



Seacon Shipping Group Holdings Limited

洲際船務集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2409



2025

Annual Report

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CORPORATE INFORMATION

Executive Directors

Mr. Guo Jinkui (*Chairman*)
Mr. Chen Zekai (*President*)
Mr. He Gang
Mr. Zhao Yong

Independent Non-executive Directors

Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Audit Committee

Mr. Fu Junyuan (*Chairperson*)
Ms. Zhang Xuemei
Mr. Zhuang Wei

Remuneration Committee

Ms. Zhang Xuemei (*Chairperson*)
Mr. Chen Zekai
Mr. Zhuang Wei

Nomination Committee

Mr. Guo Jinkui (*Chairperson*)
Mr. Chen Zekai
Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Risk Management Committee

Mr. Guo Jinkui (*Chairperson*)
Mr. He Gang
Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Environmental, Social and Governance Committee

Mr. Guo Jinkui (*Chairperson*)
Mr. Zhao Yong
Mr. Zhuang Wei

Joint Company Secretaries

Ms. Sun Yufeng
Ms. Chan Sze Ting (*FCG, HKFCG*)

Authorised Representatives

Mr. He Gang
Ms. Chan Sze Ting

Registered Office

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Hibiscus Way, 802 West Bay Road
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Shandong Province, the PRC

Principal Place of Business in Hong Kong

Unit No. 3513, 35/F
The Center
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Hong Kong

Independent Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
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Central, Hong Kong

CORPORATE INFORMATION

Hong Kong Legal Adviser

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Cayman Islands Principal Share Registrar and Transfer Office

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bankers

Bank of Communications
Bank of China
Citibank
Hang Seng Bank

Stock Code

2409

Company Website

www.seacon.com



CHAIRMAN'S STATEMENT

Dear shareholders and investors,

On behalf of the Board and the management of Seacon Shipping Group Holdings Limited (“**Seacon Shipping**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I would like to express our heartfelt gratitude to all shareholders, investors, and global partners who have consistently placed their trust and support in us over the years. I also wish to extend a special thanks to every employee who has stood by the Company through thick and thin. It is your dedication and hard work amidst challenges that have steadily propelled Seacon Shipping forward.

This year marks the third anniversary of Seacon Shipping’s listing on the Main Board of Hong Kong Stock Exchange. Looking back on our voyage through the waves over the past three years, we have always held fast to our dreams while remaining firmly grounded. Leveraging the advantages of the capital market platform, we have earned broad trust from investors through high-standard information disclosure, successfully diversified our financing channels, and significantly optimized the Group’s cost of capital. Concurrently, by capitalizing on our leading market position and global business network, we have established mutually beneficial and win-win stable partnerships with shipbuilders in China and Japan, domestic and international shipowners, and major financial leasing institutions. It is this invaluable trust and support that has laid the most solid foundation for the Group to navigate industry cycles and achieve high-quality and sustainable development.

The year 2025 finds the global shipping market amidst unprecedented transformations. Against a backdrop of divergent global macroeconomic recovery, escalating geopolitical tensions, and the full-scale implementation and strict enforcement of environmental rules such as the EU’s FuelEU Maritime regulation and global emissions trading systems, the industry’s operating landscape has become markedly more uncertain. Freight rate benchmarks in core segments like dry bulk and chemicals continue to face sustained pressure, presenting shipping companies with the multifaceted challenges of rising compliance costs, market supply-demand realignment, and the imperative to enhance operational efficiency. Yet, in the face of these challenges, we have adhered to an integrated strategy emphasizing both asset-light and asset-heavy approaches, coupled with a “Management + Operation + Investment” model. This has enabled us to precisely seize opportunities amidst the flux, with all our core businesses demonstrating robust operational resilience.

SOLID FINANCIAL PERFORMANCE AND STRONG GROWTH MOMENTUM IN CORE BUSINESSES

Although the Group’s shipping segment faced overall pressure on revenue due to falling freight rates in the shipping market, revenue and gross profit from the ship management business rose steadily, driving robust growth in the Group’s revenue, which stood at approximately US\$323.8 million. Affected by changes in the gross profit structure of the controlled fleet, overall gross profit decreased by 15.4% year-on-year to approximately US\$54.5 million, with an overall gross profit margin of approximately 16.8%. Profit attributable to equity holders of the Company stood at approximately US\$36.0 million, representing a year-on-year decrease of 48.8%.

Regarding the business structure, the revenue contribution from our ship management services further increased to approximately 38.5%. Driven by the expansion of our vessels under management and improved gross profit, this segment has become a key engine driving overall performance. While our shipping services segment, underpinned by an optimized mix of controlled and chartered fleets and enhanced cost management, continued to provide the Group with stable cash flows, acting as a steadfast “ballast”. Concurrently, the Group opportunistically disposed of certain vessels during the Year, resulting in a gain on disposal of approximately US\$33.0 million. By precisely capitalizing on market cycle opportunities, we have further optimized our fleet structure and enhanced capital returns.

CHAIRMAN'S STATEMENT

As of 31 December 2025, the Group maintained abundant cash and cash equivalents, sufficient undrawn facilities, and a healthy level of gearing ratio. This solid financial position has not only fortified our breakwater against market volatility but also provides strong financial support for our future business expansion.

FLEET EXPANSION COUPLED WITH ASSET REPLACEMENT TO ENHANCE OPERATIONAL EFFICIENCY

During the Year, we continued to advance our fleet expansion and optimization strategy, successfully taking delivery of 11 newbuild vessels and 7 second-hand vessels. Together with 7 newbuilds and 3 second-hand vessels acquired through investments and bareboat charters, we added a total capacity of 806,852 dwt. As of 31 December 2025, the Group controlled 36 vessels and held investments in 12 vessels through joint ventures, bringing our combined weight carrying capacity to 1.70 million dwt.

Concurrently, we actively seized opportunities in the vessel asset cycle by opportunistically disposing of 6 vessels. This initiative not only generated a net one-off disposal gain (deducting tax and expenses) of approximately US\$33.0 million, delivering favorable returns to shareholders, but also recovered substantial cash for the Company. Benefiting from the asset replacement strategy, the average fleet age was further reduced to 3.6 years, while our working capital position was effectively supplemented and capital structure was optimized accordingly, providing ample funding support for subsequent acquisitions of high-efficiency new vessels.

The Company's total assets grew from US\$492.1 million in 2023 to US\$971.3 million in 2025, achieving a compound annual growth rate of 40.5%. This represents a leapfrog development in fleet expansion during the current upward cycle in vessel asset values.

GREEN LEADERSHIP: FROM COMPLIANCE RESPONSE TO VALUE CREATION

In response to the full implementation of the EU's FuelEU Maritime regulation and Emissions Trading System, we have transformed passive compliance into proactive action. Taking the lead, we initiated the formation of the industry's first FuelEU compliance pool in China, offering our clients innovative low-carbon pathways. Coupled with our independently developed "Green Future" emissions management system, we have achieved real-time emissions monitoring and precise carbon accounting, further enhancing our environmental compliance efficiency.

Regarding fleet upgrades, we managed ten 7,000-unit LNG dual-fuel vehicle ro-ro ships, including vessels such as "Huang Hu" and BYD's "Hefei". We also provided professional supervision and management services for the car carriers of multiple leading Chinese new energy vehicle manufacturers. We have embedded green principles throughout the entire process from technical support to vessel management, underscoring the Group's unwavering commitment and proactive efforts in the green and low-carbon transition.

DIGITAL AND INTELLIGENT NAVIGATION: FROM EFFICIENCY TOOL TO CORE COMPETITIVENESS

We firmly believe that digitalization and intelligence serve as the core engine for high-quality development in shipping enterprises. The year 2025 marked a critical period when our "Digital and Intelligent Navigation" vision evolved from concept to full-scale implementation.

CHAIRMAN'S STATEMENT

During the Year, our independently developed Seacon-AI large model was officially put into operation, enabling structured extraction and intelligent Q&A from vast volumes of documents including industry research and internal policies. This allows us to obtain decision-critical information within seconds, significantly enhancing the decision-making efficiency in project evaluation, risk assessment, and internal collaboration. Concurrently, the integrated digital platform, Ship Management Platform (SMP) commenced vessel installation and trial operation in November 2025. By interconnecting core modules including technical management, crew management, commercial management, and financial settlement, it has established a real-time data linkage system across the entire fleet. This represents a qualitative leap from fragmented management to integrated governance, building a unique moat for the Group amid fierce market competition.

The Group's procurement module has completed the integration of its management structure and processes, establishing a centralized procurement platform for maritime services such as ship materials and spare parts, driven by digitalization and standardization. Following the launch of the procurement platform system, the Group will establish a standardized database for marine supplies, enabling full lifecycle management of suppliers while achieving financial collaboration. The procurement platform system will continue to promote standardization, digitalization and compliance in the Group's procurement, ultimately translating into a competitive edge in the procurement of comprehensive marine products and services, and continuously delivering new value to ship management clients.

We believe that digitalization and intelligence is no longer merely a tool for enhancing efficiency but a transformative force reshaping ship management and shipping operation models. The Group will continue increasing investment in data platforms, algorithm models, and intelligent applications, truly integrating technology into daily operations to create greater value for clients and shareholders.

STEADY GROWTH IN SHIP MANAGEMENT BUSINESS WITH RECORD-BREAKING INTERNATIONAL RECOGNITION

Leveraging years of dedication and professional service, the Group has further consolidated its leading position in ship management. In 2025, we have been ranked as one of the Lloyd's List Global Top 10 Ship Management Enterprises and Managers for three consecutive years, maintaining ninth place.

Our ship management business continues demonstrating strong growth momentum. Our management portfolio not only maintains depth in dry bulk vessels but comprehensively covers multiple segments including product tankers, chemical tankers, car carriers, multi-purpose heavy-lift vessels, gas carriers, and wind farm-related vessels. During the Year, the contract renewal rate for management services remained above 95%, fully reflecting high client recognition of our professional service capabilities. Benefiting from an increased number of vessels under management and a higher proportion of lump-sum management models, both revenue and gross profit from ship management business recorded steady growth, establishing this segment as the core engine driving overall performance of our Company.

Additionally, to further broaden its business moat, the Company acquired 40% equity interest in CIMC Xinde Leasing in 2025, formally entering the financial leasing sector. This strategic move builds integrated "Finance + Management + Operation" capabilities, further deepening our full lifecycle service offerings for vessels and enhancing our service capabilities.

CHAIRMAN'S STATEMENT

LOOKING AHEAD: PURSUING PROGRESS WHILE ENSURING STABILITY, LEADING THROUGH INNOVATION

A time will come to ride the wind and cleave the waves, and we shall hoist our white sails and cross the vast sea. Looking toward 2026, the global shipping industry will continue navigating a complex environment shaped by multiple transformations. The ongoing spillover effects of the Israel-Iran conflict, triggering crises at two major global shipping chokepoints — the Red Sea and the Strait of Hormuz — are accelerating global supply chain restructuring. Simultaneously, further tightening of environmental regulations will profoundly impact the shipping landscape. Despite the shipping industry facing multiple severe challenges including heightened navigation risks, rising logistics and energy transportation costs, and global supply chain restructuring, we firmly believe that, with our young and environmentally friendly fleet assets, leading digital and intelligent management platforms, as well as abundant cash flow, and solid financial foundation, the Group is well-positioned to seize opportunities amidst change by flexible route adjustments, optimized fleet operation strategies, and enhanced risk prevention systems, thereby continuously enhancing market competitiveness, and collaborating with clients to identify optimal operational pathways.

Moving forward, we will steadily advance along three core directions: (i) consolidating and expanding the advantages of our ship management platform, increasing the scale of vessels under management and the proportion of high-end vessel types, while continuously strengthening the share of asset-light, fee-based income; (ii) disciplined fleet expansion and replacement to maintain fleet youth and green competitiveness, while prudently managing capital expenditure and leverage levels; and (iii) comprehensively deepening the implementation of digital and intelligent and green technologies, transforming platform capabilities including Seacon-AI, SMP, and the FuelEU compliance pool into sustainable commercial outcomes.

Every step of Seacon Shipping's growth is nourished by this vibrant shipping industry and inseparable from the dedicated efforts of all employees and the long-standing support of shareholders and partners. Moving forward, we will continue upholding our vision to "Carry Dreams, Forge Brilliance Together", meeting challenges with steady strides and creating sustainable long-term value for shareholders and society.

Mr. Guo Jinkui

Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

The Group is an integrated shipping service provider involved in investment, operation and management of vessels. It offers one-stop services that cover key segments of the maritime value chain, primarily including (i) shipping services and (ii) ship management services.

In terms of shipping services, the Group, leveraging a diversified fleet comprising controlled vessels and chartered-in vessels, provides various shipping services for dry bulk cargoes as well as oil/chemical products to commodity producers, traders, and shipping enterprises worldwide. Through the flexible allocation of the ratio of controlled vessels to chartered-in vessels, the Group is able to enhance profitability during the upward phase of the shipping cycle, and to effectively reduce fixed costs by adjusting chartered-in capacity during market fluctuations or downturns. This enhances overall operational resilience and flexibility, while maximizing profits.

Regarding ship management services, as one of the world's leading third-party ship management service providers, the Group offers comprehensive services covering the entire lifecycle of vessels to shipowners, financial leasing companies and shipyards. These services include technical management, crew management, commercial support, marine insurance arrangements, and shipbuilding supervision. This business segment is characterised by asset-light operations, high customer loyalty, and stable cash flows, serving as the cornerstone of the Group's ability to withstand economic cycles.

Furthermore, leveraging years of accumulated industry experience and market intelligence, the Group proactively seizes asset trading opportunities throughout shipping cycles and actively engages in ship investment-related businesses. By acquiring vessels at market lows and selectively disposing of them at market highs, the Group realizes capital appreciation. This creates synergies with its shipping services and ship management businesses, enhancing overall asset returns.

BUSINESS HIGHLIGHTS

Revenue: Revenue amounted to approximately US\$323.8 million during the year ended 31 December 2025 (the "Year"), representing a year-on-year increase of 14.8% from approximately US\$282.1 million in 2024.

Gross profit: Gross profit amounted to approximately US\$54.5 million during the Year, representing a year-on-year decrease of 15.4% from approximately US\$64.4 million in 2024.

Net profit: Net profit amounted to approximately US\$41.4 million during the Year, representing a year-on-year decrease of 44.7% from approximately US\$74.8 million in 2024.

Earnings before interest, taxes, depreciation and amortisation: Earnings before interest, taxes, depreciation and amortisation amounted to US\$101.2 million during the Year, representing a year-on-year decrease of 19.6% from US\$125.8 million in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December

	2025 US\$ million	2024 US\$ million
Revenue	323.8	282.1
Gross profit	54.5	64.4
Net profit	41.4	74.8
Earnings before interest and tax	66.8	77.4
Earnings before interest, taxes, depreciation and amortisation	101.2	125.8
Profit per share (US\$ per share)	0.072	0.141

BUSINESS STRATEGY

One-stop service platform of ship asset covering investment, operation and management: With the extensive maritime knowledge of the Group's management, as well as the operational experience and market information accumulated through shipping services and ship management services, the Group is able to respond in advance to the shipping industry cycles. The Group acquires vessel assets at lower prices and makes strategic deployments to generate revenue through its operation and management services during counter-cyclical phases. The Group may sell vessels at a premium to take advantage of the opportunities brought by fluctuations in the market cycle at market highs.

Allocation of light or heavy ship assets: Maintaining a well-balanced portfolio of vessel fleet assets is one of the keys to the robust development of the Group's shipping services. As the lease term of the chartered-in vessels is generally short (usually expiring within three months), this model allows the Group to enjoy greater flexibility in vessel fleet operations, enabling it to respond swiftly to market fluctuation while avoiding significant capital expenditure. On the other hand, controlled vessels generally enjoy a higher gross profit and could drive the financial performance. Therefore, maintaining a balanced vessel fleet asset portfolio helps the Group achieve economies of scale and improved profitability while maximising operational flexibility.

Expanding vessel fleet: In view of the low shipbuilding cost in the past few years, the Group has engaged well-established shipyards located in the PRC and Japan to build new vessels for it. During the Year, the Group successively took delivery of 11 new vessels and 7 second-hand vessels and put them into operation. Coupled with the 7 new vessels and 3 second-hand vessels acquired through investment and bareboat charters, a total weight carrying capacity of 806,852 dwt has been added. Looking ahead to 2026, the Group expects to have 20 vessels put into operation, including 3 new bulk carriers, 9 new chemical tankers, 4 oil tankers, 2 multi-purpose dry cargo vessels, 1 electric container vessel, and 1 general breakbulk carrier. This will add an additional weight carrying capacity of approximately 558,100 dwt.

MANAGEMENT DISCUSSION AND ANALYSIS

		2026	2027	2028	Estimated total for 2026 to 2028
Self-owned and bareboat charter	Bulk carrier	3	7	1	11
	Chemical tanker	3	—	—	3
	Electric container vessel	1	—	—	1
Joint venture	General breakbulk carrier	1	—	—	1
	Chemical tanker	6	2	—	8
	MR product oil tanker	4	2	—	6
	Multi-purpose dry cargo vessel	2	8	—	10
	LNG bunkering vessel	—	4	—	4
Total number of new vessels		20	23	1	44
Additional weight carrying capacity (dwt)		558,100	626,100	40,300	1,224,500
Additional weight carrying capacity (cbm)		—	80,000	—	80,000

As at 31 December 2025, the Group's self-owned and bareboat chartered vessels under construction amounted to 15 new vessels, and vessels under construction held through joint ventures amounted to 29 vessels, totalling 44 vessels. These vessels comprised 22 bulk carriers, 11 chemical tankers, 6 MR product oil tankers, 4 LNG bunkering vessels and 1 electric container vessel, contributing an additional weight carrying capacity of approximately 1,224,500 dwt and 80,000 cbm. The additional weight carrying capacity covers a wide range of mainstream and specialised vessel types, effectively expanding the Group's fleet weight carrying capacity whilst optimising asset allocation and the balance of returns.

Diversification of fleet portfolio: With a modern and flexible fleet of dry bulk carriers comprising Capesize, Panamax, Ultramax, Supramax, Handymax and Handysize bulk carriers, as well as oil tankers and chemical tankers, the Group's diversified vessel fleet can not only respond more flexibly to market changes, but also diversify the risks of single asset and business, which in turn enhances business resilience.

MANAGEMENT DISCUSSION AND ANALYSIS

Global network layout and service capabilities: To meet the growing demand from clients for shipping and ship management services, the Group continues to accelerate its global network layout. It currently has subsidiaries and offices in China, Singapore, Japan, Greece, Germany, and Australia, with a service network covering strategic hub cities such as Shanghai, Qingdao, Ningbo, Fuzhou, Xiamen, Hong Kong, Singapore, Tokyo, Athens, Hamburg and Melbourne. Through the addition of several strategic offices and service points, the Group has further constructed a service network covering major global shipping routes. The Group is committed to providing comprehensive services in key markets and capturing a higher market share by leveraging improved intercontinental hub resource allocation.

The Group provides shipping services to clients through time charters, trip time charters (“TCT”), voyage charters, and contracts of affreightment. Its service routes cover major international dry bulk routes such as South America-China, Australia-Far East, USA-Far East, Africa-Far East, Southeast Asia-Far East, India-China, West Africa-Northwest Europe, West Africa-Mediterranean, and China-Southeast Asia. It also serves major international oil and chemical routes including European Coasts, US Gulf-Mediterranean, Mediterranean-India, Southeast Asia-Middle East, Far East-Europe, Southeast Asia-Europe, and Far East-Southeast Asia.

The Group adheres to a client-centric approach, continuously expanding the service scope and comprehensively enhancing the service experience. The Group further expanded its shipbuilding supervision services in 2019. From the commencement of this service up to 2025, the Group has been engaged to provide shipbuilding supervision for over 310 shipbuilding projects. The Group possesses mature capabilities to manage vessels of various types, different sizes, and under multiple flags. Benefiting from its extensive industry and operational experience, the Group was once again listed in Lloyd’s List 2025 Global Top 10 Ship Management Enterprises and Managers, ranking ninth globally. This consistent ranking fully reflects the Group’s exceptional service capabilities and market position.

Cost reduction, operational efficiency and quality improvement: In order to minimize the impact of macro factors on its financial performance, the Group endeavours to streamline its existing operating system and process by adopting digital technologies and implementing advanced information technology systems, while seeking diversified financing channels, utilising finance leasing and sale and leaseback in line with the characteristics of the shipping industry, and striving for bank financing at lower interest rates to further reduce finance costs. The Group will also strive to maintain a balanced and diversified vessel fleet asset portfolio, enhancing the controllability of the business and profit margin through controlled addition of vessels, while at the same time leveraging chartered-in vessels to maximize operational flexibility at a lower level of capital investment. The above measures will effectively streamline the cost structure to safeguard the Group’s profit margins.

MANAGEMENT DISCUSSION AND ANALYSIS

Deepening the diverse client network: Leveraging over a decade of rich industry experience, the Group serves a broad spectrum of clients including shipowners, financial leasing companies, shipyards, dry bulk commodity traders, and shipping and logistics companies. These clients range from leading vessel charterers to multinational corporations engaged in global trade. The Group's client portfolio includes globally recognized blue-chip multinationals, such as: a top-ranking Chinese giant energy and chemical enterprise listed among the Fortune Global 500, a world-leading oil major, one of the world's largest oil traders, the largest private multinational corporation in the United States, one of the world's leading dry bulk vessel owners and operators, a large multinational conglomerate involved in agricultural product trading, one of the world's largest private metal traders, one of Japan's largest steel traders, the world's top four grain merchants and major global traders, a globally leading new energy vehicle manufacturer, and major Chinese financial leasing companies, among others.

Empowering information and intelligent development: As competition in the shipping market intensifies, downstream participants continuously raise their requirements for the operational capabilities and efficiency of shipping enterprises. Consequently, shipping companies are accelerating the construction of their information systems, with digital and smart technologies becoming key drivers propelling industry development. Following the establishment of the Digital Intelligence Centre in 2024, the Group has continuously deepened the integration of AI technology with its business operations. Through the self-developed Seacon-AI large model, the Group has built an end-to-end digital system covering ship management, shipping dispatch, hazard identification, and carbon emission control, establishing a unified big data management platform. Through the development of intelligent shipping and management software, the Group is able to achieve refined management of its shipping operations across all aspects through centralized, integrated, and real-time interactive information processing, facilitating intelligent control and big data analytics.

FLEET PORTFOLIO

As of 31 December 2025, the Group had 36 controlled vessels in total and invested in 12 vessels through joint ventures, including 29 bulk carriers, 17 oil/chemical tankers and 2 crew transport vessels. The total comprehensive weight carrying capacity reached 1.70 million dwt, representing a year-on-year increase of 38.21% compared to 1.23 million dwt as of 31 December 2024.

In response to the upgraded environmental protection policies in shipping, the Group accelerated fleet structure optimisation, with the average age of vessels being further reduced from 6.0 years in 2024 to 3.6 years. The Group expects that its young fleet will demonstrate multiple advantages under the new EU environmental framework. It will not only lower operating costs through low fuel consumption and digital management, but also gain a head start in terms of carbon tax and green shipping financing.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGES IN CONTROLLED VESSELS AND INVESTMENT VESSELS

Vessel type	For the year ended 31 December	
	2025	2024
Bulk carrier	29	15
Oil/chemical tanker	17	11
Others	2	—
Total	48	26
Total weight carrying capacity (million dwt)	1.70	1.23

CHANGES IN NEW ORDERS

With its market position, flexible and efficient operating model, stable financial condition and performance, and transparent disclosure of information, the Group has established deep cooperative relationships with shipyards in the PRC and Japan for many years, which has offered the Group shipbuilding opportunities at lower costs. As such, the Group has proactively seized the market trend of low shipbuilding cost and has separately engaged well established shipyards located in the PRC and Japan to build new vessels. In terms of new orders, the Group signed orders for 9 new vessels and 3 new bareboat charter vessels, comprising 11 bulk carriers and 1 container vessel. Through its joint ventures, the Group placed orders for 8 new vessels, consisting of 4 bulk carriers and 4 LNG bunkering vessels. The above investments will result in an additional increase of total weight carrying capacity of 628,400 dwt and 80,000 cbm, which account for 37.02% of the total weight carrying capacity as at 31 December 2025. By further diversifying its vessel fleet portfolio, the Group aims to enhance its competitiveness in the shipping industry.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGES IN CHARTERED-IN VESSEL FLEET

The Group believes that maintaining a suitable proportion of chartered-in vessels to controlled vessels allows the Group to maintain a sizeable fleet of vessels whilst effectively reducing its capital commitments and maximizing flexibility in its business. The chartered-in vessel fleet conducts shipping business via chartered-in vessels on long-term, short-term and voyage bases. During the Year, the Group entered into over 150 chartered-in vessel engagements with a combined weight carrying capacity of approximately 0.53 million dwt.

Due to the diversity of its chartered-in vessels, the Group is able to transport all major kinds of dry bulks for its customers such as iron ore, coal, grain, steel, logs, cement, fertilizer, nickel ore and bauxite, and chemicals transported by oil/chemical tankers, such as gasoline, diesel, aviation jet fuel, as well as ethylene glycol, methanol, phenol, acetone, methyl tert-butyl ether, ethyl acetate, ethanol, and isopropyl alcohol.

