and service fee income	36,242	32,672
Other income	33,229	34,281
Expenses		
Port charges	2,464,767	2,267,692
Expenses relating to short-term leases or leases with low-value assets	5,074	5,168
Equipment and cargo transportation costs		
Commission and rebates	7,799	6,704
Cargo and transshipment and equipment and repositioning expenses	10,413	11,160
Transactions with associates of the Group		
Revenues		
Freight forwarding and other income from SIPG (note b)	61,159	59,160
Freight forwarding and other income from other associates	196,981	45,428
Expenses		
Terminal service expenses paid to SIPG (note b)	1,803,410	1,835,159
Terminal service expenses paid to other associates	1,556,918	909,920
Others		
Equity disposal	-	82,975
Transactions with other non-controlling shareholders of subsidiaries		
Revenues		
Terminal handling and storage income	2,679,722	2,413,411
Other income	2,422	3,457
Expenses		
Electricity charge and supply of fuel	9,714	9,645
Container handling and logistics services fee	633,979	547,918

Notes:

- (a) As at 31 December 2025 and 2024, cash and cash equivalents deposited in COSCO SHIPPING Finance were disclosed in note 21, majority of the Group's other bank balances and bank borrowings are with state-owned banks.
- (b) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules and have complied with the disclosure requirements of Chapter 14A of the Listing Rules.
- (c) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules in accordance with the provisions such as Rule 14A.76 of the Listing Rules.

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates

At 31 December 2025, the Group had the following principal subsidiaries, joint ventures and associates which, in the opinion of the Directors, materially affect the results and/or assets of the Group.

(a) Subsidiaries

As at 31 December 2025, the Group had direct and indirect equity interests in the following principal subsidiaries:

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Capital held directly					
COSCO Shipping Lines Co., Ltd. [#] (v)	China/Worldwide	Container transportation	RMB23,664,337,165	100.00%	100.00%
China COSCO (Hong Kong) Limited [#]	Hong Kong, China	Investment holding	RMB64,100	100.00%	100.00%
COSCO SHIPPING Holdings (Hong Kong) Limited [#]	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Shanghai Shenhongli Enterprise Management Co., Ltd. [#] (v)	China	Consulting	RMB10,000	100.00%	100.00%
Capital held indirectly					
Shanghai PAN-ASIA Shipping Co., Ltd. (v)	China	Container transportation	RMB1,536,565,663	62.00%	62.00%
Shanghai COSCO Information & Technology Co., Ltd. (v)	China	Design and manufacture computer software, providing technology service and solution	RMB2,069,685	60.00%	60.00%
COSCO SHIPPING Container Lines Agencies Limited	Hong Kong, China	Shipping agency	RMB1,063,700	100.00%	100.00%
COSCO International Freight Co., Ltd. (v)	China	Freight forwarding and transportation	RMB377,170,094	100.00%	100.00%
COSCO SHIPPING Lines (Shanghai) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB1,305,683,453	100.00%	100.00%
COSCO SHIPPING Lines (Ningbo) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB30,000,000	100.00%	100.00%
Sanlly Container Service Co., Ltd. (v)	China	Technical services, container maintenance, container yard warehousing services	RMB50,000,000	100.00%	100.00%
COSCO SHIPPING Lines (Qingdao) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB84,300,000	100.00%	100.00%
COSCO SHIPPING Lines (Tianjin) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB62,825,653	100.00%	100.00%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2025, the Group had direct and indirect interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Capital held indirectly (Continued)					
COSCO SHIPPING Lines (Wuhan) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB44,681,134	51.00%	51.00%
COSCO Wuhan Logistics Co., Ltd. (v)	China	Logistics	RMB109,400,000	49.00%	49.00%
COSCO SHIPPING Lines (Dalian) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB60,000,000	100.00%	100.00%
COSCO SHIPPING Lines (Xiamen) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB215,000,000	100.00%	100.00%
Shanghai Haizhilian Real Estate Co., Ltd. (formerly known as Container Shipping Agency Co., Ltd. (v))	China	Property lease	RMB804,717,009	100.00%	100.00%
COSCO Shanghai Container Shipping Agency Co., Ltd. (v)	China	Shipping agency	RMB10,000,000	100.00%	100.00%
COSCO SHIPPING Lines South-China Co., Ltd. (v)	China	Freight forwarding and transportation	RMB627,470,000	100.00%	100.00%
COSCO SHIPPING Lines (Hainan) Co., Ltd. (v)	China	Freight forwarding and transportation	RMB62,820,000	100.00%	100.00%
COSCO SHIPPING Lines (Korea) Co., Ltd.	South Korea	Freight forwarding and shipping agency	KRW306,800,000	100.00%	100.00%
COSCO SHIPPING (North America) Inc.	United States of America	Shipping agency	US\$2,900,000	100.00%	100.00%
COSCO SHIPPING Lines (EUROPE) GmbH	German/Europe	Shipping agency	EURO1,500,000	100.00%	100.00%
COSCO Container Lines (Hong Kong) Co., Ltd.	Hong Kong, China	Freight forwarding and shipping agency	HK\$1,000,000	100.00%	100.00%
COSCO SHIPPING (Oceania) Pty Ltd.	Australia	Shipping agency, freight forwarding and other international sea transport services	AUD100,000	100.00%	100.00%
Coheung Marine Shipping Company Limited	Hong Kong, China	Container transportation	US\$2,980,000	100.00%	100.00%
COSCO (CAYMAN) Mercury Co., Ltd.	Cayman Islands/ Hong Kong, China	Vessel chartering	US\$50,000	100.00%	100.00%
COSCO SHIPPING Lines (Japan)	Japan	Marine services	JPY40,000,000	100.00%	100.00%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2025, the Group had direct and indirect interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Capital held indirectly (Continued)					
New Golden Sea Shipping Pte. Co., Ltd.	Singapore	Container transportation	SGD22,543,400	100.00%	100.00%
Shanghai COSCO SHIPPING Lines Global Service Centre Ltd. (v)	China	Document services	RMB1,000,000	100.00%	100.00%
COSCO SHIPPING LINES (Brazil) S.A.	Brazil	Freight forwarding and shipping agency	BRL520,500	100.00%	100.00%
COSCO SHIPPING LINES (PANAMA) INC.	Panama	Freight forwarding and shipping agency	US\$10,000	100.00%	100.00%
Shanghai Ocean Shipping Co., Ltd. (v)	China	Vessel management and manning service	RMB482,843,450	100.00%	100.00%
China Shipping Container Lines Hainan Co., Ltd. (v)	China	Freight forwarding and shipping agency	RMB10,000,000	100.00%	100.00%
COSCO SHIPPING Lines (South Africa) Co., Ltd.	South Africa	Cargo and liner agency	ZAR100	100.00%	100.00%
COSCO SHIPPING Lines (Western Asia) Co., Ltd.	United Arab Emirates	Cargo and liner agency	US\$820,000	100.00%	100.00%
COSCO SHIPPING (CENTRAL AMERICA) INC.	Panama	Cargo and liner agency	US\$10,000	100.00%	100.00%
Shanghai Tianhongli Asset Management Limited (v)	China	Asset Management	RMB1,497,460,000	100.00%	100.00%
Xinsanli Smart Container Service Co., Ltd. (v)	China	Technical services, container maintenance, container yard warehousing services	RMB50,000,000	100.00%	100.00%
Guangxi Far Sea Land Sea New Channel Supply Chain Co., Ltd.	China	Multimodal Transport	RMB100,000,000	60.00%	-
Hunan Huaihua Yuanhai New Channel Logistics Co., Ltd.	China	Freight transportation	RMB20,000,000	51.00%	-
COSCO SHIPPING Ports	Bermuda	Terminal operations	HK\$395,995,494	72.27%	71.55%
COSCO Investment Limited	British Virgin Islands/ Hong Kong China	Investment holding	1 ordinary share of US\$1	100.00%	100.00%
COSCO Asset Management Limited	Hong Kong, China	Vessel management	10,000 shares of US\$1 each	100.00%	100.00%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(a) Subsidiaries (Continued)

As at 31 December 2025, the Group had direct and indirect interests in the following principal subsidiaries: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Capital held indirectly (Continued)					
OOIL	Bermuda	Container transportation	US\$66,037,300	71.07%	71.07%
Faulkner Global Holdings Limited	British Virgin Island/ Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Riches Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Wealth Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Fortune Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Abundance Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Treasure Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Valuable Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Glory Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Prosperity Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Supply Lucky Limited	Hong Kong, China	Investment holding	US\$10,000	100.00%	100.00%
Shanghai Haiji Changlian Supply Chain Management Co., Ltd. (y)	China	Supply chain management	RMB4,000,000	80.00%	80.00%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(b) Joint ventures

As at 31 December 2025, the Company had indirect interests in the following principal joint ventures:

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Asia Container Terminals Holdings Limited	Cayman Islands	Investment holding	HK\$1,000 divided into 1,000 ordinary shares	20.00%	20.00%
Conte-Rail, S.A.	Spain	Operation of rail terminals	45,000 ordinary shares Euro34.3 each	50.00%	50.00%
COSCO-HIT Terminals (Hong Kong) Limited	Hong Kong, China	Operation of container terminals	HK\$20 divided into 2 "A" ordinary shares, HK\$20 divided into 2 "B" ordinary shares and HK\$40 divided into 4 non-voting 5% deferred shares	50.00%	50.00%
COSCO-HPHT ACT Limited	British Virgin Islands	Investment holding	1,000 ordinary shares of US\$1 each	50.00%	50.00%
COSCO-PSA Terminal Private Limited	Singapore	Operation of container terminals	SGD286,213,000	49.00%	49.00%
Dalian Dagang Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB10,000,000	35.00%	35.00%
Euro-Asia Oceangate S.à.r.l.	Luxembourg	Investment holding	US\$40,000	40.00%	40.00%
Lianyungang Port Railway International Container Multimodal Transport Co., Ltd. (v)	China	Logistics	RMB3,400,000	30.00%	30.00%
Nansha Stevedoring Corporation Limited of Port of Guangzhou (v)	China	Operation of container terminals	RMB1,260,000,000	40.00%	40.00%
Ningbo Yuan Dong Terminals Limited (iv)	China	Operation of container terminals	RMB2,500,000,000	40.00%	40.00%
Piraeus Consolidation and Distribution Centre S.A.	Greece	Storage, consolidation and distribution	EURO1,000,000	50.00%	50.00%
Qingdao Port Dongjiakou Ore Terminal Co., Ltd. (iv)	China	Operation of iron ore terminal	RMB2,000,000,000	25.00%	25.00%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(b) Joint ventures (Continued)

As at 31 December 2025, the Company had indirect interests in the following principal joint ventures: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Shanghai Pudong International Container Terminals Limited (iv)	China	Operation of container terminals	RMB1,900,000,000	30.00%	30.00%
Yingkou Container Terminals Company Limited (iv)	China	Operation of container terminals	RMB8,000,000	50.00%	50.00%
Yingkou New Century Container Terminal Co., Ltd. (v)	China	Operation of container terminals	RMB40,000,000	40.00%	40.00%
OOCL (U.A.E.) L.L.C.	Dubai	Liner agency	300 ordinary shares AED300,000	49.00%	49.00%
Sinovni Company Limited (formerly known as Tan Cang-COSCO-OOCL Logistics Company Limited) (iii)	Vietnam	Container depot	Legal capital US\$1,000,000	30.00%	30.00%
Qingdao Orient International Container Storage & Transportation Co. Ltd. (iv)	China	Container depot	Registered capital RMB69,900,000	55.00%	55.00%
Red Sea Container Terminals Overseas Limited	England and Wales	Investment holding	112,500,000 ordinary shares of US\$1 each	25.00%	25.00%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(c) Associates

As at 31 December 2025, the Company had indirect interests in the following principal associates:

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Antwerp Gateway NV	Belgium	Operation of container terminals	EURO17,900,000	20.00%	20.00%
APM Terminals Vado Holdings B.V.	Netherlands	Investment holding	10 ordinary shares of EURO100 each	40.00%	40.00%
Beibu Gulf Port Co., Ltd. (v)	China	Operation of terminals	RMB2,369,661,965	11.32%	9.86%
COSCO SHIPPING Terminals (USA) LLC	USA	Investment holding	US\$27,470,000	40.00%	40.00%
Dalian Automobile Terminal Co., Ltd. (iv)	China	Construction and operation of automobile terminals	RMB400,000,000	24.00%	24.00%
Dalian Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB3,480,000,000	19.00%	19.00%
Damietta International Port Company S.A.E	Egypt	Operation of container terminals	20,000,000 ordinary shares of US\$10 each	20.00%	20.00%
Dawning View Limited	British Virgin Islands	Investments holding	200 "A" shares of US\$1 each and 800 "B" shares of US\$1 each	20.00%	20.00%
Euromax Terminal Rotterdam B.V.	Netherlands	Operation of container terminals	65,000 "A" shares of Euro1 each, 35,000 "B" shares of Euro1 each and 25,000 "C" shares of Euro1 each	28.00%	28.00%
Fangchenggang Chisha Terminal Co., Limited	China	Operation of container terminals	RMB910,000,000	20.00%	20.00%
Global Shipping Business Network Limited	Hong Kong, China	Business Network Services	USD 8,000,000 divided into 8,000,000 ordinary shares	37.50%	37.50%
Guangxi Beibu Gulf International Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB2,371,600,000	26.00%	26.00%
HHLA Container Terminal Tollerort GmbH	Germany	Operation of container terminals	7,700,000 ordinary shares of Euro1 each	24.99%	24.99%
Kao Ming Container Terminal Corp.	China Taiwan	Operation of container terminals	TWD6,800,000,000	30.00%	30.00%
NeZha Smart Technology (Shanghai) Co., Ltd.	China	Operation of technology	RMB94,861,008	15.00%	15.00%
Qingdao Port International Co., Ltd. (iv)	China	Operation of container terminals	RMB6,491,100,000	20.30%	20.06%