Leveraging on its network of shipowners of chartered-in vessels, the Group is also able to access more market players such as shipowners, finance leasing companies, shipping and logistics companies, which brings more business opportunities to its vessel management business.

ESG STRATEGY AND AWARDS

As the world promotes green energy and low-carbon emissions, the shipping industry is also undergoing a transformation. In recent years, the International Maritime Organization (“IMO”) and the European Union (“EU”) have continuously refined their regulatory frameworks to strengthen the management of greenhouse gas (“GHG”) emissions from vessels. In its latest GHG reduction strategy, the IMO clearly set a target for international shipping to achieve net-zero emissions by or around 2050, establishing phased emission reduction checkpoints against 2008 levels. Concurrently, the IMO’s Marine Environment Protection Committee, at its 83rd session (“MEPC 83”) in April 2025, reviewed and advanced measures related to the “IMO Net-Zero Framework”. These measures include implementing new GHG intensity requirements for marine fuels used by large oceangoing vessels and introducing a global emissions pricing mechanism. These are expected to be formally adopted through subsequent procedures and are projected to take effect from 2027 onwards, further elevating industry compliance requirements concerning fuel selection, energy efficiency management, and carbon cost control.

At the EU level, the FuelEU Maritime Regulation has been applicable since 1 January 2025. By setting limits on the annual GHG intensity of energy used by ships calling at EU ports, it promotes the adoption of renewable and low-carbon fuels, working in synergy with requirements such as Onshore Power Supply (OPS). Concurrently, the inclusion of shipping in the EU Emissions Trading System (EU ETS) has entered a substantive compliance phase. The first deadline for surrendering allowances falls in September 2025, requiring companies to submit allowances for a specified proportion of their 2024-related emissions, a proportion that will increase annually. The implementation and tightening of these regulations are expected to have a sustained impact on compliance costs, fuel strategies, and contractual clauses (including carbon cost pass-through arrangements) for routes touching the EU.

To this end, the Group has formulated corresponding short-, medium-, and long-term targets. In the short term, the Group is committed to ensuring that all existing vessels meet the latest IMO standards for the Energy Efficiency Existing Ship Index (“EEXI”) and Carbon Intensity Indicator (“CII”) starting from 2023. In the medium term, the Group aims to achieve a 40% reduction in CO₂ emission intensity by 2030 compared to 2008 levels. In the long term, the Group strives to achieve net-zero emissions by 2050.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the Group initiated the formation of China's first FuelEU compliance pool, filling a gap in collective industry compliance. The same year, the Group launched the "Green Future" vessel GHG emission management system, achieving precise control over carbon emission intensity. It also actively promoted the application of low-sulfur fuel and LNG dual-fuel vessels, participated in the construction of Anhui Province's first 7,000-unit LNG dual-fuel car carrier, the "Huanghu", ensuring that emissions and discharges of exhaust gas and wastewater are 100% compliant with regulatory standards. The Group will continue to deepen its full-chain green operations, promote collaborative carbon reduction across the industry chain, and demonstrate the ecological responsibility of a shipping enterprise.

During the Year, the Group received multiple ESG-related awards, including the "2025 Sustainable Development Leadership Enterprise Award" presented at the 2025 International Green Zero-Carbon Festival and ESG Leaders Summit; the "Best ESG Pioneer Practice Listed Company" at the "Golden Kunpeng" China Financial Value Awards; the "Best ESG Innovation Award" at the inaugural China "ESG and Enterprise Value Growth" Summit Forum and the release of the Top 50 ESG Listed Companies by Value; the "2025 ESG Model Enterprise Award" at the 15th Philanthropy Festival and 2025 ESG Impact Annual Conference; and the "ESG Outstanding Sustainable Development Enterprise" in the 2025 Listed Companies' Excellence ESG Value List. These multiple accolades not only recognize the Company's past efforts but also highlight its exceptional performance in green and low-carbon development, social responsibility, and corporate governance. Moving forward, the Group will continue to deepen its ESG practices and collaborate with partners to create a net-zero future.

INDUSTRY RECOGNITION

Leveraging its rich industrial and operational experience, the Group's services are well acclaimed by the market. After its first inclusion into the Lloyd's List 2023 Global Top 10 Ship Management Enterprises and Managers, the Group has consecutively retained this prestigious honour in both 2024 and 2025, firmly holding the ninth position globally. This consistent ranking continuously underscores the Group's exceptional service capabilities and solid market position. In addition, Mr. Guo Jinkui, chairman of the Company, has been listed on the "Top 100 Most Notable Chinese Individuals in Shipping Industry"* (最受航運界關注的100位中國人) for ten consecutive years, and was also honoured with the title of "2024 China Shipping Celebrity List • Person of the Year with Influence" (2024中國航運名人榜•年度影響力人物) in 2025, which further underscores the Company management's contribution and outstanding performance in the PRC shipping industry.

MARKET OVERVIEW

In 2025, the global economy demonstrated strong resilience amidst multiple challenges. Although uncertainty surrounding US tariff policies in the first half of the year initially dealt a severe blow to global economic expectations, market sentiment gradually improved in the second half as new trade agreements or frameworks were successively concluded between the Europe, U.S., and other nations. In particular, following the high-level Sino-American talks in Busan in October, where both sides reached a consensus on a temporary truce, supporting a gradual global economic recovery. The J.P. Morgan Global Manufacturing PMI maintained above the 50-point threshold for five consecutive months starting in August, underscoring this resilience. According to the IMF's World Economic Outlook update from January 2026, global GDP grew by 3.3% in 2025, matching the 2024 rate and indicating a steady, and continuing its moderate upward trend.

MANAGEMENT DISCUSSION AND ANALYSIS

Amid the interplay of multiple factors including the US tariff war, ongoing geopolitical conflicts, Federal Reserve rate cuts, and the deepening of environmental regulations, the macroeconomic landscape demonstrated a resilient and positive development trend. In 2025, both supply and demand sides of the global shipping industry continued to expand steadily, with overall seaborne demand registering positive growth. Seaborne trade volume and tonne-mile trade volume both climbed. According to Clarksons Research data, global seaborne trade volume increased by 1.7% to 12.96 billion tonnes in 2025, while tonne-mile trade volume grew by 2.3% to 68.3 trillion tonne-miles. Concurrently, the global fleet size expanded by 3.5% to 2.52 billion dwt in 2025.

The dry bulk shipping market demonstrated stable and resilient performance overall in 2025. The Baltic Dry Index averaged 1,678 points for the Year, although this represented a decrease of 65 points (or 3.7%) compared to the previous year and the average freight rate indices for all major vessel types were lower than the previous year, the market bottomed out and rebounded early in the Year following tariff and geopolitical shocks. It continued to recover with fluctuations, ending the Year on a strong note led by Capesize vessels. Demand exceeded expectations, with Clarksons reporting a 1.3% increase in dry bulk seaborne trade volumes to 5.91 billion tonnes. This growth was driven by robust Chinese import demand, particularly strong performances in major commodities like iron ore and soybeans, as well as minor bulks such as bauxite and nickel ore. Chinese customs data showed a 26.5% surge in bauxite imports in 2025, reaching 200 million tonnes. On the supply side, Clarksons estimated the global dry bulk fleet grew at a moderate pace of 3.0%, reaching 1.04 billion dwt in 2025.

The tanker and chemical shipping markets exhibited divergent trends in 2025. While both crude oil and product oil tanker freight rates followed a low-start-high-end pattern during the Year, the drivers differed. Crude oil freight rates experienced volatile spikes, particularly strong in the fourth quarter, fuelled by a combination of OPEC+ production increases, tariffs, and geopolitical factors, against a backdrop of periodic supply-demand tightness. In contrast, product oil tanker rates were notably suppressed by a looser supply-demand balance. For the full year 2025, the Baltic Dirty Tanker Index averaged 1,073 points, down 18 points (or 1.7%) year-on-year, while the Baltic Clean Tanker Index averaged 668 points, a steeper decline of 149 points (or 18.2%). Clarksons data indicates that global crude oil seaborne trade volume turned positive, growing 1.0% year-on-year. Conversely, product oil and chemical tanker trade volumes contracted, declining by 2.5% and 1.3% respectively. Fleet supply growth was minimal for crude tankers (approx. 0.3%), while the product oil tanker (10K+ dwt) and chemical tanker fleets expanded by 1.7% and 3.4% respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of green maritime, the IMO planned resolution on its 'Net-Zero Framework', originally scheduled for October 2025, was postponed to 2026, influenced by pressure from traditional oil-producing nations including the United States and Saudi Arabia. While the IMO has not altered its medium- to long-term decarbonization target — achieving net-zero GHG emissions from shipping by or around 2050 — and industry consensus maintains that the trend toward decarbonization is irreversible, strong intervention by the U.S. and other nations could still impact the final resolution planned for November 2026. This delay has already slowed the pace of global maritime decarbonization efforts and is likely to intensify the regional fragmentation of environmental regulations. Additionally, the inclusion of the UK's domestic shipping industry into the UK Emissions Trading Scheme from 1 July 2026, is a development warranting close market attention.

Building on the resilience demonstrated by the global economy in 2025, partially fuelled by a surge in artificial intelligence investment, both the International Monetary Fund ("IMF") and the World Bank have revised their 2026 global GDP growth forecasts upward, projecting 3.3% and 2.6% growth respectively. However, the outbreak of the U.S.-Iran conflict in late February 2026 has introduced significant new uncertainty. Beyond severely disrupting global supply chains, the conflict has already driven energy prices substantially higher, reigniting inflationary concerns. Furthermore, as regional green regulations such as the EU's FuelEU Maritime take effect, global dry bulk, tanker, and chemical fleets face rising operational costs while simultaneously needing to accelerate the phase-out of older vessels and drive fleet optimisation and renewal.

In terms of the ship management market, with the full implementation of regulations including Fuel EU Maritime and the EU Emissions Trading System (ETS), environmental compliance requirements have become increasingly stringent, prompting shipowners to place greater reliance on professional third-party ship managers. A United Nations Conference on Trade and Development report indicates that while the IMO is expected to introduce a carbon pricing mechanism starting in 2028, currently only 8% of the global fleet by tonnage is capable of utilizing alternative fuels. The deepening of environmental regulations is accelerating the phase-out of older, less efficient tonnage. Ship management companies possessing young, modern fleets, robust digital management capabilities, and strong compliance expertise are strategically positioned to capitalize on opportunities in managing high-value vessel types and those with complex compliance requirements.

FINANCIAL PERFORMANCE

In 2025, the freight market exhibited an overall trend of fluctuating decline with structural divergence and decline in average freight rates. In response to this market environment, the Group has continued to demonstrate strong operational resilience, actively optimising its fleet portfolio by phasing out older vessels and renewing its fleet capacity, whilst accelerating its expansion into the oil/chemical tanker markets. This diversified fleet enabled the Group to withstand market fluctuations. However, due to falling freight rates, revenue from the shipping segment has declined to some extent. At the same time, the ship management segment, leveraging its position among the top ten in the global industry, bucked the trend by achieving growth in the number of vessels under management, with the segment's revenue rising steadily. Driven by the combined performance of both business lines, the Group's total revenue increased from US\$282.1 million in 2024 by 14.8% year-on-year to US\$323.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Year, ship management income increased due to a rise in the number of vessels managed on a lump sum basis. However, operating costs such as crew manning and spare parts and supplies rose in tandem, limiting growth in gross profit for such business. Compounded by the decrease in revenue from shipping services, the continuous expenditure on vessel fixed costs such as vessel depreciation and crew wages, as well as factors including vessel acceptance costs arising from the concentrated delivery of 22 vessels of the Group and voyage costs associated with the initial voyages of newly contracted oil/chemical tankers to European for operations, the Group's overall gross profit margin decreased from approximately 22.8% in 2024 to approximately 16.8% during the Year, with a 15.4% year-on-year decrease in gross profit to US\$54.5 million (2024: US\$64.4 million). In addition, as the Group keenly identified investment and trading opportunities for different types of vessels, it sold 6 vessels during the Year, generating a gain on asset sales of approximately US\$33.0 million. Taking into account the aforesaid factors, profit for the Year was US\$41.4 million, a year-on-year decrease by 44.7% compared to US\$74.8 million in 2024. Profit for the Year attributable to the shareholders of the Company also decreased from US\$70.3 million in 2024 to approximately US\$36.0 million, a year-on-year decrease of 48.8%.

The earnings before interest, taxes, depreciation and amortisation for the Year was US\$101.2 million, representing a year-on-year decrease of 19.6% compared with US\$125.8 million in 2024. Although there has been a year-on-year decline, the Group's overall profit base remains robust, and its core businesses continue to possess sustainable earning capacity.

The Group remains committed to maintaining a strong financial condition in light of a volatile market environment. As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately US\$51.0 million, representing a year-on-year decrease of 22.5% from approximately US\$65.8 million as at 31 December 2024. Total assets increased by 62.2% year on year to approximately US\$971.3 million (31 December 2024: US\$598.9 million), benefiting from the increase in vessel assets and business expansion. Correspondingly, total borrowings increased by 88.7% year on year to approximately US\$507.1 million (31 December 2024: US\$268.8 million). Gearing ratio, which is total liabilities divided by total assets, rose to approximately 72.2% (31 December 2024: approximately 61.4%). This increase in the ratio was primarily attributable to the Company's efforts to seize opportunities in the shipping market and expand its fleet size through the leverage of finance leases. The corresponding liabilities were all allocated to high-quality vessel assets with core profit-generating capabilities and high value-added potential, with the financing terms aligned with the useful lives of the assets. The Company's overall financial structure remains sound. Going forward, the Group will closely monitor its working capital liquidity position and adopt various cost control and efficiency enhancement measures to further strengthen liquidity.

BUSINESS REVIEW

During the Year, the Group continued to implement its proactive fleet optimisation strategy to maintain a balanced and youthful fleet composition. During the Year, the Group completed the sale of 6 vessels, comprising 2 oil/chemical tankers with a total tonnage of 24,576 tonnes, 1 bulk carrier of 21,168 tonnes, 1 bulk carrier of 104,728 tonnes, 1 bulk carrier of 44,038 tonnes, and 1 general cargo vessel of 13,500 dwt, generating a total gain on disposal (net of tax and expenses) of approximately US\$33.0 million. This asset disposal not only effectively reduced the average age of the fleet and lowered operation and maintenance costs, but also effectively supplemented the Group's working capital position and enhanced its liquidity reserves, providing financial support for subsequent acquisitions of new, energy-efficient vessels. The Group will continue to monitor global shipping market dynamics and flexibly adjust its fleet structure to ensure a steady improvement in asset returns.

MANAGEMENT DISCUSSION AND ANALYSIS

Concurrently, the Group advanced its capacity renewal program in an orderly manner, with a total of 16 new vessels delivered and put into operation during the Year, adding new weight carrying capacity of 0.53 million dwt. Compared to older vessels, the shipbuilding offers significant advantages in fuel consumption and operational efficiency, not only reducing operating costs but also providing a more stable profit base for future performance, while enhancing market competitiveness in the context of increasingly stringent environmental regulations. Furthermore, the Group seized opportunistic acquisitions in the second-hand vessel market, acquiring 12 second-hand vessels through ownership, investments and bareboat charters to supplement spot capacity at reasonable costs and precisely meet immediate demand on specific routes and from clients.

The Group firmly believes that a proactive asset rotation strategy is key to amplifying return on equity while controlling risk. By appropriately disposing of older vessels to lock in capital appreciation gains, while methodically introducing efficient new vessels to enhance fleet competitiveness, the Group has successfully established dual profit sources comprising “operating profit plus capital gains”. This dynamic approach to asset management enables the Group to both benefit from the long-term appreciation upside of vessel assets and maintain a vibrant fleet and cost advantage, achieving a dynamic balance between asset value and operational income. Combined with its strategy of balancing asset-light and asset-heavy operations, the Group has further enhanced its performance stability and counter-cyclical resilience. Amidst high freight rate volatility, leveraging its ship management expertise and asset operation capabilities, the Group demonstrates counter-cyclical resilience significantly above industry levels, creating more sustainable returns for shareholders across different market cycles.

STRATEGIC ACQUISITION AND INDUSTRIAL SYNERGY

During the Year, in effective response to the uncertainty in the global shipping market, the Group actively advanced vertical integration along the industry chain and acquired 40% equity interest in CIMC Xinde Leasing (Shenzhen) Co., Ltd.* (中集鑫德租賃(深圳)有限公司) (“CIMC Xinde Leasing”) at a consideration of approximately RMB481.9 million on 29 September 2025. CIMC Xinde Leasing is primarily engaged in container and vessel leasing services. Upon completion of the acquisition, the Group established a tripartite shareholding structure together with CIMC and Shenzhen Financial Leasing (Group), laying solid foundation for future resource sharing and business synergies.

This acquisition aims to unlock multi-dimensional synergies and establish a circular, symbiotic business ecosystem. By seamlessly integrating CIMC Xinde Leasing’s professional leasing platform with the Group’s ship management services, we can not only effectively expand the service scope of our leasing operation but also strengthen the Group’s comprehensive influence in the market. At the industry chain level, the Group’s profound shipbuilding supervision expertise, CIMC Group’s leading shipbuilding technology, as well as strong R&D capabilities of the ship design and research institutes under CIMC Xinde Leasing are organically combined to form a “one-stop maritime service” chain spanning from vessel design conception to full lifecycle management. This model reduces costs through process synergies while deeply binding clients with full-cycle services and creating service barriers.

In addition, leveraging the extensive client network accumulated by the Group as a top 10 global ship management company, this system will precisely channel business opportunities to CIMC Xinde Leasing, forming a closed-loop value chain of “business matching — data sharing — capital flow” and driving a qualitative leap in the Group’s comprehensive service competitiveness. This acquisition will help to further optimise the Group’s business layout of “balancing asset-light and asset-heavy operations”, enhance its ability to withstand market cycle fluctuations, and continue to create long-term and stable value returns for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

SHIPPING SERVICES SEGMENT

The Group's fleet comprises dry bulk carriers, oil tankers and chemical tankers, which are capable of transporting major kinds of dry bulks, such as coal, grain, steel, logs, cement, fertilizer and iron ore, as well as providing transportation services for fuel oil and petrochemical products. During the Year, the Group placed orders for 4 LNG bunkering vessel shipbuilding through joint ventures, expanding its business footprint into the clean energy bunkering sector. Such decision represents a strategic response of the Group to the global energy transition trend and the growth in demands for dual-fuel vessel, while organically supplementing the existing fleet, aiming to seize market opportunities in LNG as a transition fuel and further perfect the industry chain layout.

As at 31 December 2025, the Group controlled 36 vessels and invested in 12 vessels through joint ventures, which has a combined weight carrying capacity of 1.70 million dwt, representing a year-on-year increase by 38.21% from 1.23 million dwt as at 31 December 2024. As the fleet continued to be replaced, the average age of vessels further decreased to 3.6 years from approximately 6.0 years in 2024. To maintain operational flexibility, the Group also flexibly deployed chartered vessels, entering into over 150 lease agreements during the Year, involving a combined weight carrying capacity of approximately 0.53 million dwt.

The Group is fully aware that maintaining a balanced fleet asset portfolio is crucial to the steady development of its business. Controlled vessels (including those under self-operated, joint venture, or long-term weight carrying capacity obtained through bareboat charter/finance lease) serves as the Group's primary engine for profit growth and a strong underpinning for its financial performance; whereas chartered-in vessels (typically with charter periods of less than three months) provide the Group with exceptional operational flexibility, enabling it to respond swiftly to market fluctuations without incurring significant capital expenditure. Therefore, balanced vessel fleet assets will facilitate the Group to benefit from profit improvement and economies of scale and maximise operating flexibility.

The Group adheres to a development strategy of "combining asset-light and asset-heavy approaches", and is committed to enhancing return on capital. Unlike the traditional asset-heavy model of traditional shipowners with fully-owned fleets, the Group has effectively amplified our controlled capacity scale through structured arrangements utilizing "finance leases" and "joint ventures". During the Year, the Group further deepened cooperation with financial leasing institutions, entering into finance lease agreements for multiple vessels, revitalizing assets while channeling recovered cash flow back into capacity expansion. By establishing joint ventures with partners to order new vessels, the Group can secure long-term capacity with only a small equity investment, providing support through guarantees and other means, thereby fully leveraging the financial leverage effects. This model enables the Group to expand fleet scale while avoiding significant capital tie-up, resulting in a lighter balance sheet with significantly enhanced flexibility in asset turnover and return on equity.

In 2025, the Group's average utilization rate for controlled vessels was 98.54%, while that for chartered-in vessels was 100%. This high utilization primarily benefited from: (1) optimised fleet structure, and took delivery of 28 newbuilds and second-hand vessels. The sale of 6 vessels completed during the Year reduced the fleet's average age from 6.0 years in 2024 to 3.6 years in 2025, further enhancing overall fleet utilization; (2) fleet diversification covering transportation needs for multiple cargo types; (3) application of digital management systems, improving vessel dispatch efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Year, the gross profit performance of the Group's shipping service business was impacted by multiple superimposed factors. Faced with the dual pressures of declines in the average values of the Baltic Dry Index and Clean Tanker Index, the charter rates level during the Year faced downward challenges, exerting a certain impact on spot revenue performance. Regarding costs, in implementing the fleet expansion plan, new vessels were delivered intensively during the Year. Although these new vessels offer significant advantages in fuel consumption and operational efficiency, the initial operation phase was accompanied by higher commissioning costs, financing interest expenses, and crew deployment costs, leading to increased depreciation and financial costs in the short term and diluting current period gross profit. Additionally, the Group continues to employ a hybrid capacity model of "owned + chartered-in vessels". During the Year, based on market judgment, the number of chartered-in vessels was dynamically adjusted to match cargo demand. However, against the backdrop of declining freight indices, the rigid nature of chartered-in vessel costs resulted in some narrowing of gross profit margins.

Impacted by the above-mentioned market factors, segment revenue during the Year decreased by 3.1% year on year to US\$199.1 million from US\$205.3 million in 2024. In particular, revenue from controlled vessels increased by 4.6% year on year to US\$125.5 million from US\$120.0 million in 2024, while revenue from chartered-in vessels decreased by 13.8% year on year to US\$73.6 million from US\$85.4 million in 2024.

In terms of gross profit, gross profit of shipping services was US\$31.9 million (2024: US\$49.3 million) during the Year, a year-on-year decrease by 35.3%. In particular, gross profit of controlled vessels decrease by 38.6% year on year to US\$28.9 million from US\$47.1 million in 2024, with a gross profit margin of 23.0% (2024: 39.2%). Gross profit on chartered-in vessels was US\$3.0 million (2024: US\$2.3 million), a year-on-year increase of 32.2%, with a gross profit margin of 4.1% (2024: 2.7%). In the future, as new vessels pass through the operational break-in period and the impact of upfront one-time costs subsides, the operational efficiency advantages of controlled vessels will gradually become apparent, driving a rebound in gross profit margins.

SHIP MANAGEMENT SERVICES SEGMENT

Since entering the ship management sector in 2012, the Group has grown into a leading provider of ship management services, providing ship owners, finance leasing companies, shipyards, dry bulk traders, and shipping and logistics companies with tailor-made ship management and value-added services covering the whole life cycle, including technical management, crew manning, business services, sale and purchase support of vessels and vessel insurance. The ship management contracts are generally entered into with service periods from one year to fifteen years. Such agreements are usually renewable at the end of each such service period. The Group generally charges management fees on lump-sum basis or management fee basis.

The Group manages a wide variety of vessel types such as dry bulk carriers, oil tankers, chemical tankers, cargo ships, container ships, automobile ships, operation support vessels for wind farms, pulp vessels, gas carriers and offshore engineering ships. Leveraging its exceptional management experience, the Group successfully took over the management of a 79,000 cbm ultra-large liquefied gas carrier in Doha, Qatar during the Year, demonstrating its capability in managing vessels of high technical complexity.

MANAGEMENT DISCUSSION AND ANALYSIS

Furthermore, the Group's shipbuilding supervision services, which have been expanded since 2019, have also achieved significant development. As of 31 December 2025, the Group has provided shipbuilding supervision services for more than 310 shipbuilding projects of various types, covering bulk carriers, container ships, multi-purpose vessels, oil tankers, chemical tankers and marine engineering vessels, automobile ships, LPG ships, LNG bunkering vessels, very large gas carriers, fishing breeding vessels, wind power installation ships, Ro-Pax vessels, bitumen carriers, etc. During the Year, the 77,000 dwt multi-purpose pulp vessel, for which the Group was responsible for supervising the shipbuilding, was successfully delivered as scheduled and put into operation.

Segment revenue during the Year was US\$124.8 million (2024: US\$76.8 million), a year-on-year increase by 62.5%, benefiting from the increase in the number of vessels under our management, especially those charged on a lump sum basis. Profit before income tax of the segment was US\$13.8 million (2024: US\$9.4 million), a year-on-year increase by 45.9%, as a result of higher profit associated with the increases in the vessels under management on lump-sum basis. Profit margin of the segment reached 11.0% (2024: approximately 12.3%).

PROSPECTS

Looking ahead, the global shipping market will continue to adjust, driven by structural divergence and environmental transformation. In the short term, geopolitical risks and a supply growth rate exceeding demand growth may exert pressure on freight rates. Over the medium to long term, the continuous stringent environmental regulations will accelerate the global fleet renewal process. With current average age of the global fleet reaching 13.1 years, the aging trend is expected to generate sustained replacement demand over the next decade. Fleets characterised by youthfulness, digitalization and strong compliance capabilities will command significant technological premiums in both charter rates level and asset values. Concurrently, growth in critical mineral trade, rising demand for new energy transportation, and digital and intelligent transformation present new development opportunities for the shipping industry.

In response to this market landscape, the Group will fully leverage the strategic advantages of its integrated shipping service platform to drive sustainable business development across multiple dimensions.

In terms of shipping service business, the Group will continuously optimise the flexible "controlled vessels+ chartered-in vessels" capacity portfolio and dynamically balance capacity and cost structure relying on its professional judgment of market cycles. With the gradual delivery of newly constructed vessels and timely disposal of older vessels, the Group will further enhance fleet youthfulness and environmental compliance to meet increasingly stringent carbon emission regulatory requirements. Concurrently, the Group will continue to methodically advance operational preparations for high-value-added green vessel types through diverse financing channels and joint venture structures, including LNG bunkering vessels, so as to expand controllable capacity scale while minimizing capital tie-up and continuously generating superior returns for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of ship management services, the Group is entering a significant period of development opportunity. As the IMO's environmental and compliance rules continue to tighten, and as non-traditional shipowners such as financial leasing institutions increasingly demand ship asset management services, market reliance on professional third-party ship managers is markedly increasing. The Group will capitalize on this trend through the following initiatives: first, deepening digital management and big data analytics applications. Leveraging the Group's proprietary integrated shipping management system, the Group's procurement module, and Seacon-AI large model, we will further enhance management efficiency and decision-making precision, providing clients with more transparent asset management services. Second, expanding value-added services including shipbuilding supervision, technical consulting, and environmental retrofitting to meet clients' diverse needs across vessel construction, operation, and upgrading stages, thereby extending the service value chain. Third, increasing the management scale of high-value-added vessel types and those with complex compliance requirements, including LNG bunkering vessels, car carriers, oil tankers, and chemical tankers. By building competitive differentiation through technical barriers, the Group will consolidate its market position in specialized ship management.

Moreover, the Group will actively seize opportunities arising from environmental transformation, and leverage its young fleet and leading green compliance capabilities to build competitive advantages in premium routes and with high-quality client base. As IMO and regional environmental regulations (such as the EU Emissions Trading System (EU ETS) and FuelEU Maritime) are progressively implemented, compliance costs in the shipping industry are rising significantly. Leveraging its young fleet's fuel efficiency advantages and professional carbon management capabilities, the Group is well-positioned to provide clients with innovative compliance solutions, including tools such as FuelEU compliance pools, helping clients optimise compliance costs. This not only enhances the Group's service capabilities on premium routes (such as European routes) but also increases its appeal to quality clients, including multinational corporations and major traders who highly prioritize ESG performance.

Digitalization serves as the core driver for enhancing the Group's operational efficiency. The Group will continue to strengthen digital and intelligent investments, and optimise voyage planning, energy management and risk control utilizing big data and artificial intelligence technologies. Through the Seacon's proprietary big data platform and Seacon-AI large model, the Group can analyse multi-dimensional information in real time, including market dynamics, weather and sea conditions, bunker fuel prices, and port congestion, providing optimal route recommendations and speed optimisation solutions for each vessel. This minimizes fuel consumption and carbon emissions while ensuring schedule adherence. Meanwhile, the AI-assisted risk management system can identify shipping and credit risks in advance, providing robust support for business decisions and continuously improving overall operational efficiency and profitability.

The Group will also steadily advance its new energy business layout to lay the foundation for long-term sustainable development. In addition to the 4 LNG bunkering vessel shipbuilding orders placed through joint ventures during the Year, the Group will continue to monitor technological developments and market application progress for alternative fuels such as methanol and ammonia, and appropriately explore investment opportunities in related vessel types and supporting services. The new energy business represents not only a natural extension of existing shipping operations but also a strategic choice for the Group to address the broader energy transition trend and capture future opportunities in the clean fuel bunkering and transportation market, thereby opening up broader growth prospects for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue was principally derived from the provision of (i) shipping services; and (ii) ship management services. Our revenue increased by approximately US\$41.7 million or 14.8% from approximately US\$282.1 million for the year ended 31 December 2024 to approximately US\$323.8 million for the Year.

Shipping services

Our revenue from shipping services decreased by approximately US\$6.2 million or 3.0% from approximately US\$205.3 million for the year ended 31 December 2024 to approximately US\$199.1 million for the Year primarily due to the challenging macroeconomic environment during the Year, which led to a year-on-year decline in freight rates, thereby placing pressure on the revenue of the shipping segment.

Ship management services

Our revenue from ship management services increased by approximately US\$48.0 million or 62.5% from approximately US\$76.8 million for the year ended 31 December 2024 to approximately US\$124.8 million for the Year primarily due to a significant year-on-year rise in the number of vessels under management, driven in particular by an increase in the number of vessels managed under a lump-sum basis.

Cost of sales

Our cost of sales increased by approximately US\$51.6 million or 23.7% from approximately US\$217.8 million for the year ended 31 December 2024 to approximately US\$269.4 million for the Year primarily due to a higher number of vessels managed under a lump-sum basis compared to the year ended 31 December 2024, coupled with a simultaneous rise in crew manning costs and lubricating oil and spare parts costs. Additionally, the Group incurred significant vessel acceptance costs during the Year from the concentrated completion of delivery of multiple vessels, which were partially offset by a reduction in charter hire costs.

Gross profit and gross profit margin

Our gross profit decreased by approximately US\$9.9 million or 15.4% from approximately US\$64.4 million for the year ended 31 December 2024 to approximately US\$54.5 million for the Year. Our overall gross profit margin decreased from approximately 22.8% for the year ended 31 December 2024 to approximately 16.8% for the Year. Such decrease was primarily due to the decrease in revenue from shipping services, the continuous expenditure on vessel operating costs such as vessel depreciation and crew wages, as well as the one-off inclusion in costs of vessel acceptance costs arising from the concentrated delivery of 22 vessels of the Group during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling, general and administrative expenses

Our selling, general and administrative expenses increased by approximately US\$6.1 million or 35.4% from approximately US\$17.1 million for the year ended 31 December 2024 to approximately US\$23.2 million for the Year primarily due to the fact that during the Year, in order to implement the Group's long-term development strategy, several new vessels were purchased, a leasing company was acquired, and corresponding new financing arrangements were made, resulting in substantial one-off professional service fees and transaction costs, including legal and financial advisory fees, due diligence fees, and travel expenses.

Other gains – net

We recorded other gains of approximately US\$31.9 million for the Year as compared to approximately US\$42.9 million for the year ended 31 December 2024 primarily due to the recognition of gain on the disposal of assets amounting to US\$33.0 million following the disposal of six vessels during the Year.

Net finance costs

Our finance costs increased by approximately US\$4.7 million or 24.5% from approximately US\$19.4 million for the year ended 31 December 2024 to approximately US\$24.1 million for the Year primarily due to the delivery of a large number of new vessels during the Year, whilst interest expenses rose as a result of an increase in total financing and bank credit facilities.

Share of net profits of associates and joint ventures

We recorded share of net profit of approximately US\$1.8 million for the Year as compared to approximately US\$6.7 million for the year ended 31 December 2024 primarily due to the disposal of two vessels by associates in the year ended 31 December 2024, which generated partial investment income, whereas no such transactions occurred during the Year.

Profit for the Year

As a result of the foregoing, our profit decreased by approximately US\$33.4 million or 44.7% from approximately US\$74.8 million for the year ended 31 December 2024 to approximately US\$41.4 million for the Year. Our profit attributable to shareholders of the Company decreased by approximately US\$34.3 million or 48.8% from approximately US\$70.3 million for the year ended 31 December 2024 to approximately US\$36.0 million for the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Indebtedness

As of 31 December 2025, our borrowings and lease liabilities amounted to approximately US\$555.0 million in aggregate (as of 31 December 2024: US\$318.1 million).

As of 31 December 2025, the amount guaranteed by the Group for joint ventures and associates amounted to approximately US\$517.4 million (as of 31 December 2024: US\$363.9 million).

Borrowings

Our total borrowings increased from approximately US\$268.8 million as at 31 December 2024 to approximately US\$507.1 million as at 31 December 2025 primarily due to the Group entering into financing lease agreements for certain vessels during the Year. Our borrowings are denominated in US\$, RMB, and JPY. As at 31 December 2025, approximately 8.25% (31 December 2024: 0.02%) of the Group's borrowings were on fixed interest rates.

Pledge of assets

For financing arrangements of our controlled vessels, we generally financed the acquisition or newbuilding of controlled vessels through a mix of internal resources, bank loans and finance lease arrangements. Our Group provides security by way of guarantees or pledge vessels as collateral to secure bank loans or finance lease arrangements.

As at 31 December 2025, property, plant and equipment with the carrying amount of approximately US\$499.6 million and non-current assets held for sale with the carrying amount of approximately US\$20.3 million were pledged to secure borrowings (as at 31 December 2024: property, plant and equipment and prepayment for vessels purchased with the carrying amount of approximately US\$267.7 million and US\$60.1 million, respectively).

Lease liabilities

Our lease liabilities primarily represent the long-term bareboat charters with lease periods of one year or more. Our lease liabilities decreased from approximately US\$49.4 million as at 31 December 2024 to approximately US\$47.9 million as at 31 December 2025.

Contingent liabilities

As of 31 December 2025, we did not have any material contingent liabilities.

Capital structure

Our total assets increased from approximately US\$598.9 million as of 31 December 2024 to approximately US\$971.3 million as of 31 December 2025. Our total liabilities increased from approximately US\$367.5 million as of 31 December 2024 to approximately US\$700.9 million as of 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Our net debt to equity ratio increased from approximately 110.8% as of 31 December 2024 to approximately 187.5% as of 31 December 2025 due to the rise in the financing borrowings for the Company's vessels. Net debt to equity ratio is calculated as net debt divided by total equity as of relevant date. Net debt is calculated as total borrowings, lease liabilities, amounts due to related parties and amounts due to third parties less cash and cash equivalents. Total equity is shown in the consolidated balance sheet.

Capital commitments

The capital commitment as at 31 December 2025 was approximately US\$296.4 million (as at 31 December 2024: US\$333.7 million), which was mainly related to 9 vessels construction contracts under which the vessels were not yet delivered up to 31 December 2025. Among such 9 vessels, the expected delivery date of 1 vessel is in 2026 and 7 vessels is in 2027, as well as 1 vessel in 2028.

Save as disclosed, we did not have any other material capital commitments as of 31 December 2024 and 31 December 2025.

Liquidity and financial resources

As at 31 December 2025, we recorded net current assets of approximately US\$4.5 million compared to approximately US\$26.8 million as at 31 December 2024. Our current ratio (namely current assets as of relevant dates divided by current liabilities) decreased from 1.3 as of 31 December 2024 to 1.0 as of 31 December 2025.

As at 31 December 2025, our cash and cash equivalents amounted to approximately US\$51.0 million and our cash and cash equivalents amounted to approximately US\$65.8 million as at 31 December 2024. Our cash and cash equivalents are denominated in US\$, RMB, JPY, SG\$, EUR and HK\$. Gearing ratio, which is total liabilities dividing by total assets, was approximately 72.2% (as of 31 December 2024: approximately 61.4%).

The Group is committed to maintaining a sound financial policy and continues to improve its operational efficiency in order to improve the healthiness of its working capital. The Group generally funded its working capital requirements for the Year primarily through net cash generated from the operating activities and bank borrowings. The Group also ensures that it has sufficient funds to meet its existing and future cash requirements. As of the reporting date, the Group had secured committed vessel financing of approximately US\$168.8 million, with US\$34.3 million in committed but undrawn bank loans.

TREASURY POLICY

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 the Shareholders and to maintain an optimal capital structure to enhance Shareholders' value in the long term. The Group has adopted a prudent financial management approach towards the treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of its assets, liabilities and other commitments can meet its funding requirements at all times.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

We are exposed to certain foreign exchange risks in respect of depreciation or appreciation amongst the currencies used in our business operations. Our revenue is denominated in US\$ and the primary functional currencies used in our business operations include US\$, RMB and EUR. Our cost of sales, operating expenses and capital expenditures are predominantly incurred in US\$ while some of our primary payment commitments and expenditures, including but not limited to payment obligations pursuant to shipbuilding contracts, are denominated in RMB, JPY or EUR. However, our reporting currency is in US\$ and therefore our revenue, cost of sales and other accounting items are all translated into US\$ on our consolidated financial statements. As a result, we may be exposed to foreign exchange risk from fluctuation in foreign exchange rate. Our assets and liabilities and transactions in its operations did not expose to material foreign exchange risk. We manage foreign exchange risk by closely monitoring fluctuations in exchange rates of foreign currency, and minimise foreign exchange risk via prudent measures. During the Year, the Group did not use any other financial instruments for hedging purpose.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 29 September 2025, SG Xinde Investment (HK) Limited (the “**Purchaser**”), an indirect wholly owned subsidiary of the Company, Shenzhen Financial Leasing (Group) Co., Ltd. (the “**Vendor**”) and CIMC Xinde Leasing entered into a transfer agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the target interest, representing 40% equity interest in CIMC Xinde Leasing, at the consideration of approximately RMB481,914,200. For details, please refer to the announcement of the Company dated 29 September 2025 and the circular of the Company dated 24 December 2025.

Save as disclosed, we did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group acquired 18 vessels and bareboat chartered 4 vessels in 2025. As of 31 December 2025, the Group’s self-owned and bareboat chartered vessels under construction, as well as vessels under construction through joint ventures amounted to 44 vessels. It is expected that 20 vessels will be delivered in 2026. Details of 27 material ship acquisition and bareboat charter contracts entered into by the Group during the Year have been disclosed in the Company’s announcements dated 5 January 2025, 27 January 2025, 26 February 2025, 18 April 2025, 30 April 2025, 26 May 2025, 16 October 2025, and 26 December 2025, respectively.

Save as disclosed, we did not have any other material investment or capital assets during the Year. Save as disclosed, we do not currently have any other plans for significant investment or capital assets. However, we will continue to seek for new opportunities for business development.

ROUNDING

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

DIRECTORS AND SENIOR MANAGEMENT

Our Board consists of four executive Directors and three independent non-executive Directors.

DIRECTORS

Executive Directors

Mr. Guo Jinkui (郭金魁) (“Mr. Guo”), aged 52, is the Chairman of our Board, our executive Director and one of our controlling Shareholders. He serves as the chairperson of the Nomination Committee, the Risk Management Committee, and the Environmental, Social and Governance Committee of the Company. He is primarily responsible for the overall strategic planning, major decision making and management of our Group’s business development and operations.

Mr. Guo has more than 30 years of experience in the maritime shipping industry. Prior to joining our Group in December 2012, he was employed by Shandong Haifeng Ship Management Co., Ltd.* (山東省海豐船舶管理有限公司), a shipping logistics company.

Mr. Guo holds the roles of legal representative, director, and manager of multiple subsidiaries of the Group, which are primarily engaged in investment holding, ship management, vessel holding, chartering services, shipbuilding consultation and real estate services.

Mr. Guo was nominated as one of the “Top 100 Most Notable Chinese Individuals in Shipping Industry”* (最受航運界關注的100位中國人) by the China Shipping 100 Organizing Committee* (中國航運百人組委會) for ten consecutive years between 2016 and 2025. Mr. Guo won the honorary title of “2024 China Shipping Celebrity List · Person of the Year with Influence”* (2024中國航運名人榜 • 年度影響力人物) on 21 May 2025.

Mr. Guo graduated from the Shanghai Maritime University (上海海事大學) (formerly known as Shanghai Maritime College (上海海運學院)) in China in July 1995, majoring in turbine management* (輪機管理). He obtained an executive master of business administration degree from the University of Texas at Arlington in the United States in June 2005.

Mr. Guo is the settlor and protector of The J&Y Trust. Mr. Guo also serves as a director of Jovial Alliance Limited.

Mr. Chen Zekai (陳澤凱) (“Mr. Chen”), aged 62, is our executive Director, president and one of our substantial Shareholders. He serves as a member of the Nomination Committee and the Remuneration Committee of the Company. He is primarily responsible for the overall strategic planning and administration of our Group.

Mr. Chen has more than 35 years of experience in the maritime shipping industry. Prior to joining our Group in December 2012, he was employed by Guangzhou Ocean Shipping Company Limited* (廣州遠洋運輸有限公司), a shipping logistics company and Shandong Haifeng Ship Management Company Limited* (山東省海豐船舶管理有限公司), a shipping logistics company and other companies, etc.

Mr. Chen holds the roles of legal representative, director and manager of multiple subsidiaries of the Group, which are primarily engaged in investment holding, ship management, vessel holding, chartering services and real estate businesses.

Mr. Chen graduated from the Qingdao Ocean Shipping Mariners College* (青島遠洋船員學院) in China in July 1990, majoring in marine navigation* (航海系船舶駕駛專業). He obtained a master of business administration degree from the National University of Singapore in July 2013, and a doctor of business administration degree from the University of Management and Technology in the United States in December 2016.

Mr. Chen is the settlor and protector of The CZK Trust.

DIRECTORS AND SENIOR MANAGEMENT

Mr. He Gang (賀罡) (“Mr. He”), aged 52, is our executive Director, our vice president and chief financial officer. Mr. He serves as a member of the Risk Management Committee of the Company. Mr. He is responsible for overseeing our financial reporting, financial planning, treasury and financial control matters.

Mr. He has over 29 years of experience in the maritime shipping industry. Prior to joining our Group in May 2019, Mr. He was successively employed by Qingdao Ocean Transportation Company* (青島遠洋運輸公司), a shipping company, COSCO Shipping (Singapore) Pte. Ltd., a shipping company, with deputy general manager and manager of the finance department as his last positions held, and COSCO Shipping (Qingdao) Company Limited* (中遠海運(青島)有限公司), a shipping company, serving as the deputy general manager of the finance department.

Mr. He serves as a director of multiple subsidiaries of the Group, which are primarily engaged in investment holding, ship management, vessel holding and chartering services businesses.

Mr. He graduated from the Jilin University of Finance and Economics* (吉林財經大學) (formerly known as Changchun Taxation College* (長春稅務學院)) in China in July 1996, majoring in accounting and statistics. He obtained a master of business administration degree from the Shanghai Jiao Tong University in China in March 2005. He was certified as a senior accountant by China Ocean Shipping (Group) Company (中國遠洋運輸(集團)總公司) in December 2006. He was also certified as a non-practicing member of the Shandong Institute of Certified Public Accountants* (山東省註冊會計師協會) in December 2009.

Mr. Zhao Yong (趙勇) (“Mr. Zhao”), aged 60, is our executive Director, our vice president and president of ship management. Mr. Zhao serves as a member of the Environmental, Social and Governance Committee of the Company. Mr. Zhao is responsible for the day-to-day management of the ship management operations of our Group.

Mr. Zhao has over 26 years of experience in the maritime shipping industry. Prior to joining our Group in July 2013, he was employed by Qingdao Ocean Shipping Company* (青島遠洋運輸公司), a shipping company, as captain, Qingdao Ocean Hualin International Ships Management Company Limited* (青島遠洋華林國際船舶管理有限公司), a ship management company, as marine superintendent, and Qingdao Sea Star Ships Management Company Limited* (青島海之星船舶管理有限公司), a ship management company, with his last position as deputy general manager.

Mr. Zhao holds the roles of director, legal representative and manager of multiple subsidiaries of the Company, which are primarily engaged in investment holding and ship management businesses.

Mr. Zhao holds a Certificate of Competency for Seafarers of the People’s Republic of China (中華人民共和國海船船員適任證書) issued by the Shandong Maritime Safety Administration of PRC, certifying Mr. Zhao’s capability to act as master on ships of 3,000 gross tonnage or more, which was issued in July 2019.

Mr. Zhao graduated from the Qingdao Ocean Shipping Mariners College (青島遠洋船員職業學院) (formerly known as Qingdao Ocean Shipping Mariners College (青島遠洋船員學院)) in China in July 1993, majoring in ship navigation* (船舶駕駛). He obtained an executive master of business administration degree from the Ocean University of China (中國海洋大學) in China in July 2012.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Fu Junyuan (傅俊元) (“Mr. Fu”), aged 64, joined our Group as an independent non-executive Director on 2 March 2023. Mr. Fu serves as the chairman of the Audit Committee, and a member of the Nomination Committee and the Risk Management Committee of the Company. Mr. Fu is responsible for providing independent advice to our Board.

Mr. Fu has more than 28 years of experience in accounting and management. Prior to joining our Group, he held a number of positions in the entities set out below:

Name of entity	Principal business	Last/current position	Period of services
Zhenhua Heavy Industries Company Limited (上海振華重工(集團)股份有限公司) (Shanghai Stock Exchange: 600320/900947)	Heavy equipment manufacturing	Director	August 1997 to May 2011
China Harbour Engineering Company (Group)* (中國港灣建設(集團)總公司) (a predecessor of China Communications Construction Group Corporation Limited (中國交通建設集團有限 公司))	Infrastructure construction	Chief accountant	October 1998 to December 2005
China Merchants Bank Holdings Co., Ltd. (招商銀行股份有限公司) (Stock Exchange: 03968; Stock Exchange preference share: 04614; Shanghai Stock Exchange: 600036)	Banking and finance	Non-executive director	March 2000 to August 2015
China Communications Construction Group Corporation Limited (中國交通建設集團有限 公司)	Infrastructure construction	Non-executive director	December 2005 to November 2006
China Communications Construction Company Limited (中國交通建設股份有限公司) (Stock Exchange: 1800; Shanghai Stock Exchange: 601800)	Infrastructure construction	Director and chief financial officer	September 2006 to September 2018
China Poly Group Corporation Limited (中國保利集團有限公司)	Parent company of 7 listed companies in the fields of international trade, real estate development, light industry research and development and engineering services etc.	Member of the company party standing committee and general accountant	September 2018 to September 2021
Poly Developments and Holdings Group Co., Ltd. (保利發展控股集團股份有限公司) (Shanghai Stock Exchange: 600048)	Real estate development and operations	Director	October 2019 to October 2021
China Railway Signal & Communication Corporation Limited (中國鐵路通信信號股份 有限公司) (Stock Exchange: 03969; Sci-tech Innovation Board of the Shanghai Stock Exchange: 688009)	Design and integration of rail transportation projects, signal and communication equipment manufacturing, rail control system implementation	Independent non-executive director	February 2022 up to present

DIRECTORS AND SENIOR MANAGEMENT

Mr. Fu graduated with a bachelor's degree in economics from the Shanghai Maritime University (上海海事大學) (formerly named Shanghai Maritime College* (上海海運學院)) in July 1983. Mr. Fu was awarded a master of business administration degree by the Asia International Open University (Macau) (亞洲(澳門)國際公開大學) (now renamed City University of Macau (澳門城市大學)) in Macau in August 2001. He also obtained a doctoral degree in management from the Beijing Jiaotong University (北京交通大學) in China in July 2008. Mr. Fu was appraised as a professor level senior accountant by the Competent Appraising and Approval Committee of the China Communications Construction Company Ltd (中國交通建設股份有限公司評審單位) in December 2015.

Ms. Zhang Xuemei (張雪梅) ("Ms. Zhang"), aged 55, joined our Group as an independent non-executive Director on 2 March 2023. Ms. Zhang serves as the chairperson of the Remuneration Committee, and a member of the Audit Committee, the Nomination Committee, and the Risk Management Committee of the Company. Ms. Zhang is responsible for providing independent advice to our Board.

Ms. Zhang has over 25 years of experience in human resources. Since December 2000 up to present, she has been the vice president of operations and human resources at SOHU.com* (搜狐集團), a media and internet company, where she is responsible for overseeing the human resources department, administration department and enterprise information department, and other matters, such as, media content, real estate media and technology affairs department.

Ms. Zhang graduated with a bachelor's degree in chemical engineering from the Anhui University of Technology (安徽工業大學) (formerly known as the East China University of Metallurgy* (華東冶金學院)) in China in July 1994. She graduated with an executive master of business administration degree from the University of Texas at Arlington in the United States in May 2005. She obtained an executive master of business administration degree from Tsinghua University (清華大學) in China in January 2015.

Mr. Zhuang Wei (莊煒) ("Mr. Zhuang"), aged 47, joined our Group as an independent non-executive Director on 2 March 2023. Mr. Zhuang serves as a member of the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Management Committee, and the Environmental, Social and Governance Committee of the Company. Mr. Zhuang is responsible for providing independent advice to our Board.

Mr. Zhuang has over 15 years of experience in the shipping industry. Since October 2010, he has been employed by BIMCO, an international shipping organization, and his current position is the General Manager of Asia, where he is responsible for BIMCO's Asia-Pacific affairs. From September 2001 to January 2010, he was employed as a lecturer at the Shanghai Maritime University (上海海事大學) (formerly known as Shanghai Maritime College* (上海海運學院)) in the PRC, an academic institution.