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(c) Associates (Continued)

As at 31 December 2025, the Company had indirect interests in the following principal associates: (Continued)

Name	Place of incorporation/ establishment and operations	Principal activities	Issued/registered and fully paid up capital	Attributable equity interest to the equity holders of the Company	
				2025	2024
Qinhuangdao Port New Harbour Container Terminal Co., Ltd. (v)	China	Operation of container terminals	RMB400,000,000	30.00%	30.00%
Red Sea Gateway Terminal Company Limited	Kingdom of Saudi Arabia	Operation of container terminals	SAR555,207,000	20.00%	20.00%
Shanghai Mingdong Container Terminals Limited (iv)	China	Operation of container terminals	RMB4,000,000,000	20.00%	20.00%
Success Enterprises Limited (formerly known as Sigma Enterprises Limited)	British Virgin Islands	Investment holding	2,005 "A" shares of US\$1 each and 8,424 "B" shares of US\$1 each	16.49%	16.49%
Suez Canal Container Terminal S.A.E.	Egypt	Operation of container terminals	1,856,250 ordinary shares of US\$100 each	20.00%	20.00%
Taicang International Container Terminal Co., Ltd. (iv)	China	Operation of container terminals	RMB450,800,000	39.04%	39.04%
Tianjin Shenggang Container Technology Development Service Co., Ltd. (v)	China	Container handling	RMB3,000,000	33.00%	33.00%
Wattrus Limited	British Virgin Islands	Investment holding	32 "A" shares of US\$1 each and 593 "B" shares of US\$1 each	5.12%	5.12%
COSCO SHIPPING Finance Co., Ltd. (v)	China	Financial services	Registered capital RMB19,500,000,000	22.97%	22.97%
Shanghai International Port (Group) Co., Ltd. (iv)	China	Investment holding	Registered capital RMB23,281,365,262	15.55%	15.55%
COSCO SHIPPING Logistics Supply Chain Co., Ltd. (v)	China	Liner agency	Registered capital RMB1,637,978,269	19.00%	19.00%
COFCO Fortune Co., Ltd. (iv)	China	Wholesale of grains, beans, and potatoes	Registered capital RMB3,095,461,561	5.81%	5.81%
Hutchison Laemchabang Terminal Limited	Thailand	Operation of container terminals	10,000,000 ordinary shares with a par value of THB 100 per share and 35,000,000 preferred shares with a par value of THB 100 per share	30.00%	-
Thai Laemchabang Terminal Co., Ltd.	Thailand	Operation of container terminals	6,800,000 ordinary shares with a par value of THB 100 per share	12.50%	-
SAIC Anji Logistics Co., Ltd.	China	Ocean Cargo Transportation	Registered capital RMB750,000,000	10.00%	-

Notes to the Consolidated Financial Statements

45. Particulars of principal subsidiaries, joint ventures and associates (Continued)

(c) Associates (Continued)

As at 31 December 2025, the Company had indirect interests in the following principal associates: (Continued)

Notes:

- # Subsidiaries held directly by the Group.
- (i) The English names of certain subsidiaries, joint ventures and associates referred to in the consolidated financial statements represent management's best efforts at translating the Chinese names of these companies as no English names have been registered.
- (ii) Although the Group held less than 50% or 20% effective equity interests in some subsidiaries and associates as disclosed above, respectively, the Group either owns indirectly, through its non-wholly owned subsidiaries, more than 50% of the voting power of those subsidiaries and more than or equal to 20% of the voting power of those associates or can exercise control through contractual arrangement or exercise significant influence by having board participation.
- (iii) Although the Group's equity interests in some joint ventures as disclosed above are more than 50%, the Group does not have unilateral control over these joint ventures.
- (iv) This entity is registered as a sino-foreign joint venture company under PRC law.
- (v) This entity is registered as a wholly domestic owned enterprise under PRC law.
- (vi) None of the subsidiaries had issued any debt securities at the end of the reporting period.