Mr. Zhuang graduated from the Shanghai Maritime University (formerly known as Shanghai Maritime College* (上海海運學院)) in China with a bachelor's degree in international economic law in July 2001, and he graduated from the Shanghai Maritime University with a master's degree in international law in March 2004. He then obtained a PhD in international law from the East China University of Political Science and Law (華東政法大學) in China in December 2011. Mr. Zhuang currently holds a legal profession qualification certificate* (法律職業資格證) (part time category) issued by the Shanghai Municipal Bureau of Justice (上海市司法局) in the PRC in October 2021.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhuang was awarded the Shanghai Pudong New Area “Hundred People Scheme” Talent Award* (上海市浦東新區「百人計劃」人才獎) issued by the Shanghai Pudong New Area People’s Government* (上海市浦東新區人民政府) in April 2013. Mr. Zhuang was awarded the Shanghai “Lujiazui Top Ten Overseas Educated Persons” Award* (上海「陸家嘴十大海歸精英」獎) issued by The China (Shanghai) Pilot Free Trade Zone Administration Committee Lujiazui Management Bureau* (中國(上海)自由貿易試驗區管理委員會陸家嘴管理局) in September 2017, which was the award’s launching year.

Mr. Zhuang was appointed as a member of the Chinese People’s Political Consultative Conference Shanghai Pudong New Area Committee* (上海浦東新區政協委員) for its sixth term, and he has been re-appointed as a member for its seventh term. He is currently an arbitrator with the China Maritime Arbitration Commission (中國海事仲裁委員會). Mr. Zhuang is currently an expert committee member of the Shanghai International Shipping Institute. Mr. Zhuang has also been a guest professor at the Shanghai Maritime University since May 2021. In December 2022, Mr. Zhuang was elected as a representative of the sixteenth Shanghai Municipal People’s Congress (上海市第十六屆人民代表).

JOINT COMPANY SECRETARIES

Ms. Sun Yufeng (孫玉峰) (“Ms. Sun”) has more than 15 years of experience in the maritime shipping industry. Ms. Sun has been the manager of the general operations department of Seacon Ships Qingdao since April 2013 and the general manager of the operations management centre of our Group since March 2022. Prior to joining our Group, she was employed by Qingdao Sea Star Ships Management Company Limited* (青島海之星船舶管理有限公司), a ship management company, from March 2010 to December 2012, with her last position as assistant of the ships technology department.

Ms. Sun graduated with a bachelor’s degree in economics (international economy and trade) and a bachelor’s degree in engineering (measurement and control technology and instrument) from the Shandong University of Science and Technology (山東科技大學) in China in June 2009. She then obtained a master’s degree in business administration from the Shandong University (山東大學) in China in June 2016.

Ms. Sun was awarded Shandong Province Water Transport System Female Worker’s Successful Model* (山東省水運系統女職工建功立業標兵) by the China Seamen’s Trade Union Shandong Province Committee* (中國海員工會山東省委員會) in March 2020. She was named Top Ten Women in the PRC Shipping Industry in 2022* (2022年度中國航運界十大傑出女性) by the China Shipping 100 Organizing Committee* (中國航運百人組委會) in March 2022. Ms. Sun has also been a member of the Shandong Seamen Trade Union Female Worker Committee* (山東海員工會女職工委員會) since March 2021.

Ms. Chan Sze Ting (陳詩婷) (“Ms. Chan”) has joined Tricor Services Limited since April 2006 and she currently serves as a director of the company secretarial services of Tricor Services Limited, a member of Vistra Group. Ms. Chan has over 20 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies.

Ms. Chan is a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and a Fellow of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom. Ms. Chan obtained a bachelor’s degree in laws from the University of London in the United Kingdom in August 2008.

REPORT OF DIRECTORS

The Board is pleased to present this report of Directors together with the audited consolidated financial statements of the Group for the Year.

COMPANY PROFILE

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 22 October 2021. The shares of the Company were listed on the Main Board of the Stock Exchange on 29 March 2023 (the “Listing Date”).

The Group is an integrated shipping services provider. Its comprehensive services provided include (i) shipping services and (ii) ship management services, covering key processes along the value chain of the maritime shipping industry. The principal activities of the principal subsidiaries, associates and joint ventures as at 31 December 2025 are set out in note 34 and note 15 to the consolidated financial statements, respectively.

RESULTS OF THE GROUP

The Group’s results during the Year are set out in the audited consolidated financial statement on pages 70 to 173 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group including an analysis of the Group’s financial performance and an indication of likely future developments in the Group’s business, is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” in this annual report. These discussions form part of this Report of Directors. The events affecting the Company that have occurred after the Year are set out in the section headed “Significant Events after the Year” in this report.

DIVIDENDS

To preserve the Company’s financial resources, the Board resolved not to recommend the payment of any dividend for the year ended 31 December 2025. As at the date of this report, there is no arrangement that a Shareholder has waived or agreed to waive any dividend.

DIVIDENDS POLICY

The Company has adopted a dividend policy and details of which are set out in the Corporate Governance Report on page 69 of this annual report.

FINANCIAL SUMMARY

The summary of the Group’s consolidated results as well as assets and liabilities for the past five financial years is set out on page 174 of this annual report. The summary does not constitute a part of the audited consolidated financial statements.

REPORT OF DIRECTORS

MAJOR RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations or growth prospects may be affected by risks and uncertainties associated with the Group's business. The factors listed below are the principal risks and uncertainties that the Group believes could cause the Group's business, financial condition, results of operations or growth prospects to differ materially from those anticipated or from historical results. In addition, there may be other risks and uncertainties that the Group has not identified or that are not currently material, but which may have a significant impact on the Group in the future.

- Charter rates for dry bulk carriers are volatile and the profitability of shipping services is sensitive to fluctuations in the BDI which is a main benchmark indicator of the market charter rates, which may adversely affect the Group's charter hire received from our customers, and accordingly, the Group's profitability and cash flows.
- The Group faces risks associated with obtaining suitable shipping capacity such as failing to assess chartered-in vessels in a timely manner and purchasing defective vessels, which may materially and adversely affect the Group's shipping volume, results of operations and financial condition.
- An increase in bunker fuel prices may reduce the Group's profitability and adversely affect the Group's business operations.
- The Group may be unable to maintain or expand our relationships with existing customers or to obtain new customers on a profitable basis due to intense competition in the highly volatile maritime shipping industry. Any inability to retain or replace our major customers may have a material adverse effect on the Group's business, financial condition and results of operations.
- The Group outsources the procurement of crew members to crew manning agencies. In the event of fraud or misconduct by a crew manning agency, the Group could also be exposed to material liability and be held responsible for damages, fines, or penalties which in turn may adversely affect our business, results of operations, financial condition, and reputation.
- If the Group's business operations fail to comply with any environmental requirements applicable to us, the Group could be exposed to, among other things, significant environmental liability damages, administrative and civil penalties, criminal charges or sanctions, and even termination or suspension of our operations, which may lead to substantial harm to our results of operations and reputation.

As the above information is not exhaustive, investors are advised to exercise their own judgment or consult their own investment advisers before making any investment in the shares of the Company.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To our best knowledge, the Group has complied with relevant laws and regulations that are significant to the Group's business and operation in all material aspects. During the Year, there were no material violations of or non-compliance with applicable laws and regulations within the Group.

REPORT OF DIRECTORS

MATERIAL LEGAL PROCEEDINGS

The Directors were not aware of any other material proceedings or claims pending or threatened against the Group during the Year.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is aware of our environmental responsibilities and social responsibilities, and understands the climate related issues that may affect our business. The Group is committed to strict compliance with the laws and regulations relating to environmental protection. The Company is aware of the importance of environmental protection and has formulated and adopted environmental, social and governance policies to ensure the continued sustainability of the Group's business operations. The Board of the Company has established an Environmental, Social and Governance Committee to support the Board in implementing the environmental, social and governance policies, objectives and strategies formulated by the Board, to conduct materiality assessment of environmental-related, climate-related and social-related risks, to evaluate the Group's approach to adjusting its business to climate change after collecting and analysing environmental, social and governance data, and to continuously monitor the implementation of measures to address the environmental, social and governance risks and liabilities of the Group. The Group will release the Environmental, Social and Governance Report required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") separately on the website of the Stock Exchange on the date of the publication of this annual report. The Environmental, Social and Governance Report will detail the environmental and social policies and performance of the Group during the year.

For discussions of the Group's environmental policies and performance, the Group's key relationships with employees, customers, suppliers and other stakeholders, and the Group's compliance with relevant laws and regulations that are significant to the Group during the Year, please refer to the Environmental, Social and Governance Report of the Company for the Year.

KEY RELATIONSHIPS WITH THE GROUP'S STAKEHOLDERS

The Group is committed to operating on a going concern basis while balancing the interests of all stakeholders, including the interests of shareholders of the Company, employees, customers and suppliers of the Group.

SHAREHOLDERS

The Group recognises the importance of protecting the interests of Shareholders and maintaining effective communication with them. The Group believes that communication with Shareholders is a two-way process and strives to ensure the quality and effectiveness of information disclosure, maintain regular dialogue with Shareholders, and listen carefully to Shareholders' views and feedback. This has been done through general meetings, corporate communications, interim and annual reports as well as results announcements.

REPORT OF DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

Our major customer groups in respect of our ship management services business segment are fairly broad and generally include customers who seek to outsource the function of ship management of their vessels to third party ship management service providers such as our Group. Such customers generally include shipowners (which include finance lease companies who own vessels) as well as shipbuilders. Our major customer groups in respect of our shipping services business segment may generally be categorised into shipping services companies and commodities owners and traders. We believe that maintaining close communications with our customers is essential in promoting customers' satisfaction and fostering their confidence in us and our services and would in turn encourage recurring businesses from existing customers and their word-of-mouth referrals to potential customers. We seek feedback from our customers from time to time to assess and evaluate which aspects of our service offerings need further improvement.

Our suppliers mainly include vessel suppliers, marine goods suppliers such as lubricants and spare parts, bunker suppliers, insurance companies, classification societies and repair and maintenance service providers. We work closely with suppliers who are also market participants to maintain an extensive network in the shipping market and exchange market information from time to time to improve market efficiency.

During the Year, both the revenue attributable to the top five customers of the Group as a percentage of the Group's total revenue and the purchase costs of the top five suppliers of the Group as a percentage of the Group's total purchase costs accounted for less than 30%.

As at the date of this report, none of our Directors, their respective associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of the issued share capital of the Company had any interests in any of the Group's top five customers or top five suppliers. A more detailed description of the Company's key relationships with our employees, customers and suppliers is set out in the Environmental, Social and Governance Report of the Company for the year.

EMPLOYEES

The Group recognises that employees are valuable assets of the Group, and that achieving and improving employees' values will facilitate the achievement of the Group's overall goals. The Group has been committed to providing employees with competitive remuneration packages, attracting promotion opportunities and a respectful and professional working environment. The Group participates in and contributes to statutory social benefit and mandatory contribution schemes, social benefits (including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident fund contributions in accordance with applicable laws, rules and regulations. The Group's employees are also entitled to various subsidies and benefits, including but not limited to paid annual leave, paid birthday leave and maternity allowance, etc. The Group believes that its training culture helps the Group to recruit and retain talents. The Group provides internal training and external seminars related to quality, operation, internal control, environment and health and safety policies depending on the departments and scope of work of the employees. The Group will continue to attract and retain more talent by regularly reviewing the performance of its employees and using the review results as reference in determining any salary adjustments and promotions. As of the date of this report, certain of the Group's employees belonged to a trade union called Seacon Shandong Shipping Group Union Committee* (山東洲際航運集團工會委員會). The Group believes that it maintains good working relationships with its employees and there were no significant disruptions in the Group's operations due to industrial actions or labour disputes during the Year.

REPORT OF DIRECTORS

The Company has also adopted a share option scheme pursuant to the written resolutions of the Shareholders and Directors passed on 2 March 2023 (the “**Share Option Scheme**”) to incentivise eligible Directors, senior management and employees, to attract, motivate and retain skilled and experienced personnel, and to provide incentives or rewards for their contribution or potential contribution to the Group. Details of the Share Option Scheme are set out in the section headed “Share Option Scheme”.

SHARE CAPITAL AND SHARES IN ISSUE

The Company has a class of ordinary shares with a par value of HK\$0.01 each. Details of the movements in the share capital of the Company and details of the issued shares of the Company during the Year are set out in note 22 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save for those disclosed in the sections headed “Share Option Scheme” in this annual report, the Company did not enter into any equity-linked agreement during the Year.

DEBENTURES IN ISSUE

During the Year, the Group did not issue any debentures.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and articles of association of the Company (the “**Articles of Association**”) or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to the Shareholders.

TAX RELIEF AND EXEMPTION

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

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in note 32 to the consolidated financial statements in this report, no contracts of significance were entered into between the Company or any of its subsidiaries and the controlling Shareholders (as defined in the Listing Rules) or any of their subsidiaries, whether for the provision of services or otherwise, during the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities, including sales of treasury shares (the “**Treasury Shares**”), within the meaning under the Listing Rules. As at 31 December 2025, the Company did not hold any Treasury Shares.

RESERVES

During the Year, details of the movements in the reserves of the Group are set out in the consolidated statement of changes in equity and note 23 to the consolidated financial statements.

REPORT OF DIRECTORS

DISTRIBUTABLE RESERVES

As of 31 December 2025, the distributable reserves of the Company as calculated in accordance with the relevant provisions of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to US\$61.1 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loans and other borrowings as at 31 December 2025 are set out in note 24 to the consolidated financial statements.

LOANS AND GUARANTEES

During the Year, the Group did not provide any loan or loan guarantee, either directly or indirectly, to the Directors, senior management, controlling Shareholders (as defined in the Listing Rules) of the Company or any of their respective connected persons (as defined in the Listing Rules).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or discontinued during the Year.

DONATIONS

During the Year, the Group made charitable donations and other contributions in the total amount of US\$129,000 (2024: US\$279,000).

REMUNERATION POLICIES AND EMPLOYMENT BENEFITS

As of 31 December 2025, the Group had 456 employees. The Group believes that its employees are valuable assets of the Group and are of great significance to the Group's business. Therefore, the Group recognises the importance of maintaining a good relationship with its employees. The Group's remuneration policies are based on the Group's profitability, prevailing industry practices, prevailing market levels, the qualifications of employees, the relevant work experience, positions and experience and the performance of each of the Group's subsidiaries and individual employees. These policies are reviewed on a regular basis. In addition to basic salaries, the Group provides employees with contributions and other fringe benefits under applicable laws, rules and regulations, including discretionary mid-year and year-end bonuses, paid annual leave, paid birthday leave and maternity allowance. etc. Total employee remuneration expenses including Directors' remuneration for the Year amounted to approximately US\$26.7 million.

REPORT OF DIRECTORS

The Group only operate defined contribution pension plans. In accordance with applicable laws and regulations, the Group has participated in applicable defined contribution plans. The Company has made regular corresponding payments to the corresponding defined contribution plans in accordance with the applicable legal and regulatory requirements of the employees. For the Year, the Group did not forfeit contributions to the defined contribution plans. Other than the above contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. Details of the Group's employee benefits are set out in note 37.19 and note 9 to the consolidated financial statements.

PROFILE OF THE BOARD

The Directors in service during the Year and as of the date of this report are:

Executive Directors

Mr. Guo Jinkui (*concurrently served as Chairman of the Board*)

Mr. Chen Zekai (*concurrently served as the president*)

Mr. He Gang

Mr. Zhao Yong

Independent Non-executive Directors

Mr. Fu Junyuan

Ms. Zhang Xuemei

Mr. Zhuang Wei

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company are set out in the section headed "Directors and Senior Management" in this report.

CHANGE IN DIRECTORS' INFORMATION

During the Year and up to the date of this report, there have been no change in the Directors' information which has been disclosed or is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) and 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company on 2 March 2023 with an initial term of three years commencing from the Listing Date. Any party may terminate relevant agreement by giving prior written notice.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company on 2 March 2023 with an initial term of three years commencing from the Listing Date. Any party may terminate relevant agreement by giving prior written notice.

Such appointments are subject to the provisions of the Articles of Association in relation to retirement by rotation and re-election.

None of the Directors nominated for re-election at the 2026 AGM has entered into a service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

REPORT OF DIRECTORS

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code, the Company has established a Remuneration Committee to assist the Board in formulating remuneration policies. Remuneration is determined and recommended based on the qualification, position and seniority of each Director and senior management. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee under the Board.

None of the Directors waived or agreed to waive any remuneration, and there was no remuneration paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

During the Year, the aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) for the Directors was approximately US\$1.45 million (as set out in note 33 to the consolidated financial statements).

For details of the Directors and the five highest paid individuals during the Year, please refer to note 33 and note 9 to the consolidated financial statements.

PERMITTED INDEMNITY

Pursuant to the Articles of Association, each of the Directors or other senior officers of the Company shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which he/she may incur or suffered in or about the performance of his/her duties during his/her term of office; provided that this indemnity shall not extend to any matter in respect of any fraud, willful default or dishonesty.

Such permitted indemnity provision was in force throughout the Year. As at the date of this report, the Company has maintained liability insurance in respect of liabilities against its Directors and senior officers in order to provide appropriate coverage.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 33(f) to the consolidated financial statements, there were no transactions, arrangements or contracts of significance to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which the Directors or any entities connected with the Directors were materially interested, either directly or indirectly, subsisting during or at the end of the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable our Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors or any of their spouse or children under the age of 18 had any rights to subscribe for the equity or debt securities of the Company or any other body corporate, or had exercised any such rights.

REPORT OF DIRECTORS

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of our Directors had controlled a business (excluding the Group's business) similar to the principal business of the Group that competes or is likely to compete, either directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and the Company considers such Directors to be independent.

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

As at 31 December 2025, the Group has provided financial assistance to Golden Pegasus Shipping Company Limited ("**Golden Pegasus**") in the form of (1) the four charter guarantees dated 2 April 2024 executed by the Company, pursuant to which the Company's liability shall not exceed 50% of the principal sum, namely US\$73.1 million, as well as other interests, obligations, liabilities and responsibilities in relation to the bareboat charters entered into by Golden Pegasus, and (2) a shareholder's loan of approximately US\$4.9 million. The financial assistance enabled Golden Pegasus to enter into finance lease arrangements to obtain additional working capital as well as financing for the acquisition of vessels.

As at 31 December 2025, Golden Pegasus was owned as to 50% by both Major Progress Limited, a wholly-owned subsidiary of CSSC (Hong Kong) Shipping Company Limited (stock code: 3877), and Seacon Shipinvest (HK) Limited ("**Seacon Shipinvest**", together with Major Progress Limited, the "**JV Shareholders**"), an indirect wholly owned subsidiary of the Company.

The shareholder's loan shall be unsecured and interest-free, which is repayable following the requisite approval in accordance with the relevant joint venture arrangement, upon termination of the joint venture arrangement, or upon the winding-up of Golden Pegasus. The capital contribution which has been contributed by Seacon Shipinvest in Golden Pegasus was HK\$5,000. For further details, please refer to the Company's announcement dated 2 April 2024.

As at 31 December 2025, Continental Kapital MPP Holdings Limited (the "**Joint Venture 1**") entered into a sale and purchase agreement dated 23 October 2024 with Seacon Shipping Pte. Ltd (as the vendor), an indirect wholly-owned subsidiary of the Company, pursuant to which the Joint Venture 1 has agreed to acquire and the vendor has agreed to sell the entire shareholdings of SEACON WUHU LTD., SEACON SUZHOU LTD., SEACON HEFEI LTD., SEACON GUANGZHOU LTD., SEACON NINGDE LTD. and SEACON SHENZHEN LTD. (the "**Target Companies**"). As at 31 December 2025, the Group has provided financial assistance to the Target Companies, in the form of (1) the six guarantee agreements dated 18 December 2023 entered into by the Company in favor of the corresponding owners, pursuant to which the guaranteed amount in aggregate was up to approximately USD237 million, as well as other relevant expenses, liabilities and costs, and (2) a shareholder's loan of approximately USD6.4 million. As at 31 December 2025, the total loans to the Joint Venture 1 and its subsidiaries amounted to USD10.3 million, including those to the Target Companies in the sum of USD6.4 million. The provision of the guarantees enables the Target Companies to enter into finance lease arrangements to obtain working capital as well as financing for the acquisition of vessels, ensuring the continuous and steady growth of the Target Companies.

REPORT OF DIRECTORS

All loans have been used as part payment towards the purchase of vessels by the Target Companies, which were directly paid to the relevant shipbuilder in accordance with the payment schedule as specified in the relevant shipbuilding contracts, and other interests, costs and expenses. Such loans are unsecured, interest free and have no repayment terms.

As at 31 December 2025, the Target Companies were wholly owned by the Joint Venture 1, which was owned as to 50% by each of GH Kapital Holding Ltd (“**GH Kapital**”), an indirect wholly-owned subsidiary of the Company, and SeaKapital Limited (“**SeaKapital**”), an independent third party of the Company. For further details, please refer to the Company’s announcement dated 23 October 2024.

On 24 January 2025, GH Kapital, SeaKapital and Continental Kapital Shipping Company Limited (the “**Joint Venture 2**”) entered into a loan facility and guarantee agreement, pursuant to which each of GH Kapital and SeaKapital shall make available to the Joint Venture 2 loan facilities and provide or procure its affiliate(s) to provide for the Joint Venture 2 in favour of external financing provider(s) guarantees. Joint Venture 2 wholly owns Joint Venture 1 and Continental Kapital Tankers Holdings Limited (“**Joint Venture 3**”). As at 31 December 2025, GH Kapital has (1) made available to the Joint Venture 3 loan facilities of approximately USD22.2 million; and (2) provided or procured its affiliate(s) to provide for the Joint Venture 3 in favour of external financing provider(s) in an aggregate guaranteed amount of approximately USD25.8 million. The financial assistance enabled the Joint Venture 2, its subsidiaries and associates to maintain their daily operations and perform their payment obligations in relation to the Joint Venture 2’s principal businesses of vessel owning and chartering.

The said loan facility shall be unsecured and interest free. The Joint Venture 2 shall repay the relevant loans on demand upon mutual consent by GH Kapital and SeaKapital.

As of 31 December 2025, the Joint Venture 2 was owned as to 50% by each of GH Kapital, an indirect wholly-owned subsidiary of the Company, and SeaKapital. For further details, please refer to the Company’s announcement dated 24 January 2025.

On 23 September 2025, SG Xinde Investment (HK) Limited (the “**Borrower**”), an indirect wholly owned subsidiary of the Company, as borrower and the Company as guarantor entered into a facility agreement (the “**Facility Agreement**”) with a bank as lender (the “**Lender**”), pursuant to which the Lender has agreed to make available to the Borrower a term loan facility in an aggregate amount of up to USD42,000,000, subject to the terms of the Facility Agreement (the “**Facility**”). The repayment date of the Facility is the date falling three years after the date of the first utilisation of the Facility, which is extendable to the date falling five years after the date of the first utilisation of the Facility upon mutual agreement.

Pursuant to the Facility Agreement, if Mr. Guo Jinkui, a controlling shareholder of the Company, ceases to be the single largest shareholder of or control the Company, it shall constitute a mandatory prepayment event (“**Mandatory Prepayment Event**”). Upon the occurrence of a Mandatory Prepayment Event, (i) the Lender shall not be obliged to fund a utilisation of the Facility; and (ii) the Lender may require, by not less than 10 business days’ notice to the Borrower, the cancellation of the available commitment of the Lender under the Facility Agreement and a declaration that all loans, together with accrued interested interest, specified costs, and all other amounts accrued or outstanding under the Facility Agreement be immediately due and payable.

As of 31 December 2025, Mr. Guo Jinkui is the Chairman of the board of directors, an executive director and a controlling shareholder of the Company. For further details, please refer to the Company’s announcement dated 23 September 2025.

REPORT OF DIRECTORS

In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following pro forma combined statement of financial position of the affiliated companies with financial assistance from the Group and the Group's attributable interests in these affiliated companies as of 31 December 2025:

	Combined statement of financial position US\$'000	Group's attributable interests US\$'000
Non-current assets	1,209,606	536,378
Current assets	292,654	119,276
Current liabilities	379,020	157,758
Non-current liabilities	<u>914,206</u>	<u>411,419</u>

The pro forma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 December 2025.

Save as disclosed in this annual report, the Company did not have any other disclosure obligations under Rules 13.20, 13.21, 13.22, 14.36B and 14A.63 of the Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Group did not enter into any connected transaction or continuing connected transaction which is required to comply with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Certain related party transactions, as disclosed in note 32 to the consolidated financial statements in this report, also constituted connected transactions or continuing connected transactions of the Company but these transactions are fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to rules 14A.76, 14A.90 and 14A.95 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

REPORT OF DIRECTORS

Directors' Interests in the Company

Name of Director	Capacity/Nature ⁽¹⁾	Number of shares held/ interested	Approximate percentage of shareholding ⁽²⁾
Mr. Guo Jinkui ⁽³⁾	Founder of a discretionary trust; Interest in a controlled corporation	288,750,000	57.75%
Mr. Chen Zekai ⁽⁴⁾	Founder of a discretionary trust; Interest in a controlled corporation	75,000,000	15.00%
Mr. He Gang ⁽⁵⁾	Interest in a controlled corporation	3,750,000	0.75%
Mr. Zhao Yong ⁽⁶⁾	Interest in a controlled corporation	7,500,000	1.50%

Notes:

- (1) All interests stated are long positions.
- (2) The percentage represents the number of shares interested divided by the total number of ordinary shares of the Company in issue as of the date of this report, i.e., 500,000,000.
- (3) The entire share capital of Jin Qiu Holding Ltd. is wholly-owned by Shining Friends Limited, which is wholly-owned by Futu Trustee Limited, the new trustee of The J&Y Trust which was changed from Tricor Equity Trustee Limited on 2 April 2025, which was established by Mr. Guo Jinkui (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Guo Jinkui (as founder of The J&Y Trust) and Shining Friends Limited are taken to be interested in the 247,500,000 shares held by Jin Qiu Holding Ltd. pursuant to Part XV of the SFO.
- Jin Chun Holding Ltd. and Jovial Alliance Limited are both 100% beneficially owned by Mr. Guo Jinkui. Accordingly, Mr. Guo Jinkui is deemed to be interested in the 11,250,000 shares held by Jin Chun Holding Ltd. and the 30,000,000 shares held by Jovial Alliance Limited under the SFO.
- By virtue of the SFO, Mr. Guo Jinkui is deemed to be interested in all the shares held by Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited.
- (4) The entire share capital of Kaimei Holding Ltd. is wholly-owned by Oceanic Flame Limited, which is wholly-owned by Futu Trustee Limited, the new trustee of The CZK Trust which was changed from Tricor Equity Trustee Limited on 2 April 2025, which was established by Mr. Chen Zekai (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Chen Zekai (as founder of The CZK Trust) and Oceanic Flame Limited are taken to be interested in the 71,250,000 shares held by Kaimei Holding Ltd. pursuant to Part XV of the SFO.
- CZK Holding Ltd. is 100% beneficially owned by Mr. Chen Zekai. Accordingly, Mr. Chen Zekai is deemed to be interested in the 3,750,000 shares held by CZK Holding Ltd. under the SFO.
- By virtue of the SFO, Mr. Chen Zekai is deemed to be interested in all the shares held by Kaimei Holding Ltd. and CZK Holding Ltd.
- (5) Passion Wealth Ltd. is 100% beneficially owned by Mr. He Gang. Accordingly, Mr. He Gang is deemed to be interested in the 3,750,000 shares held by Passion Wealth Ltd. under the SFO.
- (6) Ruigao Holding Ltd. is 100% beneficially owned by Mr. Zhao Yong. Accordingly, Mr. Zhao Yong is deemed to be interested in the 7,500,000 shares held by Ruigao Holding Ltd. under the SFO.

REPORT OF DIRECTORS

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), 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 and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, none of the Directors or their spouse or children under the age of 18 had been granted any rights to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such rights for the Year.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

As at 31 December 2025, so far as is known to our Directors, the following parties, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

(a) Substantial Shareholders' Interests in the Company

Name of Shareholder	Type/Nature of interest ⁽¹⁾	Number of ordinary shares	Approximate percentage of shareholding ⁽²⁾
Futu Trustee Limited ⁽³⁾	Trustee	318,750,000	63.75%
Shining Friends Limited ⁽³⁾	Interest in a controlled corporation	247,500,000	49.50%
Jin Qiu Holding Ltd. ⁽³⁾	Beneficial owner	247,500,000	49.50%
Jovial Alliance Limited ⁽³⁾	Beneficial owner	30,000,000	6.00%
Oceanic Flame Limited ⁽⁴⁾	Interest in a controlled corporation	71,250,000	14.25%
Kaimei Holding Ltd. ⁽⁴⁾	Beneficial owner	71,250,000	14.25%
Ms. Li Xuyue ⁽⁵⁾	Interest of spouse	288,750,000	57.75%
Ms. Chen Meimei ⁽⁶⁾	Interest of spouse	75,000,000	15.00%

Notes:

- (1) All interests stated are long positions.
- (2) The percentage represents the number of shares interested divided by the total number of ordinary shares of the Company in issue as of the date of this report, i.e., 500,000,000.

REPORT OF DIRECTORS

- (3) The entire share capital of Jin Qiu Holding Ltd. is wholly-owned by Shining Friends Limited, which is wholly-owned by Futu Trustee Limited, the new trustee of The J&Y Trust which was changed from Tricor Equity Trustee Limited on 2 April 2025, which was established by Mr. Guo Jinkui (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Guo Jinkui (as founder of The J&Y Trust) and Shining Friends Limited are taken to be interested in 247,500,000 shares held by Jin Qiu Holding Ltd. pursuant to Part XV of the SFO.

Jin Chun Holding Ltd. and Jovial Alliance Limited are both 100% beneficially owned by Mr. Guo Jinkui. Accordingly, Mr. Guo Jinkui is deemed to be interested in the 11,250,000 shares held by Jin Chun Holding Ltd. and the 30,000,000 shares held by Jovial Alliance Limited under the SFO.

By virtue of the SFO, Mr. Guo Jinkui is deemed to be interested in the 288,750,000 shares held by Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited in aggregate.

- (4) The entire share capital of Kaimei Holding Ltd. is wholly-owned by Oceanic Flame Limited, which is wholly-owned by Futu Trustee Limited, the new trustee of The CZK Trust which was changed from Tricor Equity Trustee Limited on 2 April 2025, which was established by Mr. Chen Zekai (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Chen Zekai (as founder of The CZK Trust) and Oceanic Flame Limited are taken to be interested in the 71,250,000 shares held by Kaimei Holding Ltd. pursuant to Part XV of the SFO.

CZK Holding Ltd. is 100% beneficially owned by Mr. Chen Zekai. Accordingly, Mr. Chen Zekai is deemed to be interested in the 3,750,000 shares held by CZK Holding Ltd. under the SFO.

By virtue of the SFO, Mr. Chen Zekai is deemed to be interested in all the shares held by Kaimei Holding Ltd. and CZK Holding Ltd.

- (5) Ms. Li Xuyue is the spouse of Mr. Guo Jinkui and is deemed, or taken to be, interested in all the shares in which Mr. Guo Jinkui has interest in under the SFO.
- (6) Ms. Chen Meimei is the spouse of Mr. Chen Zekai and is deemed, or taken to be, interested in all the shares in which Mr. Chen Zekai has interest in under the SFO.

Save as disclosed above, as at 31 December 2025, based on publicly available information, there were no other persons, not being a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted pursuant to the written resolutions of the Shareholders and Directors of the Company passed on 2 March 2023. No option was granted, vested, canceled or lapsed under the Share Option Scheme during the Year. The principal terms of the Share Option Scheme are summarised as below:

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive or reward for the eligible participants for their contribution or potential contribution to the Company and/or any of its subsidiaries.

REPORT OF DIRECTORS

2. Who may join

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the Listing Rules, be entitled but shall not be bound, at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme (i.e., 2 March 2023), to make an offer to any of the following classes:

- (a) any Directors and employees of our Group (including persons who are granted options under the Share Option Scheme as an inducement to enter into employment contracts with any member of our Group);
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of our Company; and
- (c) persons who provide services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group, which may include persons who work for the member of our Group as independent contractors where the continuity and frequency of his service is akin to those of employees (the “**Service Providers**”), but excluding any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

3. Maximum number of Shares

- (a) The total number of shares which may be allotted and issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 50,000,000 Shares (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from our Shareholders. The options which are cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other schemes of our Company shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (b) Without prejudice to (a) above, the total number of shares which may be allotted and issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of our Group to Service Providers shall be within the Scheme Mandate Limit and must not in aggregate exceed 1% of the total number of Shares in issue immediately following completion of the Global Offering unless the Company obtains an approval from our Shareholders.
- (c) The Company may update the Scheme Mandate Limit at any time with the prior approval of the Shareholders and subject to compliance with the requirements of the Listing Rules. The total number of shares which may be allotted and issued upon exercise of all options and awards to be granted under the Share Option Scheme and any other schemes of our Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the approval of the limit.
- (d) Since the date of adoption of the Share Option Scheme and up to the date of this report, no option has been granted, exercised, expired or lapsed under the Share Option Scheme and no option has been outstanding. As of the date of this report, the total number of shares available for issue under the Share Option Scheme was 50,000,000 shares, representing 10% of the total number of shares in issue.

REPORT OF DIRECTORS

4. Maximum entitlement of each eligible participant

Unless Shareholders' approval has been obtained and such grantee and their close associates (or his associates if the participant is a connected person) abstain from voting, the total number of shares issued and to be issued upon exercise of any options and awards which may be granted under the Share Option Scheme and any other schemes of our Group (including both exercised or outstanding options but excluding any options and awards lapsed in accordance with the terms of the Share Option Scheme or any other schemes of our Group) to each grantee in any 12-month period up to and including the date of such grant shall not exceed 1% of the issued share capital of our Company for the time being.

The making of an offer under the Share Option Scheme to any Director, substantial Shareholder or chief executive of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the option).

Where any grant of options under the Share Option Scheme to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options under the Share Option Scheme already granted and to be granted (including options exercised, cancelled and outstanding but excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of our Shares in issue, such further grant of options must be approved by our Shareholders in a general meeting. The Company must send a circular to the Shareholders containing the information required under the Listing Rules. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour of the relevant resolution at such general meeting. Any change in the terms of options granted to a participant who is a Director, Substantial Shareholder or chief executive of our Company, or any of their respective associates, must be approved by our Shareholders in the manner as set out in this paragraph if the initial grant of the options requires such approval (except where the changes take effect automatically under the existing terms of the Share Option Scheme).

5. Time of acceptance and exercise of an option

An offer under the Share Option Scheme may remain open for acceptance by the eligible participants concerned (and by no other person) for a period of up to 21 days from the date, which must be a business day, on which the offer is made.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

A nominal consideration of HK\$1.00 is payable to the Company upon acceptance of the grant of an option by a grantee.

REPORT OF DIRECTORS

6. Vesting Period

The vesting period for options shall be determined by the Board and in any case, shall not be less than 12 months.

7. Exercise price for Shares

The exercise price in respect of any option under the Share Option Scheme shall be at the discretion of our Board, provided that it shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant.

8. Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted (i.e., 2 March 2023) unless the Company passes an ordinary resolution in general meeting to terminate the operation of the Share Option Scheme before its expiry. As of the date of publication of this report, the remaining life of the Share Option Scheme is approximately eight years and ten months.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Stock Exchange on 29 March 2023, and a global offering of the Company's ordinary shares was offered, comprising 12,500,000 shares under the Hong Kong public offering and 112,500,000 shares under international placing, both at an offer price of HK\$3.27 per share (collectively, the "**Global Offering**"). The net proceeds from the Global Offering amounted to approximately HKD333.8 million (the "**Net Proceeds**"), which has been fully utilized by 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Board of the Company, the Company has maintained sufficient public float as required by the Listing Rules during the Year and up to the date of this report.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standard of corporate governance practices. The information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 53 to 69 of this annual report.

AUDIT COMMITTEE

The Audit Committee of the Company (the "**Audit Committee**") has reviewed, together with the management and auditor of the Company, the accounting principles and policies adopted by the Group and the annual report for the Year. The Audit Committee has reviewed the Group's financial controls, risk management and internal control systems.

REPORT OF DIRECTORS

AUDITOR

The Company were only listed on the Stock Exchange on the Listing Date and there has been no change in auditor in the preceding three years. The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, which is a certified public accountant and registered public interest entity auditor, and will retire at the forthcoming annual general meeting of the Company, and being eligible, offer itself for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint PricewaterhouseCoopers as the auditor of the Company.

SIGNIFICANT EVENTS AFTER THE YEAR

On 12 February 2026, the Company, as guarantor, executed a guarantee, pursuant to which the Company has agreed to guarantee the due and punctual performance of the obligations of the GHC Shipping Company Limited (a joint venture owned as to 50% by the Group), GOLDEN AZALEA LTD (a company wholly owned by GHC Shipping Company Limited), the Company and an independent third party under transaction documents in favour of the Tianjin Jinhaishiqi Leasing Co., Ltd. in relation to a vessel. Under the transaction documents, GOLDEN AZALEA LTD entered into a financial lease arrangement with the Tianjin Jinhaishiqi Leasing Co., Ltd. in relation to the vessel with the principal sum of not exceeding USD39.1 million. The Company's liability under the charter guarantee shall not exceed 50% of the principal sum, namely USD19.55 million, as well as other interests, obligations, liabilities and responsibilities in relation to the financial lease arrangement, with the Company's aggregate obligations being proportional to the Company's indirect interest in GOLDEN AZALEA LTD. For details, please refer to the announcement of the Company dated 12 February 2026.

On 24 March 2026, Seacon Shipping Pte. Ltd. (the "**Buyer**"), an indirect wholly-owned subsidiary of the Company, entered into four novation agreements with Jiangsu Dajin Heavy Industry Co., Ltd. (the "**Seller**"), H&C Marine Engineering (Singapore) Pte. Ltd. and FLC CHANCE SHIPPING LIMITED (the "**Original Buyers**"), pursuant to which each of the Original Buyers agreed to transfer to the Buyer all the rights and obligations under the relevant original shipbuilding contract, which shall be superseded by the relevant shipbuilding contract as annexed to the corresponding novation agreements, in relation to four vessels at nil consideration. Upon completion of the novation, the shipbuilding contracts continue in full force and effect as novated, save for the amendments set out in the novation agreements, pursuant to which the Buyer agreed to purchase and the Seller agreed to sell the four vessels for an aggregate consideration of USD44,400,000. For details, please refer to the announcement of the Company dated 24 March 2026.

On 24 March 2026, (i) after arm's length negotiation among the parties, Shanghai Seacon Real Estate Co., Ltd. (the "**Buyer**"), an indirect wholly-owned subsidiary of the Company, and Shanghai Lin-Gang New Area Jingang Shengyuan Real Estate Co., Ltd. (the "**Previous Seller**") entered into a termination agreement, pursuant to which the parties agreed to terminate the previous agreements with effect from the date of the termination agreement, and (ii) the Buyer and Shanghai Lin-Gang New Area Jingang Dongjiu Real Estate Co., Ltd. (the "**New Seller**") entered into a new agreement, pursuant to which the Buyer agreed to purchase and the New Seller agreed to sell the new properties for an aggregate consideration of RMB337,697,000. For details, please refer to the announcement of the Company dated 24 March 2026.

Save as disclosed, there was no other significant event since 31 December 2025 and up to the date of this report that could have a material impact on the Company's operations and financial performance.

REPORT OF DIRECTORS

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Friday, 26 June 2026. The notice of 2026 AGM will be published and dispatched to the Shareholders in due course in the manner prescribed by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the 2026 AGM or any adjournment thereof, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the 2026 AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 22 June 2026.

By order of the Board

Mr. Guo Jinkui

Chairman of the Board

Hong Kong, 27 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders the corporate governance of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholders' return will be maximised in the long term and that its employees, business partners and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") as the basis for the corporate governance practices of the Company.

During the year ended 31 December 2025, the Company has complied with all applicable code provisions of the CG Code, except for the deviation as follows:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separate and shall not be performed by the same individual. Mr. Guo Jinkui, being the Chairman and executive Director of the Company, is responsible for the operation and management of the Board. No chief executive officer has been appointed by the Company. The day-to-day management of the Group is delegated to other executive Directors and the management of the Company. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development.

The Company is committed to enhancing its corporate governance practices used to regulate conduct and promote growth of its business and to reviewing such practices from time to time to ensure that we comply with the CG Code and align with the latest developments of the Company.

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company 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 of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2025.

BOARD OF DIRECTORS

The Company is led by an efficient Board. The Board assumes the responsibility for leadership and control, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors shall make decisions objectively in the best interests of the Company.

The Board strikes a balance among skills, experience and diversity of perspectives in order to meet the requirements of the Company’s business, and regularly reviews the contribution required to be made by the Directors when discharging their duties to the Company, as well as whether they have devoted sufficient time to discharge the duties corresponding to their roles and obligations delegated by the Board. The Board comprises a balanced combination of executive Directors and independent non-executive Directors, so that there is a strong independent element in the Board, which can effectively exercise independent judgment.

Pursuant to code provision B.1.4, the Company has established mechanisms to ensure independent views and input are available to the Board. In particular, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) to discourage the re-election of long-serving independent non-executive Directors; (iii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; and (iv) the independent non-executive Directors shall devote sufficient time to discharge their duties as a Director. Furthermore, the Directors may access external independent professional advice to assist their performance of duties at the expense of the Company. The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.

COMPOSITION OF THE BOARD

The Board currently consists of the following 7 Directors.

Executive Directors

Mr. Guo Jinkui (*Chairman*)

Mr. Chen Zekai (*President*)

Mr. He Gang

Mr. Zhao Yong

Independent Non-executive Directors

Mr. Fu Junyuan

Ms. Zhang Xuemei

Mr. Zhuang Wei

The biographical details of the Directors are set out in the section headed “Directors and Senior Management” in this annual report. The relationships among the Directors are disclosed in the biographical details of the Directors under the section headed “Directors and Senior Management” in this annual report. Save as disclosed above, there were no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

CORPORATE GOVERNANCE REPORT

Each of the Directors has obtained the legal advice pursuant to the relevant Listing Rules effective at the material time before the Listing Date, which is equivalent to Rule 3.09D of the Listing Rules. Each of the Directors understood his/her obligations as a Director.

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, either in person or through electronic means of communication, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

For other Board meetings and Board committee meetings, reasonable notice has to be given generally. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

The Company held 21 Board meetings during the year ended 31 December 2025.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board assumes the responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board through effective independent judgement on corporate initiatives and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses, in order that they may discharge their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board may make decision at its discretion on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. The management is responsible for implementing the decisions of the Board, directing and coordinating the daily operation and management of the Company.

The Company has arranged appropriate insurance coverage on the Directors' and senior management's liabilities in respect of any legal actions may be taken against the Directors and senior management arising out of the activities of the Company. The insurance coverage would be reviewed on an annual basis.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The position of Chairman was held by Mr. Guo Jinkui. Please refer to the “Corporate Governance Practices” above for details.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing no less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism during the year which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders’ interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2025, all Directors has completed the independence evaluation individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2025, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of three years, subject to renewal after the expiry of the then current term.

All the Directors of the Company are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three of a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. The Company’s Articles of Association also provides that all Directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The Directors shall keep abreast of their Director's responsibilities and of the conduct, business activities and development of the Company.

Every newly appointed Director of the Company has received a comprehensive, formal and tailored induction training on the first occasion of his/her appointment, and will be provided with relevant briefing and professional development subsequently as necessary, in order to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements as well as the business and governance policies of the Company.

According to code provision C.1.4, 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. During the year ended 31 December 2025, all Directors have participated in continuous professional development, and the summary of training received by the Directors are as follows:

Directors	Types of trainings ⁽¹⁾
Mr. Guo Jinkui (<i>Chairman</i>)	A and B
Mr. Chen Zekai (<i>President</i>)	A and B
Mr. He Gang	A and B
Mr. Zhao Yong	A and B
Mr. Fu Junyuan	A and B
Ms. Zhang Xuemei	A and B
Mr. Zhuang Wei	A and B

Note:

(1) A: attending seminars and/or conferences relevant to the Directors' duties and responsibilities or corporate governance.

B: reading materials relating to Directors' duties and responsibilities or corporate governance or regulatory updates.

BOARD COMMITTEES

The Board has established five committees, namely, the Audit Committee, the Remuneration Committee, the Risk Management Committee, the Environmental, Social and Governance Committee and the Nomination Committee, which are responsible for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference, which clearly stipulates their respective roles and responsibilities. The terms of reference of the Audit Committee, the Remuneration Committee, the Risk Management Committee, the Environmental, Social and Governance Committee and the Nomination Committee are posted on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. Fu Junyuan, Ms. Zhang Xuemei and Mr. Zhuang Wei. Mr. Fu Junyuan is the chairperson of the Audit Committee.

CORPORATE GOVERNANCE REPORT

The terms of reference of the Audit Committee are no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee is also responsible for performing functions as required by Provision A.2.1 of the CG Code.

During the year ended 31 December 2025, the Audit Committee held two meetings to review, among other things, the annual report for the year ended 31 December 2024, the interim financial results and report for the six months ended 30 June 2025, major audit findings, significant issues on the financial reporting and compliance procedures, the effectiveness of risk management and internal audit function, appointment of external auditors and connected transactions.

REMUNERATION COMMITTEE

The Remuneration Committee comprises three members, namely Ms. Zhang Xuemei (independent non-executive Director), Mr. Chen Zekai (executive Director) and Mr. Zhuang Wei (independent non-executive Director). Ms. Zhang Xuemei is the chairperson of the Remuneration Committee.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management (i.e. the model described in code provision E.1.2(c)(ii)), the remuneration policy and structure for all Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the year ended 31 December 2025, the Remuneration Committee held two meetings to review the Company's policy and structure for the remuneration of all Directors and senior management, assess the performance of the executive Directors and the senior management, review the remuneration package of the executive Directors and the senior management and make recommendation to the Board on their remuneration.

The Company offers executive Directors and senior management, who are also employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

Details of the remuneration of the senior management by band for the Year are set out below:

Remuneration band (USD)	Number of person(s)
200,000-350,000	2
350,000-500,000	2

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises five members, namely Mr. Guo Jinkui (executive Director), Mr. He Gang (executive Director), Mr. Fu Junyuan (independent non-executive Director), Ms. Zhang Xuemei (independent non-executive Director) and Mr. Zhuang Wei (independent non-executive Director). Mr. Guo Jinkui is the chairperson of the Risk Management Committee.

The primary functions of the Risk Management Committee include reviewing and supervising the Group's risk management and internal control systems and the effectiveness of the Group's internal audit function.

During the year ended 31 December 2025, the Risk Management Committee held two meetings to review the Group's risk management and internal control systems, and the effectiveness of the Group's internal audit function.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The Environmental, Social and Governance Committee comprises three members, namely Mr. Guo Jinkui (executive Director), Mr. Zhao Yong (executive Director) and Mr. Zhuang Wei (independent non-executive Director). Mr. Guo Jinkui is the chairperson of the Environmental, Social and Governance Committee.

The primary functions of the Environmental, Social and Governance Committee include reviewing and supervising the Company's environment, social and governance strategies, policies and practices, and monitoring and evaluating material environment, social and governance issues.

During the year ended 31 December 2025, the Environmental, Social and Governance Committee held two meetings to review the Company's environment, social and governance strategies, policies and practices, including 2024 Environmental, Social and Governance report.

NOMINATION COMMITTEE

The Nomination Committee comprises five members, namely Mr. Guo Jinkui (executive Director), Mr. Chen Zekai (executive Director), Mr. Fu Junyuan (independent non-executive Director), Ms. Zhang Xuemei (independent non-executive Director) and Mr. Zhuang Wei (independent non-executive Director). Mr. Guo Jinkui is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee include reviewing the Board composition, formulating and making recommendations to the Board on the appointment and succession planning of Directors, reviewing the board diversity policy (the "**Board Diversity Policy**"), assessing the independence of independent non-executive Directors and supporting the Company's regular evaluation of the Board's performance.

In assessing the Board composition, the Nomination Committee would take into account various aspects as set out in the Company's Board Diversity Policy as well as factors concerning Board diversity.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the relevant criteria of such candidates, such as complementary corporate strategy as set out in the nomination policy and the requisites to achieve board diversity (if applicable), before making recommendation to the Board.

During the year ended 31 December 2025, the Nomination Committee held one meetings to review the size and composition of the Board, assess the independence of the independent non-executive Directors and make recommendation on the re-election of retiring Directors.

CORPORATE GOVERNANCE REPORT

Based on an assessment of (i) each director's skills, experience and professional qualifications; (ii) each director's role and positions held with members of the Group; and (iii) each director's attendance record at the Board and committee meetings of the Company during the Year, the Nomination Committee considered that each director gave sufficient time and attention to the affairs of the Group and undertook his/her responsibilities effectively during the Year.

BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy and stipulated the means to achieve Board diversity. The Company recognises and embraces the benefits of having a diverse Board and sees enhanced diversity at the Board level as an essential element in maintaining the Company's competitive advantages.

The Company strives to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Nomination Committee is responsible for reviewing the Board Diversity Policy, setting and reviewing measurable objectives to implement the policy and ascertain the progress made towards achieving those objectives.

The Board intends to maintain at least one female Board member. The Board may identify and select suitable female Board members or successors from a variety of sources, including but not limited to, internal promotions, Board member recommendations and external recruitment.

The current Board composition is analysed as follows based on the measurable objectives:

Gender

Male: 6 directors
Female: 1 director

Age group

41–50: 1 director
51–60: 4 directors
61–70: 2 directors

Position

Executive Directors: 4 directors
Independent non-executive Directors: 3 directors

Educational background

Business administration: 4 directors
Accounting and finance: 2 directors
Law: 1 director

Nationality

PRC: 7 directors

Business experience

Accounting and finance: 2 directors
Law: 1 director
Experience relevant to the Company's business: 4 directors

The Nomination Committee and the Board consider that the current Board composition has reached the objectives set out in the Board Diversity Policy.