Notes to the Consolidated Financial Statements

46. Balance sheet and reserve movement of the Company

Balance sheet of the Company

	NOTE	As at 31 December	
		2025	2024
		RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		4	31
Investments in associates		35,749,528	33,268,313
Financial assets at fair value through other comprehensive income		790,903	827,519
Investments in subsidiaries		38,351,640	38,351,640
Loans to a subsidiary		–	3,200
Other non-current assets		–	1,000,943
Total non-current assets		74,892,075	73,451,646
Current assets			
Trade and other receivables and contract assets		3,487,917	3,298,684
Taxes recoverable		94,013	10,004
Restricted bank deposits		556	4,081
Cash and cash equivalents		2,343,692	19,706,304
Total current assets		5,926,178	23,019,073
Total assets		80,818,253	96,470,719
EQUITY			
Share capital		15,489,883	15,960,827
Reserves	(a)	65,167,489	80,039,931
Total equity		80,657,372	96,000,758
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		3,019	12,173
Total Non-current liabilities		3,019	12,173
Current liabilities			
Trade and other payables and contract liabilities		157,862	157,692
Short-term borrowings		–	300,096
Total current liabilities		157,862	457,788
Total liabilities		160,881	469,961
Total equity and liabilities		80,818,253	96,470,719

Notes to the Consolidated Financial Statements

46. Balance sheet and reserve movement of the Company (Continued)

Balance sheet of the Company (Continued)

Note (a)

Reserve movement of the Company

	Capital reserve RMB'000	Statutory reserve fund RMB'000	Other reserve RMB'000	Treasury share RMB'000	Retained earning RMB'000	Total RMB'000
As at 1 January 2024	41,089,101	11,536,480	(3,342,792)	(374,092)	19,631,375	68,540,072
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	47,601	-	-	-	-	47,601
Share of other comprehensive income of associates, net	(10,399)	-	-	-	-	(10,399)
Fair value of share options granted	327	-	-	-	-	327
Repurchase and cancellation of shares	(681,046)	-	-	(1,224,095)	-	(1,905,141)
Appropriate of statutory reserves	-	2,532,174	-	-	(2,532,174)	-
Profit for the year	-	-	-	-	25,321,742	25,321,742
Dividend	-	-	-	-	(11,970,479)	(11,970,479)
Share of reserve of an associate	16,208	-	-	-	-	16,208
As at 31 December 2024	40,461,792	14,068,654	(3,342,792)	(1,598,187)	30,450,464	80,039,931
As at 1 January 2025	40,461,792	14,068,654	(3,342,792)	(1,598,187)	30,450,464	80,039,931
Changes in the fair value of financial assets at fair value through other comprehensive income, net of tax	(27,462)	-	-	-	-	(27,462)
Share of other comprehensive income of associates, net	100,742	-	-	-	-	100,742
Repurchase and cancellation of shares	(5,317,049)	-	-	(773,401)	-	(6,090,450)
Appropriate of statutory reserves	-	1,602,035	-	-	(1,602,035)	-
Profit for the year	-	-	-	-	16,020,349	16,020,349
Dividend	-	-	-	-	(24,628,710)	(24,628,710)
Share of reserve of an associate	(246,911)	-	-	-	-	(246,911)
As at 31 December 2025	34,971,112	15,670,689	(3,342,792)	(2,371,588)	20,240,068	65,167,489

Five Year Financial Summary

	2025 RMB'000	2024 RMB'000	2023 (Restated) RMB'000	2022 (Restated) RMB'000	2021 RMB'000
Revenues	219,503,805	233,859,079	175,452,975	391,161,764	333,693,943
Profit before income tax	41,987,917	67,086,756	33,079,791	167,194,780	128,006,540
Income tax expenses	(6,771,694)	(11,494,089)	(4,682,974)	(35,642,116)	(24,101,179)
Profit for the year	35,216,223	55,592,667	28,396,817	131,552,664	103,905,361
Profit attributable to:					
– Equity holders of the Company	30,859,651	49,172,465	23,860,169	109,807,715	89,348,948
– Non-controlling interests	4,356,572	6,420,202	4,536,648	21,744,949	14,556,413
Total assets	483,758,024	497,472,214	462,570,620	512,070,859	414,275,122
Total liabilities	(200,351,999)	(212,413,437)	(219,219,595)	(258,147,580)	(234,815,076)
Total equity	283,406,025	285,058,777	243,351,025	253,923,279	179,460,046

Notes:

- (a) The financial figures for the year 2024 and 2025 were extracted from the Consolidated Financial Statements.
- (b) The financial figures for the year 2021 to 2023 were extracted from the 2024 annual report and reclassified to align with the current year's presentation format, with no retrospective adjustments for common control combinations during the year made to the financial figures for 2021 since for the comparative financial statement periods, the opening retained earnings for the earliest period should be adjusted, along with the figures for other relevant items in the financial statements.



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