The Nomination Committee will review at least on a yearly basis the Board Diversity Policy and measurable objectives to ensure the sustained function and effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

GENDER DIVERSITY

The Company values gender diversity at all levels of the Group. The table below sets forth the gender ratio of the Group's employees (including the Board and senior management) as at the date of this annual report:

	Female	Male
Board	14.29% (1)	85.71% (6)
Senior management	0% (0)	100% (4)
Other employees	<u>40.04% (181)</u>	<u>59.96% (271)</u>
All staff	<u>39.69% (181)</u>	<u>60.31% (275)</u>

The Board aims to achieve gender diversity by having at least 10% female Directors, 10% female senior management and 30% female employees, and considers gender diversity satisfactory at the current stage. In order to continue to achieve gender diversity among our employees, we are committed to creating favourable conditions in our working environment to continuously attract employees of different genders to the Group, thereby maintaining our position as a gender-balanced company. In this process, we may face challenges in matching the availability of gender-specific personnel in the human resources market with the education, experience and skills required for positions of the Group. Despite these challenges, we are committed to maintaining a gender-balanced workforce.

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) in respect of the nomination procedure of Directors, which sets out the selection criteria, nomination procedures and the Board succession planning considerations in relation to nomination and appointment of our Directors, and aims to ensure that the Board maintains a balance of corresponding skills, experience and diversity of perspectives and ensure the continuity of the Board and appropriate leadership at the Board level.

The Director Nomination Policy sets out the nomination procedures as follows:

NOMINATION PROCEDURES

(a) Appointment of New Director

The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

CORPORATE GOVERNANCE REPORT

The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

(b) Re-election of Director at General Meeting

The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.

The Nomination Committee and/or the Board should also review and determine whether the retiring director continues to meet the criteria as set out above.

The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.

Where the board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Board shall have the final decision on all matters relating to recommendation of candidates to stand for election at a general meeting or re-appointment of Directors.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of proposed candidates, including but not limited to:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- Any measurable objectives adopted for achieving diversity on the Board;
- Requirement for the Board to have independent directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and

CORPORATE GOVERNANCE REPORT

- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

The Board composition remained unchanged during the Year and up to the date of this annual report.

The Nomination Committee will review, at its discretion, the Director Nomination Policy to ensure its effectiveness.

Pursuant to the Board Diversity Policy, the Nomination Committee will review regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider numerous aspects, including but not limited to gender, ethnicity, language, cultural and educational background, industry experience and professional experience.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Securities Dealing Code, the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORDS OF DIRECTORS

During the year ended 31 December 2025, 21 board meetings and 1 general meeting were held. The attendance record of each Director at the Board and Board Committee meetings and the annual general meeting of the Company held during the Year is set out in the table below:

Name of Director	Number of Meetings Attended/Number of Meetings available to attend for the Year						
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Risk Management Committee Meeting	Environmental, Social and Governance Committee Meeting	Annual General Meeting
Executive Directors							
Mr. Guo Jinkui	21/21	N/A	N/A	1/1	2/2	2/2	1/1
Mr. Chen Zekai	21/21	N/A	2/2	1/1	N/A	N/A	1/1
Mr. He Gang	21/21	N/A	N/A	N/A	2/2	N/A	1/1
Mr. Zhao Yong	21/21	N/A	N/A	N/A	N/A	2/2	1/1
Independent Non-executive Directors							
Mr. Fu Junyuan	19/21	2/2	N/A	1/1	2/2	N/A	1/1
Ms. Zhang Xuemei	19/21	2/2	2/2	1/1	2/2	N/A	1/1
Mr. Zhuang Wei	19/21	2/2	2/2	1/1	2/2	2/2	1/1

Apart from regular Board meetings, the Chairman of the Board also held a meeting with the independent non-executive Directors without the presence of executive Directors during the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control mechanisms.

The Audit Committee and the Risk Management Committee assist the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology in order to identify, evaluate and manage significant risks.

The Company has an internal audit function to monitor daily operation of the Group. The Directors, through the Audit Committee and the Risk Management Committee, review the adequacy and effectiveness of the risk management and internal control systems of the Group, at least annually, and remedy defects or weaknesses identified (if any). Upon such review, the Board considered that the Company's risk management and internal control system were adequate and effective for the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

The Company has formulated a whistle-blowing policy in place for our employees and those who have dealt with the Company to raise concerns, in confidence and anonymity, with the Audit Committee or legal officers of the Company about possible improprieties in any matters related to the Company.

The Company also has formulated an anti-fraud, anti-money laundering and anti-bribery policy in place to avoid the occurrence of corruption and bribery within the Company. The Company has established an internal reporting channel which is open to the Company's employees for reporting any suspected corruption and bribery. Employee may also report, in anonymity, to the internal anti-corruption department/internal audit department which is responsible for investigating the reported incidents and taking appropriate measures thereon. The Company continues to carry out anti-corruption and anti-bribery activities to develop a culture of integrity, and actively organises anti-corruption training and inspections to ensure the effectiveness of such activities.

For the year ended 31 December 2025, the Company held 2 training and briefings on anti-corruption for all employees. The Company did not have any non-compliance incidents relating to bribery and corruption.

The Company has developed a disclosure policy, which provides general guidance to our Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to strictly prohibit unauthorised access to and use of inside information.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements with the support from the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and consistently applied, except for the revised standards, amendments and interpretations to standards so adopted.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's financial statements have been prepared on a going concern basis, and the Directors believe that the financial statements give a true and fair view of the financial condition, results and cash flows of the Group for the year ended 31 December 2025, and that the disclosure and reporting of other financial information have complied with relevant laws.

A statement from the external auditors of the Company about their reporting responsibilities for the financial statements is set forth in the Independent Auditor's Report in this annual report.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services (mainly comprised of the listing compliance matters which required non-audit accounting services) for the year ended 31 December 2025 are set forth below.

Type of services	Remuneration paid/payable US\$'000
Audit services	391
Non-audit services	<u>246</u>
Total	<u><u>637</u></u>

COMPANY SECRETARIES

Ms. Sun Yufeng and Ms. Chan Sze Ting are the joint company secretaries of the Company. Ms. Sun serves as the general manager of the operations management center of our Group. Another joint company secretary is Ms. Chan Sze Ting, who is a director of the company secretarial services of Tricor Services Limited, a member of Vistra Group, an external service provider. Ms. Chan's major contact person in the Company is an executive Director, Mr. He Gang.

During the year ended 31 December 2025, the joint company secretaries of the Company have received no less than 15 hours of relevant professional training annually pursuant to the requirements of Rule 3.29 of the Listing Rules.

All Directors may have access to the advice and services of the joint company secretaries on corporate governance and routine Board matters.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association of the Company, an extraordinary general meeting may be convened by the Board whenever it thinks fit. Any one or more Shareholders (including Shareholders as recognised clearing house or its nominees) holding in aggregate, at the date of deposit of the requisition, not less than one-tenth of the share capital of the Company with voting rights (on a one vote per share basis) shall at all times have the right, by making a requisition in writing to the Board or the secretary, to require an extraordinary general meeting to be called for the transaction of any business or resolution specified in such requisition. If within 21 days after deposit of such requisition the Board fails to proceed to convene such meeting, the requisitioner(s) himself/ themselves may do so in the same manner, but such meeting shall be held within two months after the deposit of such requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

CORPORATE GOVERNANCE REPORT

Submitting Proposal at a General Meeting

There is nothing in the Articles of Association or the Cayman Islands Companies Law that deals with the procedure for Shareholders to submit proposals at general meetings. Shareholders who intend to submit a proposal at a general meeting may convene a general meeting to consider the matters specified in the requisition by following the procedures set out in the preceding paragraph.

Making Enquiries to the Board

Shareholders may send written enquires to the Company for any enquiries put forward by the Board. The Company will normally not deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send such enquiries or requisitions to the following address:

Address: Unit No. 3513, 35/F, The Center, 99 Queen's Road Central, Hong Kong

(Attention: Board/Chief Investor Relations Officer)

Tel: +852 6062 7315

Fax: +852 3152 2223

Email: office@seacon.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, the Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard the interests and rights of the Shareholders, a separate resolution should be proposed for each substantial issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a shareholders' communication policy (the "**Shareholders' Communication Policy**") to ensure that shareholders of the Company (the "**Shareholders**") will have equal and timely access to information about the Company and exercise their rights in an informed manner and enable them to actively participate in the Company's activities. The Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Year, and the results thereof are satisfactory since the Company has provided appropriate communication channels to the Shareholders in accordance with the Shareholders' Communication Policy.

The Company has established a range of channels for maintaining its ongoing dialogue with the Shareholders, the details of which are set out below:

Shareholders' Enquiries

- Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.
- Shareholders may have access to the contact persons, email addresses and enquiry lines designated by the Company in order to enable them to make any query in respect of the Company.

Corporate Communications

- "Corporate communications" refers to any documents issued or to be issued by the Company for information or action of Shareholders, which includes but are not limited to copies of the report of Directors and annual accounts and the auditor's report, interim reports, meeting notices, circulars and proxy forms. Corporate communications will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders are entitled to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means).
- Shareholders are encouraged to provide, among others, their email addresses to the Company to facilitate timely and effective communication.

Company Website

- The Company has set a special column headed "Investor Relations" on our website (www.seacon.com). Information on the Company's website will be updated regularly.
- Information posted on the Stock Exchange by the Company will also be immediately published on the website of the Company. Such information includes, among others, financial statements, results announcements, circulars, notices of general meetings and relevant statements.
- All presentation materials provided together with the annual general meeting and results announcement of the Company for each year will be available on the website of the Company.
- All press releases and Shareholders' communications will be available on the website of the Company.

CORPORATE GOVERNANCE REPORT

Shareholders' Meetings

- Shareholders are encouraged to attend general meetings, failure which, proxies may be appointed to attend and vote at the meetings on their behalf.
- Appropriate arrangements will be made to the annual general meetings to encourage Shareholders' participation in such meetings.
- Procedures of the general meetings of the Company will be monitored and reviewed on a regular basis, and amended if necessary to ensure Shareholders' needs are satisfied to the maximum extent.
- Board members, in particular chairman of each committee under the Board/Chairman or its proxy, appropriate senior management and external auditor will attend annual general meetings to answer Shareholders' questions.
- Shareholders are encouraged to participate in Shareholder activities organised by the Company to convey information concerning the Company, including latest strategic planning, products and services.

AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS

The Company did not make any amendments to its Articles of Association since the Listing Date. The latest version of the Articles of Association of the Company is also posted on the website of the Company and the website of the Stock Exchange.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends. The Company does not have any predetermined dividend payout ratio. The Board shall also take into account the following factors of the Company and its subsidiaries (collectively, the "**Group**") when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the conditions and factors set out above, dividends may be proposed and/or declared by the Board during a financial year, and any final dividend for a financial year will be subject to the Shareholders' approval.

INDEPENDENT AUDITOR'S REPORT



To the Shareholders of Seacon Shipping Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Seacon Shipping Group Holdings Limited (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 75 to 173, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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 as 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 (“HKSA”) as 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

INDEPENDENT AUDITOR'S REPORT

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.

The key audit matter identified in our audit is related to revenue recognition from shipping business.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Revenue recognition from shipping business</i>	
Refer to note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition from the shipping business included:
For the year ended 31 December 2025, the Group recognised revenue of US\$323.8 million, of which US\$199.1 million was from the shipping business.	<ul style="list-style-type: none"> • We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors;
Revenue from the shipping business is recognised over time, and is based on the daily hire or freight rate with reference to the voyage details such as cargo quantity, port loading and discharge information.	<ul style="list-style-type: none"> • We understood and evaluated the process and tested the key controls over revenue recognition from the shipping business; • We assessed the appropriateness of the accounting policy on revenue recognition from the shipping business;
We considered this a key audit matter due to the magnitude of revenue recognised from shipping business and the significant audit effort on auditing revenue recognition.	<ul style="list-style-type: none"> • For charter arrangement recognised based on daily hire, we tested the daily hire and charter period, on a sample basis, by comparing with supporting documents such as customer contracts, delivery note, redelivery note and settlement documents. We checked the calculations of revenue and reconciled them to the accounting records on a sample basis and checked the cash settlements and reconciled them to the bank receipts; • For charter arrangement recognised based on freight rate per quantity, we tested the freight rate and cargo quantity on a sample basis by comparing with supporting documents such as customer contracts, statement of facts and invoices. We checked the calculations of revenue and reconciled them to the accounting records on a sample basis and checked the cash settlements and reconciled them to the bank receipts; • We tested the revenue of the shipping business with respect to the vessel voyages in progress at year-end, on a sample basis, by checking the vessel departure and arrival information (i.e. time and date) maintained by the Group against supporting documents such as customer contracts, statement of facts and invoices.

Based on the audit procedures performed, we found that the revenue from the shipping business was supported by available evidence.

INDEPENDENT AUDITOR'S REPORT

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.

RESPONSIBILITIES OF DIRECTORS 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 as 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 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 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, 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 HKSA's 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.

INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism 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.
- Conclude on the appropriateness of the 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 consolidated 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.

INDEPENDENT AUDITOR'S REPORT

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 Tong, Benny Ho Bong (practising certificate number: P07773).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December	
		2025 US\$'000	2024 US\$'000
Revenue	5	323,846	282,136
Cost of sales	8	(269,385)	(217,760)
Gross profit		54,461	64,376
Selling expenses	8	(3,125)	(2,448)
General and administrative expenses	8	(20,082)	(14,696)
Net impairment reversals/(losses) on financial assets	3.1b(iv)	149	(213)
Other income	6	897	143
Other gains — net	7	31,913	42,941
Operating profit		64,213	90,103
Finance income	10	768	306
Finance costs	10	(24,890)	(19,678)
Finance costs, net	10	(24,122)	(19,372)
Share of net profits of associates and joint ventures accounted for using the equity method	15	1,799	6,691
Profit before income tax		41,890	77,422
Income tax expenses	11	(520)	(2,637)
Profit for the year		41,370	74,785
Profit attributable to:			
— Shareholders of the Company		35,980	70,340
— Non-controlling interests		5,390	4,445
		41,370	74,785
Earnings per share attributable to shareholders of the Company for the year			
Basic earnings per share (expressed in US\$ per share)	12	0.072	0.141
Diluted earnings per share (expressed in US\$ per share)	12	0.072	0.141

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Profit for the year	41,370	74,785
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>		
– Share of other comprehensive income of an investment accounted for using the equity method	(469)	–
– Exchange differences on translation of foreign operations	542	(172)
Other comprehensive income for the year, net of tax	73	(172)
Total comprehensive income for the year	41,443	74,613
Total comprehensive income attributable to:		
– Shareholders of the Company	36,053	70,171
– Non-controlling interests	5,390	4,442
	41,443	74,613

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2025

		As at 31 December	
		2025	2024
		US\$'000	US\$'000
Assets			
Non-current assets			
Property, plant and equipment	13	502,520	269,370
Right-of-use assets	14	49,275	52,320
Intangible assets		801	194
Interests in associates and joint ventures	15	94,456	18,818
Deferred tax assets	25	1	1
Loans to associates and joint ventures	32(k)	32,299	25,100
Other non-current assets	16	43,616	122,092
		<u>722,968</u>	<u>487,895</u>
Current assets			
Financial assets at fair value through profit or loss		48	1,500
Inventories	17	8,189	7,918
Prepayments and other current assets	18	8,870	3,095
Loans to associates and joint ventures	32(k)	26,837	—
Trade and other receivables	19	47,100	27,612
Restricted bank deposits	20	6,146	164
Cash and cash equivalents	20	51,016	65,822
		<u>148,206</u>	<u>106,111</u>
Assets classified as held for sale	21	100,079	4,890
		<u>248,285</u>	<u>111,001</u>
Total assets		<u><u>971,253</u></u>	<u><u>598,896</u></u>
Equity			
Share capital	22	637	637
Share premium	23	46,959	46,959
Reserves	23	8,583	8,497
Retained earnings		205,487	169,507
		<u>261,666</u>	<u>225,600</u>
Equity attributable to shareholders of the Company		261,666	225,600
Non-controlling interests		8,707	5,780
		<u>270,373</u>	<u>231,380</u>
Total equity		<u>270,373</u>	<u>231,380</u>

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	As at 31 December	
		2025 US\$'000	2024 US\$'000
Liabilities			
Non-current liabilities			
Borrowings	24	412,320	238,211
Lease liabilities	14	30,400	34,954
Contract liabilities	26	1,962	663
Deferred income tax liabilities	25	2,503	3,152
Guarantee contract liabilities	32(h)	9,919	6,319
		<u>457,104</u>	<u>283,299</u>
Current liabilities			
Advances and contract liabilities	26	8,009	3,288
Trade and other payables	27	57,531	35,193
Current tax liabilities		1,153	792
Borrowings	24	94,747	30,545
Lease liabilities	14	17,501	14,399
		<u>178,941</u>	<u>84,217</u>
Liabilities relating to assets classified as held for sale	21	64,835	—
		<u>243,776</u>	<u>84,217</u>
Total liabilities		<u>700,880</u>	<u>367,516</u>
Total equity and liabilities		<u>971,253</u>	<u>598,896</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on page 75 to page 173 were approved and authorised for issue by the Board of Directors of the Company on 27 March 2026 and were signed on its behalf by.

Executive Director: Chen Zekai

Executive Director: He Gang

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

Attributable to shareholders of the Company							
Note	Share capital US\$'000	Share Premium US\$'000	Reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2024	637	46,959	8,636	116,100	172,332	1,398	173,730
Comprehensive income							
Profit for the year	—	—	—	70,340	70,340	4,445	74,785
Other comprehensive income	23	—	(169)	—	(169)	(3)	(172)
Total comprehensive income	—	—	(169)	70,340	70,171	4,442	74,613
Transactions with shareholders in their capacity as shareholders							
Dividends declared to non-controlling interests in a subsidiary	28	—	—	—	—	(63)	(63)
Dividends declared to ordinary shares	28	—	—	(16,933)	(16,933)	—	(16,933)
Capital contribution from non-controlling shareholders	—	—	—	—	—	66	66
Equity transaction with non-controlling interests	23	—	30	—	30	(63)	(33)
			30	(16,933)	(16,903)	(60)	(16,963)
Balance at 31 December 2024	<u>637</u>	<u>46,959</u>	<u>8,497</u>	<u>169,507</u>	<u>225,600</u>	<u>5,780</u>	<u>231,380</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

		Attributable to shareholders of the Company						
	Note	Share capital US\$'000	Share Premium US\$'000	Reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2025		637	46,959	8,497	169,507	225,600	5,780	231,380
Comprehensive income								
Profit for the year		—	—	—	35,980	35,980	5,390	41,370
Other comprehensive income	23	—	—	73	—	73	—	73
Total comprehensive income		—	—	73	35,980	36,053	5,390	41,443
Transactions with shareholders in their capacity as shareholders								
Dividends declared to non-controlling interests in a subsidiary	28	—	—	—	—	—	(2,450)	(2,450)
Equity transaction with non-controlling interests	23	—	—	13	—	13	(13)	—
		—	—	13	—	13	(2,463)	(2,450)
Balance at 31 December 2025		637	46,959	8,583	205,487	261,666	8,707	270,373

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December	
		2025 US\$'000	2024 US\$'000
Cash flows from operating activities			
Cash generated from operations	29(a)	76,514	71,130
Interest received		470	17
Income tax paid		(934)	(243)
Net cash inflow from operating activities		76,050	70,904
Cash flows from investing activities			
Collections from related parties	32(e),(f)	3,022	13,547
Proceeds from disposal of property, plant and equipment and other non-current assets	29(b)	126,571	113,369
Dividends from associates		1,782	4,215
Proceeds from deposit of forward freight agreement		—	3,733
Proceeds from disposal of financial assets at fair value through profit or loss		—	(7)
Return of capital from associates		—	7,534
Payments for property, plant and equipment and other non-current assets		(73,992)	(113,280)
Payment for deposit of forward freight agreement		—	(3,940)
Payment for investments in associates and joint ventures		(71,367)	(9,072)
Payments for financial assets at fair value through profit or loss		—	(1,500)
Advances to related parties	32(e)	(3,052)	(7,920)
Loans to associates and joint ventures	32(f)	(35,795)	(18,906)
Outflows from disposal of subsidiaries		(64)	(68)
Decrease in restricted bank deposits		—	2,656
Net cash outflow from investing activities		(52,895)	(9,639)
Cash flows from financing activities			
Proceeds from borrowings	29(d)	121,321	61,169
Capital contribution from non-controlling shareholders		—	66
Advances from related parties	32(g)	1,423	5,845
Repayments to related parties	32(g)	(2,532)	(7,400)
Repayments of borrowings	29(d)	(60,265)	(26,278)
Dividends paid to non-controlling interests in subsidiaries	28	(2,450)	(63)
Dividends paid to owners of the Company	28	—	(17,009)
Repayments of principal and interest of lease liabilities	29(d)	(62,548)	(16,835)
Interests paid of borrowings	29(d)	(27,497)	(22,794)
Payment for acquisitions of additional equity interests of a subsidiary from a non-controlling shareholder		—	(33)
Increase in restricted bank deposits	20(a)	(5,500)	—
Net cash outflow from financing activities		(38,048)	(23,332)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December	
		2025 US\$'000	2024 US\$'000
Net (decrease)/increase in cash and cash equivalents		(14,893)	37,933
Cash and cash equivalents at beginning of year		65,822	27,996
Effects of exchange rate changes on cash and cash equivalents		87	(107)
Cash and cash equivalents at end of year		51,016	65,822

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

Seacon Shipping Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 22 October 2021 as an exempted company with limited liability under the Companies Act (Cap.22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together the “Group”) are principally engaged in the provision of (i) foreign trade shipping services through dry bulk carriers, oil tankers and chemical tankers with a flag of convenience, and (ii) ship management services. The Group is controlled by Mr. Guo Jinkui (“Mr. Guo”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 29 March 2023 by way of its initial public offering.

These consolidated financial statements are presented in United States dollars (“US\$”) and all values are rounded to the nearest thousand (US\$’000) except when otherwise indicated. These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2026.

2 BASIS OF PREPARATION

(i) Compliance with HKFRS Accounting Standard and the disclosure requirements of HKCO

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The preparation of the financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2 BASIS OF PREPARATION *(Continued)*

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) — measured at fair value, and
- assets held for sale — measured at the lower of carrying amount and fair value less costs to sell.

(iii) Amended standards adopted by the Group

The Group has applied the following amendments for the first time for its annual reporting period commencing 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Volume 11	Annual Improvements to HKFRS Accounting Standards	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 18 and HK Interpretation 5	Presentation and Disclosure in Financial Statements and Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19 and Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10	Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

2 BASIS OF PREPARATION *(Continued)*

(iv) New and amended standards and interpretations not yet adopted *(Continued)*

The Directors of the Company are of the opinion that the adoption of the above amendments to existing standards would not have a material impact on the Group's financial statements when they become effective except for HKFRS 18.

(v) HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - o management-defined performance measures;
 - o a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss — this break-down is only required for certain nature expenses; and
 - o for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.
- From a cash flow statement perspective, there will be changes to how interest received is presented. Interest received will be presented as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. These risks are managed by the Group's financial management policies and practices described below.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally with most of the transactions settled in US\$. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk, other than certain trade and other receivables, cash and cash equivalents, borrowings, lease liabilities, trade and other payables denominated in RMB, EUR, JPY and SG\$, details of which have been disclosed in Note 19, Note 20 and Note 24, respectively.

The Group's exposure to foreign currency risk expressed in US\$ at the end of each year mainly for subsidiaries with US\$ as the functional currency, was as follows:

Assets	As at 31 December 2025				As at 31 December 2024			
	RMB	EUR	JPY	Others	RMB	EUR	JPY	Others
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables	292	1,439	1,427	2,468	348	3,735	—	230
Cash and cash equivalents	325	1,583	478	940	68	1,298	10,649	740
	<u>617</u>	<u>3,022</u>	<u>1,905</u>	<u>3,408</u>	<u>416</u>	<u>5,033</u>	<u>10,649</u>	<u>970</u>
Liabilities	As at 31 December 2025				As at 31 December 2024			
	RMB	EUR	JPY	Others	RMB	EUR	JPY	Others
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables	1,297	338	41	222	361	365	47	113
Borrowings	45,680	—	493	—	—	—	56	—
Lease liabilities	—	—	304	1,942	—	—	64	566
	<u>46,977</u>	<u>338</u>	<u>838</u>	<u>2,164</u>	<u>361</u>	<u>365</u>	<u>167</u>	<u>679</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The following table shows the sensitivity analysis of change in the relevant foreign currencies against US\$. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. Should US\$ strengthen/weaken by 5% against the relevant currencies, the effect on post-tax profit at the end of each year would be as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
US\$/EUR exchange rate — increase	(134)	(233)
US\$/EUR exchange rate — decrease	134	233
US\$/JPY exchange rate — increase	(53)	(524)
US\$/JPY exchange rate — decrease	53	524
US\$/RMB exchange rate — increase	2,318	(3)
US\$/RMB exchange rate — decrease	(2,318)	3

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The fair value interest rate risk relates primarily to the Group's fixed-rate borrowings and lease liabilities. The cash flow interest rate risks of the Group relate primarily to floating-rate borrowings. The management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. For the years ended 31 December 2025 and 2024, there were no hedging activities. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term. For the years ended 31 December 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in US\$.

The Group's interest rate profile as monitored by management is set out as below.

	As at 31 December	
	2025	2024
	US\$'000	US\$'000
Financial instruments with floating rate		
Borrowings	465,258	268,700
Lease liabilities	7,860	9,869
	<u>473,118</u>	<u>278,569</u>
Financial instruments with fixed rate		
Borrowings	41,809	56
Lease liabilities	40,041	39,484
	<u>81,850</u>	<u>39,540</u>

The Group's sensitivity to interest rate risk is prepared assuming the amount of floating-rate borrowings at the end of each year were outstanding. Bank balances are excluded from sensitivity analysis as the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk (Continued)

If interest rates on borrowings at floating rates had been 50 basis points higher/lower with all other variables held constant, the impact on post-tax profit were as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Impact on post-tax profit at 50 basis point higher	(2,366)	(1,393)
Impact on post-tax profit at 50 basis point lower	2,366	1,393

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits and trade and other receivables.

To manage the risk arising from cash and bank deposits, the Group conducts transactions only with reputable commercial banks · all of which are high-credit-quality financial institutions in Singapore, Greece, Germany, Hong Kong, Japan and the Chinese Mainland. There has been no recent history of default in relation to these financial institutions.

Trade receivables consist principally of freight receivables, charter-hire receivables and ship management service fee receivables. It is industry practice that 95% to 100% of freight is paid upon completion of loading, with any balance paid after completion of discharge and the finalisation of port disbursements, demurrage claims or other voyage-related charges. It is also industry practice that charter hire and ship management fees are paid in advance. The Group normally does not grant any credit terms to its customers and therefore all trade receivables are past due.

There is no significant concentration of the Group's credit losses. During the year ended 31 December 2025, no single customer accounted for more than 10% of the Group's total revenue (31 December 2024: Nil).

For other receivables, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each year to ensure that adequate impairment losses are recognized for irrecoverable amounts. The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each year. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the balance sheet date with the risk of default as at the date of initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each receivables category and adjusts them based on forward-looking domestic and international macroeconomic data.

(i) Trade receivables

The Group measures the loss allowance provision of trade receivables according to the amount of expected credit losses equivalent to the entire life period, and calculates its expected credit losses based on the comparison table for credit risk rating and default loss rate.

The provision for trade receivables with a customer as at 31 December 2025 was made on individual basis with a loss rate of 100% after taking into account its long-ageing status (31 December 2024: on individual basis with a loss rate of 100%). The remaining trade receivables have been grouped to measure the expected credit losses based on shared credit risk characteristics. The average loss rate applied for trade receivables from the ship management business as at 31 December 2025 were 0.64% (31 December 2024: 1.54%). The average loss rate applied for trade receivables from the shipping business on collective basis as at 31 December 2025 were 0.18% (31 December 2024: 0.42%). The expected credit losses have incorporated forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(ii) Other receivables

Other receivables mainly include receivables and advances to related parties and third parties, deposits and receivables from disposal of assets. The management of the Group makes periodic collective assessments as well as individual assessments on the recoverability of other receivables based on default of the counterparty. The Group applies either the 12-month expected credit loss or the lifetime expected losses method, depending on whether there has been a significant increase in credit risk since initial recognition.

In view of the history of cooperation with the debtors and collection from them, the management of the Group believes that all of the Group's other receivables are classified in Stage 1 as at 31 December 2025. The average loss rate applied for other receivables as at 31 December 2025 were 0.72% (31 December 2024: 1.30%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(iii) Financial guarantees

The Group provides guarantees to related parties, further details of which and the maximum credit risk exposure are disclosed in Notes 32(h) to the consolidated financial statements. The management of the Group makes periodic collective assessments as well as individual assessments on the recoverability of liabilities of related parties based on the default of the counterparty. As at 31 December 2025, the Group's financial guarantee liabilities are classified in Stage 1, and the expected credit loss is less than the financial guarantees amount initially recognised less the cumulative amount of income. Therefore, no expected credit loss is recognised in the financial statements.

(iv) Loss allowance provision movement

The movement of loss allowance provision of trade receivables, other receivables, and prepayment for ships management deposit for the years ended 2025 and 2024 is as follow:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Loss allowance provision:		
At beginning of the year	1,999	1,786
(Reversal)/provision	(149)	213
At the end of the year	1,850	1,999

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through borrowing from the banks and leasing companies. Due to the dynamic nature of the underlying businesses, the Group maintains a reasonable level of cash and cash equivalents, and further supplements this by funding from banks and leasing companies.

The Group's primary cash requirements have been for purchases of vessels, repayment of charter hire cost and bunker, and repayment of rentals under bare-boat charter arrangement and debts. The Group finances its working capital requirements through a combination of funds generated from operations, bank loans, leases, advances from related parties.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk (Continued)

The table below analyses the undiscounted cash outflow relating to the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year US\$'000	Between 1 and 2 years US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000	Total US\$'000
As at 31 December 2025					
Borrowings	123,876	58,773	178,018	313,931	674,598
Lease liabilities*	19,618	12,148	20,925	—	52,691
Trade and other payables**	53,870	—	—	—	53,870
	<u>197,364</u>	<u>70,921</u>	<u>198,943</u>	<u>313,931</u>	<u>781,159</u>
As at 31 December 2024					
Borrowings	48,644	40,409	113,572	165,540	368,165
Lease liabilities*	15,848	13,007	22,487	1,650	52,992
Trade and other payables**	29,141	—	—	—	29,141
	<u>93,633</u>	<u>53,416</u>	<u>136,059</u>	<u>167,190</u>	<u>450,298</u>

* The amounts disclosed for the lease liabilities include cash flows relating to extension options if they have been included in the lease term, and the measurement of the lease liability is disclosed in Note 14(vii).

** Trade and other payables exclude salaries and staff welfare payable and taxes payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

(a) 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 of the Group and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings, lease liabilities, advance from related parties and third parties less cash and cash equivalents. Total equity is shown in the consolidated balance sheet.

As at 31 December 2025, the net debt to total equity ratios were as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Total borrowings	507,067	268,756
Lease liabilities	47,901	49,353
Advance from related parties	2,970	3,997
Less: Cash and cash equivalents (Note 20)	(51,016)	(65,822)
Net debt	506,922	256,284
Total equity	270,373	231,380
Gearing ratio (%)	187	111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. The following table presents the Group's financial assets that are measured at fair value as at 31 December 2025 and 31 December 2024:

Recurring fair value measurements	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
At 31 December 2025			
Financial assets			
Loan to associates and joint ventures	—	—	59,136
Interests in a listed equity security	48	—	—
Recurring fair value measurements	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
At 31 December 2024			
Financial assets			
Loan to associates and joint ventures	—	—	25,100
Interests in an unlisted equity security	—	—	1,500

The Group analyses the financial instruments carried at fair value, by valuation method, including level 1 and level 3 fair value measurements. The different level has been defined as follow:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the year. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include :

- the use of quoted market prices for similar instruments
- for other financial instruments — discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs of level 3 financial assets

The following table presents the changes in level 3 instruments for the year ended 31 December 2025 and 2024:

	Loans to associates and joint ventures US\$'000	Interests in an unlisted equity security US\$'000
Opening balance as at 1 January 2024	—	—
Additions	<u>25,100</u>	<u>1,500</u>
Closing balance 31 December 2024	25,100	1,500
Additions	34,721	—
Change in fair value through profit or loss	(685)	355
Transfer into level 1(i)	—	(1,855)
Closing balance 31 December 2025	<u>59,136</u>	<u>—</u>

- (i) The Group invested in 1% equity interest in a company, whose shares were listed in April 2025. As it is possible to determine the fair value of this investment using observable market data, it has been reclassified from level 3 into level 1.

(iv) Valuation inputs

The significant unobservable input used in level 3 fair value measurements on loans to associates and joint ventures is discount rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events thus may have a financial impact on the equity 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 discussed below.

(a) Estimated useful lives of vessels

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

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 vessels for the year would have been decreased US\$1,506,000 or increased by US\$1,840,000 for the year ended 31 December 2025 (31 December 2024: decreased US\$1,077,000 or increased by US\$1,316,000).

(b) Determination of the lease term

The Group, as the lessee, leases vessels. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option, whether or not to exercise the purchase option and when to exercise the purchase option. Extension options (or periods after termination options) and purchase options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated); purchase options are only included in the lease term if the Group is reasonably certain to exercise the purchase option right.

For leases of vessels, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If the market price is much higher than the purchase option price when the option is exercisable and the Group has the financial capability, the Group is typically reasonably certain to exercise the purchase option right;
- Otherwise, the Group considers other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Leases – Estimating the IBR

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiaries’ stand-alone credit rating).

(d) Estimation of the fair value of financial guarantee contracts

The Group provides guarantees in relation to loans or other payables of associates and joint venture for no compensation. The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm’s length transaction. The fair value are estimated by calculating the present value of the future expected cash flow from market guarantee fee and the estimates are based on a discount rate, which is the specific borrowings rates of the associates and joint ventures.

5 REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”).

The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which has been identified as being the CODM, consist of the chief executive officer, the chief financial officer and the manager for corporate planning.

The CODM reviews the Group’s internal reporting in order to assess performance, allocate resources, and determine the operating segments based on these reports.

The Group’s CODM mainly examines the Group’s performance from a business perspective, and has identified two reporting segments of its business as follows:

- Shipping business: The Group provides shipping services for commodity owners, traders and shipping service companies via its controlled or chartered-in vessels, which can transport all major kinds of dry bulks, bunkers and petrochemical products;
- Ship management business: The Group provides ship owners, finance leasing companies, shipyards, dry bulk traders, and shipping and logistics companies with tailor-made ship management and value-added services covering the whole life cycle, including technical management, crew manning, business services, sale and purchase support of vessels and insurance, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment information of the Group

The following is an analysis of the Group's revenue and results by reportable segments:

	For the year ended 31 December 2025		
	Shipping business US\$'000	Ship management business US\$'000	Total US\$'000
Total reportable segment revenue			
Revenue from external customers	199,060	142,695	341,755
Inter-segment revenue	—	(17,909)	(17,909)
Total reportable segment revenue	199,060	124,786	323,846
Cost of sales	(167,143)	(102,242)	(269,385)
Gross profit	31,917	22,544	54,461
Segment results			
Profit before income tax	28,108	13,782	41,890
Segment results included:			
Crew manning expenses	(25,239)	(70,536)	(95,775)
Charter hire costs	(43,747)	—	(43,747)
Bunker consumed	(21,518)	—	(21,518)
Employee benefit expenses	(6,559)	(20,135)	(26,694)
Other gains — net	31,733	180	31,913
Finance income	430	338	768
Finance costs	(24,747)	(143)	(24,890)
Depreciation and amortisation	(32,993)	(1,378)	(34,371)
Net impairment reversals on financial assets	19	130	149
Share of profits/(losses) of associates and joint ventures	1,963	(164)	1,799

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment information of the Group *(Continued)*

	For the year ended 31 December 2024		
	Shipping business US\$'000	Ship management business US\$'000	Total US\$'000
Total reportable segment revenue			
Revenue from external customers	205,340	85,597	290,937
Inter-segment revenue	—	(8,801)	(8,801)
	<u>205,340</u>	<u>76,796</u>	<u>282,136</u>
Cost of sales	(156,010)	(61,750)	(217,760)
Gross profit	<u>49,330</u>	<u>15,046</u>	<u>64,376</u>
Segment results			
Profit before income tax	<u>67,977</u>	<u>9,445</u>	<u>77,422</u>
Segment results included:			
Crew manning expenses	(22,872)	(50,136)	(73,008)
Charter hire costs	(42,766)	—	(42,766)
Bunker consumed	(27,460)	—	(27,460)
Employee benefit expenses	(5,399)	(15,306)	(20,705)
Other gains/(losses) — net	43,310	(369)	42,941
Finance income	14	292	306
Finance costs	(19,611)	(67)	(19,678)
Depreciation and amortisation	(27,841)	(856)	(28,697)
Net impairment losses on financial assets	(90)	(123)	(213)
Share of profits of associates and joint ventures	6,543	148	6,691

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment information of the Group *(Continued)*

The following is an analysis of the Group's assets and liabilities by reportable segments:

	As at 31 December 2025			
	Shipping business US\$'000	Ship management business US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	901,460	98,348	(28,555)	971,253
Segment liabilities	665,280	62,427	(26,827)	700,880

	As at 31 December 2024			
	Shipping business US\$'000	Ship management business US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	551,973	62,065	(15,142)	598,896
Segment liabilities	345,297	37,361	(15,142)	367,516

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Disaggregation of revenue

The Group's businesses are managed on a worldwide basis. The revenues generated from the provision of the shipping business and the ship management business, which are carried out internationally, and the way in which costs are allocated, preclude a meaningful presentation of geographical information.

The Group's majority of revenues for the year ended 31 December 2025 were recognised over-time.

(i) *The revenue is listed as below:*

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Revenue from shipping business		
Shipping service income — over time	154,104	128,427
Rental income	44,956	76,913
	<u>199,060</u>	<u>205,340</u>
Revenue from ship management business		
Ship management income — over time	111,606	76,607
Others	13,180	189
	<u>124,786</u>	<u>76,796</u>
	<u>323,846</u>	<u>282,136</u>

(ii) *Information about major customers*

For the year ended 31 December 2025, there were no sales to any single customer which contributed 10% or more of the Group's revenue (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(c) Non – current assets

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

The vessels (included in property, plant and equipment and right-of-use assets) are primarily utilized across geographical markets for shipping business worldwide. Accordingly, it is impractical to present the locations of the vessels by geographical areas and thus the vessels 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.

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Unallocated	569,666	421,782
Remaining assets		
– the Chinese Mainland	88,235	18,034
– Hong Kong	12,316	9,938
– Singapore	2,447	–
– the British Virgin Islands	2,727	–
– Others	2,354	1,713

(d) Unsatisfied performance obligations

The majority of contract liabilities as at 31 December 2025 were expected to be recognised within one year. As the contract terms with customers are usually within 12 months, the Group applied the practical expedient as permitted under HKFRS 15 not to disclose the transaction price allocated to unsatisfied performance obligations as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(e) Accounting policies of revenue recognition

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

A contract asset is the Group's right to consideration in exchange for 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 capitalised and presented as contract assets and subsequently amortised when the related revenue is recognised. 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 advances and contract liabilities) are recognised for expected volume discounts to customers in relation to sales made until the end of the year.

Trade receivables expected to be recovered in one year or less are classified as current assets. If not, they are represented as non-current assets.

Rental and service income from shipping business

The Group generates revenue from shipping activities. Shipping revenue is derived from various charter arrangements, including shipping service income and rental income. Revenue is recognised over time based on daily hire or freight rate with reference to the voyage details such as cargo quantity, port loading and discharging information.

For a charter arrangement that does not contain a lease, revenue from shipping services is recognised over time, which is determined on a time proportion method of the voyage from loading to discharging.

For a charter arrangement that contains a lease, the Group separately accounts for the rental income from lease components and the shipping services income from non-lease components for the charter contracts. Please refer to Note 37.5 for details.

Revenue from ship management business

Certain subsidiaries of the Group generate revenue from the operation of the ship management business, which includes the provision of ship management services and shipbuilding supervision services. Revenue from the ship management business is recognised over time, which is determined on a straight-line basis except for shipbuilding supervision services. Revenue from shipbuilding supervision services is also recognised over time, using an input method to measure progress towards complete satisfaction of the service. The input method recognises revenue on the basis of progress towards complete satisfaction of performance obligation, which is measured based on the Group's effort or inputs to the satisfaction of a performance obligation (for example, resources consumed, labour hours expended and cost incurred) relative to the total expected inputs to the satisfaction of that performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6 OTHER INCOME

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Guarantee income	871	—
Government grants	26	143
	<u>897</u>	<u>143</u>

7 OTHER GAINS – NET

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Foreign exchange gains/(losses), net	1,295	(1,472)
Bank charges	(1,136)	(1,079)
Insurance compensation	138	1,114
Net gains on disposals of property, plant and equipment (Note)	33,036	46,166
Net fair value losses on financial assets at fair value through profit or loss	(2,137)	(229)
Others	717	(1,559)
	<u>31,913</u>	<u>42,941</u>

Note: Refer to Note 13(i), the Group disposed of six vessels in 2025 (2024: eight vessels) to third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8 EXPENSES BY NATURE

Expenses included in cost of sales and selling, general and administrative expenses are analysed as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Crew manning expenses (ii)	95,775	73,008
Charter hire costs (i)	43,747	42,766
Depreciation and amortisation (iii), (iv)	34,371	28,697
Employee benefit expenses (Note 9)	26,694	20,705
Bunker consumed	21,518	27,460
Lubricating oil and spare parts costs	17,401	6,930
Insurance	9,901	7,410
Port charges	8,916	6,656
Vessel take-over fees	6,869	4,127
Shipbuilding supervision outsourcing fees	6,293	2,216
Vessel certificate and inspection related costs	3,644	2,715
Brokerage	3,521	2,012
Business development and entertainment expenses	1,719	1,329
Auditor's remuneration	757	381
Repair expenses	752	447
Others	10,714	8,045
Total cost of sales, selling, general and administrative expenses	292,592	234,904

- (i) Charter hire costs mainly comprise the cost of short-term charters with a term of 12 months or less.
- (ii) Crew manning expenses represent the wages of the crew members charged by the crew manning agencies.
- (iii) Depreciation charged to profit or loss is analysed as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Depreciation for the year		
— Property, plant and equipment (Note 13)	17,566	12,034
— Right-of-use assets (Note 14)	15,420	14,992
Amount charged to profit or loss	32,986	27,026
Charged to:		
— Cost of sales	30,995	25,724
— Selling, general and administrative expenses	1,991	1,302
	32,986	27,026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8 EXPENSES BY NATURE *(Continued)*

(iv) Amortisation charged to profit or loss is analysed as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Amortisation for the year		
– Dry-docking or decoration of right-of-use assets	1,311	1,616
– Intangible assets	74	55
	<u>1,385</u>	<u>1,671</u>
Amount charged to profit or loss	<u>1,385</u>	<u>1,671</u>
Charged to:		
– Cost of sales	1,268	1,493
– Selling, general and administrative expenses	117	178
	<u>1,385</u>	<u>1,671</u>

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Wages, salaries, bonuses and allowances	22,791	17,829
Social benefits	2,211	1,436
Contributions to pension schemes	1,309	896
Other welfare expenses	383	544
	<u>26,694</u>	<u>20,705</u>

(i) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 are as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Directors (Note 33)	1,359	1,886
Non-directors	222	351
	<u>1,581</u>	<u>2,237</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

9 EMPLOYEE BENEFIT EXPENSES *(Continued)*

(i) Five highest paid individuals *(Continued)*

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 includes four directors whose emoluments are reflected in the analysis presented in Note 33 (2024: four). The emoluments payable to the remaining one (2024: one) individual during the year ended 31 December 2025 are as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Wages and salaries	190	269
Bonus	16	67
Social benefits	11	10
Contributions to pension schemes	3	3
Other welfare expenses	2	2
	<u>222</u>	<u>351</u>

The emoluments to the non-directors fell within the following bands:

	Year ended 31 December	
	2025	2024
Emolument bands (in HK\$)		
HK\$1,500,001 to HK\$2,000,000	1	—
HK\$2,500,001 to HK\$3,000,000	—	1
	<u>1</u>	<u>1</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10 FINANCE COSTS, NET

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Finance income		
— cash and cash equivalents	470	17
— unwinding of discount on ships management deposit	298	289
	<u>768</u>	<u>306</u>
Finance costs:		
— interest expense: borrowings	(27,458)	(23,943)
— interest expense: lease liabilities	(2,223)	(1,858)
— net exchange losses on foreign currency borrowing	(795)	—
	<u>(30,476)</u>	<u>(25,801)</u>
Less: Amounts capitalised on prepayment for vessels purchased (i)	<u>5,586</u>	<u>6,123</u>
Finance costs expensed	<u>(24,890)</u>	<u>(19,678)</u>
Finance costs, net	<u>(24,122)</u>	<u>(19,372)</u>

(i) Capitalised borrowing costs

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted-average interest rate applicable to the entity's general borrowings during the year of 6.54% (2024: 7.98%).

11 INCOME TAX EXPENSES

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Current income tax		
— Hong Kong profits tax	186	57
— the Chinese Mainland enterprise income tax	81	89
— Japan income tax	625	611
— Singapore income tax	277	76
Deferred income tax (Note 25)	<u>(649)</u>	<u>1,804</u>
	<u>520</u>	<u>2,637</u>

For the years ended 31 December 2025 and 2024, taxation has been provided at the appropriate rates of taxation prevailing in the countries where the Group operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11 INCOME TAX EXPENSES *(Continued)*

(i) Cayman Islands Income Tax

The Company is incorporated under the law of the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to Cayman Islands income tax.

(ii) British Virgin Islands (“BVI”) Income Tax

Under the current laws of the BVI, the BVI subsidiaries are not subject to tax on their income or capital gains. Any payments of dividends are not subject to withholding tax in the BVI.

(iii) Marshall Islands Income Tax

Under the current laws of the Marshall Islands, the Marshall Islands subsidiaries are not subject to Marshall Islands tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the Marshall Islands.

(iv) Liberia Income Tax

Under the current laws of Liberia, the Liberian subsidiaries are not subject to tax on their income or capital gains as the income is not Liberian-sourced.

(v) Singapore Income Tax

Certain subsidiaries engaged in the ship management business and the shipping business are registered in Singapore or are Singapore tax residents, while the statutory rate for Singapore income tax is 17%, however, profit from shipping business derived by the Group is exempted from tax under Section 13E of the Singapore Income Tax Act.

For subsidiaries that are engaged in the ship management business, the partial tax exemption scheme applies to the first SG\$200,000 of normal chargeable income; specifically 75% of up to the first SG\$10,000 of a company’s normal chargeable income, and 50% of up to the next SG\$190,000 is exempt from corporate tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11 INCOME TAX EXPENSES *(Continued)*

(vi) Hong Kong Profits Tax

Certain subsidiaries engaged in the ship management business and the shipping business are registered in Hong Kong or Hong Kong tax residents. Profits tax shall be charged for each year of assessment excluding profits arising from the sale of capital assets.

The provision for Hong Kong profits tax of shipping management services are calculated in accordance with the two-tiered profits tax regime. Under the two-tiered profit tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. A group of “connected entities” can only nominate one entity within the group to enjoy the two-tier rates for a given year of assessment. The profits of corporation that does not qualify for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

The profits from the shipping business meet the criteria of the Inland Revenue Ordinance of Hong Kong Section 23B and should be exempt from profits tax.

(vii) Japan Corporate Income Tax

Certain subsidiaries engaged in the shipping business are registered in Japan or are Japanese tax residents. Generally, the Japanese corporate income tax has been provided at a flat progressive tax rate on the taxable income.

(viii) Chinese Mainland Enterprise Income Tax (“EIT”)

Certain subsidiaries engaged in the ship management business are registered in the Chinese Mainland. The statutory rate for the Chinese Mainland enterprise income tax is 25% except for certain subsidiaries which are taxed at preferential tax rate.

According to Cai Shui [2023] No. 6 issued by the Ministry of Finance and the State Administration of Taxation, certain Chinese Mainland subsidiaries of the Company were entitled to the preferential income tax applied for small low-profit enterprises as follows:

— For companies with an annual taxable income of no more than RMB3 million, the annual taxable income shall be deducted by 25%, and the EIT shall be prepaid at the rate of 20% from 1 January 2023 to 31 December 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11 INCOME TAX EXPENSES *(Continued)*

(ix) Greece Income Tax

Under the prevailing tax laws and regulations of Greece, the Greek offices of foreign legal entities established under Law 89/1967 (as amended through the provisions of article 25 of L.27/1975) that are engaged in the management of vessels flying a Greek or foreign flag and other activities approved by the license of operation, are exempt while subject to tonnage tax. The L.89 regime is applicable to offices or branches of foreign legal entities (irrespective of their type) that are exclusively engaged either in the management, exploitation, chartering, insurance, average adjustments, or in the sales, chartering, insurance or shipbuilding brokerage of Greek or foreign vessels over 500 GRT (which are not routed in domestic voyages), as well as in the representation of foreign ship-owing companies.

(a) The taxation of the Group's profit before taxation differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Profit before income tax	41,890	77,422
Tax calculated at applicable tax rates	6,932	12,471
Net exempted gains (i)	(6,839)	(9,910)
Tax effect of share of profits of associates and joint ventures	(43)	(1,113)
Expenses not deductible for taxation purposes	120	520
Utilisation of previously unrecognised tax losses	(218)	(1,673)
Tax losses for which no deferred income tax asset has been recognised	568	570
Utilisation of previously unrecognised temporary difference	—	1,772
Income tax expense	520	2,637

- (i) As is disclosed in Note 11 (iii), Note 11 (v) and Note 11 (vi), certain profit from vessel disposal derived by the Group's Marshall Islands subsidiaries is not subject to Marshall Islands tax, certain profit from shipping business derived by the Group's Singapore-incorporated subsidiaries is exempted from tax under Section 13E of the Singapore Income Tax Act, and certain profit from shipping business and vessels disposal derived by the Group's Hong Kong-incorporated subsidiaries which is not derived from or arising in Hong Kong should be exempt from profits tax, tax effect of such profit which was largely exempted from income tax were reflected as exempted gains.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

11 INCOME TAX EXPENSES *(Continued)*

(b) Tax losses

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Unused tax losses for which no deferred tax asset has been recognised	4,982	8,037
Potential tax benefit	627	1,538

12 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the respective years.

	Year ended 31 December	
	2025	2024
Profit attributable to the owners of the Company (US\$'000)	35,980	70,340
Weighted-average number of ordinary shares in issue	500,000,000	500,000,000
Basic earnings per share (expressed in US\$ per share)	0.072	0.141

As the Company had no dilutive instruments for the year ended 31 December 2025 (2024: Nil), the Group's diluted earnings per share are equal to its basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

13 PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2025	Vessels US\$'000	Buildings US\$'000	Transportation equipment US\$'000	Office equipment and other equipment US\$'000	Total US\$'000
Cost					
Opening balance	285,267	1,433	484	435	287,619
Additions	437,952	358	229	169	438,708
Disposal (i)	(89,283)	—	—	—	(89,283)
Assets classified as held for sale (Note 21)	(106,123)	—	—	—	(106,123)
Currency translation differences	—	40	9	6	55
Closing balance	<u>527,813</u>	<u>1,831</u>	<u>722</u>	<u>610</u>	<u>530,976</u>
Accumulated depreciation					
Opening balance	(17,537)	(299)	(241)	(172)	(18,249)
Depreciation charge (ii)	(17,274)	(61)	(106)	(125)	(17,566)
Disposal (i)	865	—	—	(4)	861
Assets classified as held for sale (Note 21)	6,518	—	—	—	6,518
Currency translation differences	—	(11)	(6)	(3)	(20)
Closing balance	<u>(27,428)</u>	<u>(371)</u>	<u>(353)</u>	<u>(304)</u>	<u>(28,456)</u>
Net book amount					
As at 31 December 2024	<u>267,730</u>	<u>1,134</u>	<u>243</u>	<u>263</u>	<u>269,370</u>
As at 31 December 2025	<u>500,385</u>	<u>1,460</u>	<u>369</u>	<u>306</u>	<u>502,520</u>

Additions of vessels in this year consist of completion of vessels construction of US\$282,742,000 (2024: US\$73,947,000); purchase vessels of US\$83,773,000 (2024: Nil); and exercise the purchase option of bareboat charter of US\$71,437,000 (2024: US\$33,057,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

13 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Year ended 31 December 2024	Vessels US\$'000	Buildings US\$'000	Transportation equipment US\$'000	Office equipment and other equipment US\$'000	Total US\$'000
Cost					
Opening balance	284,021	1,454	330	283	286,088
Additions	107,004	—	158	205	107,367
Disposal (i)	(98,429)	—	—	(51)	(98,480)
Assets classified as held for sale (Note 21)	(7,329)	—	—	—	(7,329)
Currency translation differences	—	(21)	(4)	(2)	(27)
Closing balance	<u>285,267</u>	<u>1,433</u>	<u>484</u>	<u>435</u>	<u>287,619</u>
Accumulated depreciation					
Opening balance	(16,319)	(243)	(190)	(150)	(16,902)
Depreciation charge (ii)	(11,847)	(60)	(54)	(73)	(12,034)
Disposal (i)	8,190	—	—	50	8,240
Assets classified as held for sale (Note 21)	2,439	—	—	—	2,439
Currency translation differences	—	4	3	1	8
Closing balance	<u>(17,537)</u>	<u>(299)</u>	<u>(241)</u>	<u>(172)</u>	<u>(18,249)</u>
Net book amount					
As at 31 December 2023	<u>267,702</u>	<u>1,211</u>	<u>140</u>	<u>133</u>	<u>269,186</u>
As at 31 December 2024	<u>267,730</u>	<u>1,134</u>	<u>243</u>	<u>263</u>	<u>269,370</u>

(i) Disposals

In 2025, the Group disposed six vessels (2024: eight vessels) to third parties at the total consideration of US\$129 million (2024: US\$139 million), resulting in a net gain of US\$33 million (2024: US\$46 million). (Note 7)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

13 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

(ii) Depreciation expenses

Depreciation expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Cost of sales	17,274	11,847
Selling, general and administrative expenses	292	187
	<u>17,566</u>	<u>12,034</u>

As at 31 December 2025, property, plant and equipment with the carrying amounts of US\$499,624,000 (2024: US\$267,730,000) were pledged to secure borrowings (Note 24).

(iii) Depreciation methods and useful lives

(a) Vessels

Vessels are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values by reference to the lightweight tones of the vessels and the average demolition steel price of similar vessels.

The estimated useful lives of vessels and the period of estimated next dry-docking date are as follows:

- Vessels 25 years
- Dry-docking 2.5 years

(b) Other property, plant and equipment

Other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values.

The estimated useful lives of other property, plant and equipment are as follows:

- Transportation equipment 4–10 years
- Buildings 41 years
- Office equipment and other equipment 3–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group is a lessee. The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Right-of-use assets		
Vessels	44,664	48,898
Building	4,611	3,422
	<u>49,275</u>	<u>52,320</u>
Lease liabilities		
Current	17,501	14,399
Non-current	30,400	34,954
	<u>47,901</u>	<u>49,353</u>
	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Right-of-use assets		
Cost		
Opening balance	87,058	104,565
Additions (i)	36,480	9,533
Expiration of lease	(598)	(1,007)
Change of lease term (ii)	47,041	18,879
Decrease (iii)	(101,220)	(44,912)
	<u>68,761</u>	<u>87,058</u>
Closing balance		
Accumulated depreciation		
Opening balance	(34,738)	(34,217)
Depreciation charge	(15,420)	(14,992)
Expiration of lease	598	1,007
Change of lease term (ii)	291	643
Decrease (iii)	29,783	12,821
	<u>(19,486)</u>	<u>(34,738)</u>
Closing balance		
Net book amount	<u>49,275</u>	<u>52,320</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

- (i) Additions to the right-of-use assets were mainly attributable to the new lease agreements entered into for a vessel and buildings.
- (ii) Change of lease term in 2025 were mainly caused by exercise of purchase options as stipulated in the lease contracts before the termination of the lease contracts.
- (iii) After exercising purchase options as stipulated in the lease contracts, the right-of-use assets in relation to vessels were reclassified to property, plant and equipment.
- (iv) The statement of profit or loss shows the following amounts relating to leases:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Depreciation charge of right-of-use assets		
Vessels	13,671	13,876
Buildings	1,749	1,116
	<u>15,420</u>	<u>14,992</u>
Interest expense (included in finance cost)	2,223	1,858
Expense relating to short-term leases		
— Cost of sales	43,747	42,766
— Administrative expenses and selling expenses	363	235

The total cash outflow for leases for the year ended 31 December 2025 was US\$99,593,000 (2024: US\$60,454,000).

- (v) The guarantors for certain lease liabilities were as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Guarantor:		
The Company/Seacon Shipping Pte., Ltd.*	7,860	28,634
The Company	—	11,072
The Company/Seacon Ships Management Co., Limited (Qingdao)*	3,155	702
	<u>11,015</u>	<u>40,408</u>

* These companies are the subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

(vi) The Group's leasing activities and how these are accounted for

The Group leases vessels, as well as certain office buildings in the Chinese Mainland, Hong Kong, Japan and Singapore. Rental contracts are typically made for fixed periods of one year to ten years but may have extension options and purchase options as described in (vii) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. The Group uses the IBR, for the implicit rate cannot be readily determined, which is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

To determine the IBR, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the IBR.

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 assets are depreciated over the underlying asset's useful life.

Short-term leases are leases with a lease term of 12 months or less without a purchase option. The Group applies the lease recognition exemption to short-term leases and leases for which the underlying asset is of low value such as office equipment. Payments associated with short-term leases of vessels and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

(vii) Variable lease payments

Certain vessel leases contain variable payment terms that are linked to the market price of the vessel when the leases are terminated. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(viii) Extension and purchase options

Extension and purchase options are included in a number of vessels leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and purchase options held are exercisable only by the Group and not by the respective lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15 INTERESTS IN ASSOCIATES AND JOINT VENTURES

Set out below are the joint ventures and associates of the Group as at 31 December 2025. The entities listed below have share capital consisting solely of ordinary shares, which are held indirectly by the Company. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of Incorporation/ establishment and operations	Principal activities	% of ownership interest		Nature of relationship	Carrying amount		Note
			31 December 2025	31 December 2024		31 December 2025 US\$'000	31 December 2024 US\$'000	
Msm Ship Management Pte. Ltd.	Singapore	Ship management	50.0%	50.0%	Joint venture	64	87	
Hongkong Xinyihai 55 Co., Limited	Hong Kong	Vessel holding and chartering services	35.0%	35.0%	Associate	84	12	
Seacon 7 Limited ("Seacon 7")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	558	1,472	
Seacon 8 Limited ("Seacon 8")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	491	500	
Seacon 9 Limited ("Seacon 9")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	952	1,522	
Zhejiang Xinghu Shipping Co., LTD	Chinese Mainland	Vessel holding and chartering services	48.0%	48.0%	Joint venture	7,045	6,900	
Continental Kapital Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50.0%	50.0%	Joint venture	8,853	5,208	
Golden Pegasus Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50.0%	50.0%	Joint venture	1,130	694	
Horizon Sea Ships Pte. Ltd.	Singapore	Vessel holding and chartering services	50.0%	50.0%	Joint venture	5	50	
GHC Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50.0%	50.0%	Joint venture	1	—	
Seacon International Trading Limited	Hong Kong	Ship management	50.0%	50.0%	Joint venture	—	—	
Tianjin Tianhui Shipping Co., Ltd.	Chinese Mainland	Vessel holding and chartering services	45.0%	45.0%	Joint venture	1,629	2,300	
Shanghai Seacon Ocean Ships Management Co., Ltd.	Chinese Mainland	Ship management	49.0%	49.0%	Joint venture	116	73	
CIMC Xinde Leasing (Shenzhen) Co., Ltd.	Chinese Mainland	Financing lease, vessel holding and chartering services	40.0%	Nil	Joint venture	69,980	—	(i)
PT. Habco Segara Crewing	Indonesia	Ship management	49.0%	Nil	Joint venture	296	—	
Ernst Jacob Seacon GmbH & Co. KG	German	Ship management	50.0%	Nil	Joint venture	—	—	
Ernst Jacob Seacon Verwaltungs GmbH	German	Ship management	50.0%	Nil	Joint venture	14	—	
Aug. Bolten Seacon Verwaltungs-GmbH	German	Ship management	50.0%	Nil	Joint venture	13	—	
HarpainGas GmbH & Co. KG	German	Ship management	50.0%	Nil	Joint venture	460	—	
Verwaltung HarpainGas GmbH	German	Ship management	50.0%	Nil	Joint venture	16	—	
Verwaltung Centuria Marine Services GmbH	German	Ship management	50.0%	Nil	Joint venture	16	—	
Centuria Marine Services GmbH & Co. KG	German	Ship management	50.0%	Nil	Joint venture	6	—	
Seacon Equator Maritime LP	BVI	Ship management	49.0%	Nil	Joint venture	2,442	—	
ENS Marine Partners LP	BVI	Vessel holding and chartering services	19.6%	Nil	Associate	285	—	
						94,456	18,818	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

The above associates and joint ventures are all private entities with no quoted price available.

There are no contractual commitments or contingent liabilities in respect of associates and joint ventures.

There is no associate or 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 respective interests in the associates and joint ventures:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
At January 1	18,818	10,694
Additional investment	75,862	15,121
Decrease	—	(9,890)
Share of profit for the year	1,799	6,691
Share of other comprehensive loss for the year	(469)	—
Share of total comprehensive income for the year	1,330	6,691
Dividend received	(1,782)	(4,215)
Currency translation differences	228	417
At December 31	94,456	18,818

- (i) On 30 September 2025, the Company acquired the 40% equity interest in CIMC Xinde Leasing (Shenzhen) Co., Ltd. ("Xinde Leasing") at the cash consideration of approximately RMB481,914,200 (equivalent to approximately US\$67,624,000 with exchange rate on the date of payment). In addition, pursuant to the transfer agreement, from the completion date of the acquisition of the target interest, the Company undertook the seller's previous obligation to provide a shareholder guarantee for the Xinde Leasing in favour of the relevant bank in proportion to the purchaser's equity interest. The provision of guarantee to the Xinde Leasing was also regarded as part of the consideration with a fair value amounting to US\$404,000. Upon completion of the transaction, Xinde Leasing was accounted for as a joint venture of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(Continued)*

The fair value of the identifiable assets and liabilities of Xinde Leasing at the completion date of the acquisition and the calculation of implied goodwill are as follows:

	Fair value US\$'000
Property, plant and equipment	74,723
Interests in associates and joint ventures	27,897
Finance lease receivables — net	772,545
Cash and cash equivalents	64,805
Other assets	20,205
Total assets	<u>960,175</u>
Borrowings	707,160
Finance lease payables — net	72,731
Deferred tax liabilities	4,915
Other liabilities	5,634
Total liabilities	<u>790,440</u>
Identifiable net assets	<u><u>169,735</u></u>
	US\$'000
Identifiable net assets	169,735
Equity interest in Xinde Leasing	<u>40.0%</u>
Share of identifiable net assets	<u><u>67,894</u></u>
Purchase consideration	<u><u>68,028</u></u>
Implied goodwill	<u><u>134</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16 OTHER NON-CURRENT ASSETS

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Prepayment for vessels acquisition (i)	11,859	101,887
Prepayment for buildings acquisition	4,926	4,790
Prepayment for bareboat charters	9,234	2,042
Prepayment for dry-docking and equipment purchased	3,524	1,225
Others	1,150	821
	30,693	110,765
Ships management deposits	7,358	6,060
Deferred assets (ii)	5,585	5,412
Less: Provision for impairment	(20)	(145)
	43,616	122,092

(i) The Group prepaid for vessels acquisition according to the payment schedule of the contracts.

(ii) Deferred assets raised from discounted ships management deposit.

17 INVENTORIES

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Lubricating oil and spare parts	6,582	4,236
Fuels	1,607	3,682
	8,189	7,918
Less: Provision for impairment	—	—
	8,189	7,918

The cost of inventories recognised as cost of sales amounted to approximately US\$38,919,000 for the year ended 31 December 2025 (2024: US\$34,390,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

18 PREPAYMENTS AND OTHER CURRENT ASSETS

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Prepayments for:		
— insurance expenses	4,185	1,960
— spare parts purchase	1,808	219
— crew manning expenses	972	—
— vessels under short term charter basis and office rental	933	851
— others	972	65
	<u>8,870</u>	<u>3,095</u>

19 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Trade receivables — ship management business		
— third parties	9,149	5,515
— related parties (Note 32(k))	2,207	276
Less: Provision for impairment	(73)	(89)
Trade receivables — net	<u>11,283</u>	<u>5,702</u>
Trade receivables — shipping business		
— third parties	9,699	5,949
— related parties (Note 32(k))	1,564	1,793
Less: Provision for impairment	(1,567)	(1,554)
Trade receivables — net	<u>9,696</u>	<u>6,188</u>
Other receivables		
— advances to related parties (Note 32(k))	5,689	3,147
— deposits	5,377	6,051
— dividends receivable	1,188	—
— receivables from disposals of other non-current assets to a joint venture (Note 32(k))	6,460	—
— others	7,597	6,735
	<u>26,311</u>	<u>15,933</u>
Less: Provision for impairment	(190)	(211)
Other receivables — net	<u>26,121</u>	<u>15,722</u>
	<u>47,100</u>	<u>27,612</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19 TRADE AND OTHER RECEIVABLES *(Continued)*

- (a) Ageing analysis of trade receivables of the Group on each balance sheet date, based on the invoice dates, was as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Trade receivables — ship management business		
Within 3 months	9,891	5,568
3–6 months	1,328	92
6–12 months	64	45
1–2 years	—	24
2–3 years	11	62
Over 3 years	62	—
	<u>11,356</u>	<u>5,791</u>
Less: Provision for impairment	<u>(73)</u>	<u>(89)</u>
	<u>11,283</u>	<u>5,702</u>

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Trade receivables — shipping business		
Within 3 months	8,666	5,946
3–6 months	438	244
6–12 months	609	—
More than 1 year	1,550	1,552
	<u>11,263</u>	<u>7,742</u>
Less: Provision for impairment	<u>(1,567)</u>	<u>(1,554)</u>
	<u>9,696</u>	<u>6,188</u>

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. Note 3.1(b) provides for details about the calculation of the allowance.

Information about the impairment of trade receivables and the Group exposure to credit risk and foreign currency risk can be found in Note 3.1(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19 TRADE AND OTHER RECEIVABLES (Continued)

(b) Movements in allowance for impairment of trade receivables is as follows:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Trade receivables — ship management business		
At the beginning of the year	(89)	(70)
Reversal of provision/(provision)	16	(19)
At the end of the year	<u>(73)</u>	<u>(89)</u>

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Trade receivables — shipping business		
At the beginning of the year	(1,554)	(1,552)
Provision	(13)	(2)
At the end of the year	<u>(1,567)</u>	<u>(1,554)</u>

The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
US\$	19,458	11,048
RMB	1,518	782
EUR	3	53
SGD	—	7
	<u>20,979</u>	<u>11,890</u>

All carrying amounts of trade receivables approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19 TRADE AND OTHER RECEIVABLES *(Continued)*

The carrying amounts of other receivables are denominated in the following currencies:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
US\$	19,681	9,207
EUR	1,512	3,682
RMB	3,063	2,821
SGD	1,831	146
HKD	73	73
JPY	85	—
Others	66	4
	<u>26,311</u>	<u>15,933</u>

20 CASH AND BANK BALANCES

(a) Restricted bank deposits

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Restricted bank deposits — current		
— Security deposits for letter of guarantee	646	164
— Deposits maintained under bank loan arrangements*	<u>5,500</u>	<u>—</u>
	<u>6,146</u>	<u>164</u>

* As at 31 December 2025, the Group was required to maintain cash on deposit in respect of certain borrowings under bank loan arrangements. The cash cannot be withdrawn or used by the Group for liquidity purposes whilst the borrowings are outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20 CASH AND BANK BALANCES (Continued)

(b) Cash and cash equivalents

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Cash in hand	10	16
Cash at banks	51,006	65,806
	<u>51,016</u>	<u>65,822</u>

(c) Cash in hand and at banks (including restricted bank deposits of the Group) are denominated in the following currencies:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
US\$	47,666	51,108
RMB	6,493	2,157
EUR	1,624	1,298
SG\$	553	378
JPY	478	10,649
HK\$	348	396
	<u>57,162</u>	<u>65,986</u>

The deposits remittance out of the Chinese Mainland are subject to certain Chinese Mainland rules and regulations of foreign exchange control promulgated by the Chinese Mainland government. As at 31 December 2025, the RMB cash at bank held by the Chinese Mainland subsidiaries amounted to US\$6,168,000 (2024: US\$2,330,000).

The carrying amount of cash in hand and at banks approximates their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

21 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Non-current assets held for sale (i)		
Property, plant and equipment — vessels	26,868	4,890
Assets of a disposal group classified as held for sale (ii)		
Property, plant and equipment — vessels	72,737	—
Others	474	—
Total assets of a disposal group held for sale	73,211	—
	100,079	4,890
Liabilities directly associated with a disposal group classified as held for sale (ii)		
Borrowings (Note 32(k))	63,776	—
Others	1,059	—
Total liabilities of disposal group held for sale	64,835	—

- (i) In December 2025, the Group entered into an agreement, pursuant to which the Group agreed to sell a vessel for a consideration of US\$26,700,000. The disposal of the vessel was completed in February 2026.

In December 2025, the Broad of the Group decided to sell two vessels for a total consideration of no less than carrying amount. The disposals of the vessels are expected to be completed in 2026.

In October 2024, the Group entered into an agreement, pursuant to which the Group agreed to sell a vessel for a consideration of US\$5,050,000. The disposal of the vessel was completed in February 2025.

- (ii) In December 2025, the Broad of the Group decided to transfer seven subsidiaries to Xinde Leasing, a joint venture of the Group. The transaction is expected to be completed in 2026.
- (iii) As at 31 December 2025, non-current assets held for sale with the carrying amounts of US\$20,313,000 (2024: nil) were pledged to secure borrowings (Note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

22 SHARE CAPITAL

	Number of shares	The Company Nominal value HKD	Share capital USD
Authorised			
700,000,000 ordinary shares of HKD0.01 each as at 31 December 2024 and 2025	700,000,000	7,000,000	NA
Issued			
As at 31 December 2024 and 2025	<u>500,000,000</u>	<u>5,000,000</u>	<u>637,000</u>

23 SHARE PREMIUM AND RESERVES

	Share premium US\$'000	Other reserves US\$'000	Statutory reserve US\$'000	Share-based compensation US\$'000	Exchange differences on translation of foreign operations US\$'000	Total US\$'000
Balance at 1 January 2025	46,959	2,975	140	5,635	(253)	55,456
Exchange differences on translation of foreign operations	—	—	—	—	542	542
Share of other comprehensive income of an investment accounted for using the equity method	—	—	—	—	(469)	(469)
Equity transaction with non-controlling interests (i)	—	13	—	—	—	13
Balance at 31 December 2025	<u>46,959</u>	<u>2,988</u>	<u>140</u>	<u>5,635</u>	<u>(180)</u>	<u>55,542</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

23 SHARE PREMIUM AND RESERVES (Continued)

	Share premium US\$'000	Other reserves US\$'000	Statutory reserve US\$'000	Share-based compensation US\$'000	Exchange differences on translation of foreign operations US\$'000	Total US\$'000
Balance at 1 January 2024	46,959	2,945	140	5,635	(84)	55,595
Exchange differences on translation of foreign operations	—	—	—	—	(169)	(169)
Equity transaction with non-controlling interests (ii)	—	30	—	—	—	30
Balance at 31 December 2024	<u>46,959</u>	<u>2,975</u>	<u>140</u>	<u>5,635</u>	<u>(253)</u>	<u>55,456</u>

- (i) In 2025, the Group and Bright Future Marine Ltd. (“Bright Future Marine”) entered into an agreement, pursuant which the Group transferred 10% shareholding interests of Seacon Drybulk (Singapore) Pte. Ltd. (a subsidiary of the Group) with net liabilities amounted to US\$134,000 to Bright Future Marine for US\$1 consideration. The difference between the consideration received and the corresponding share of net assets attributable to the non-controlling interest is accounted for as a transaction with non-controlling interests and recorded in equity.
- (ii) In 2024, the Group and Bright Future Marine entered into an agreement, pursuant to which Bright Future Marine transferred 25% shareholding interests of Seacon Energy Carrier Limited (former name: Seacon Shipping (Hong Kong) Co., Limited) with net assets amounted to US\$27,000 to the Group for zero consideration. The total gain of US\$27,000 was accounted for as a transaction with non-controlling interests.

In 2024, the Group and Shi Yi entered into an agreement, pursuant which Shi Yi transferred 3% shareholding interests of Seacon Ships Management Co., Limited (Qingdao) with net assets amounted to US\$36,000 to the Group for the consideration of US\$33,000. The total gain of US\$3,000 was accounted for as a transaction with non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24 BORROWINGS

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Non-current		
Bank loans		
— secured (i)	41,365	—
— unsecured	36	46
Loans from financial leasing companies (ii)		
— secured (i)	288,188	238,165
— unsecured	82,731	—
	<u>412,320</u>	<u>238,211</u>
Current		
Bank loans		
— secured (i)	3,171	—
— unsecured	47,342	10,028
Loans from financial leasing companies (ii)		
— secured (i)	38,163	20,517
— unsecured	6,071	—
	<u>94,747</u>	<u>30,545</u>

The increase in long-term borrowings as at 31 December 2025 were mainly due to secured borrowings for the purpose of vessel purchase.

(i) The guarantors and the pledge for each secured borrowing were as follows:

		As at 31 December	
		2025 US\$'000	2024 US\$'000
Guarantor:	Pledge:		
The Company/Seacon Shipping Pte. Ltd.*	Credit/Shares	313,857	258,682
Seacon Osaka Ltd*	Vessels	4,373	—
Seacon Kobe Ltd*	Vessels	4,373	—
Seacon Victory Ltd*	Vessels	3,748	—
The Company	Xinde Leasing's equity interests	41,675	—
Seacon Ships Management Co., Limited (Qingdao)*	Buildings	2,861	—
		<u>370,887</u>	<u>258,682</u>

* These companies are the subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24 BORROWINGS (Continued)

(ii) The Group's loans from financial leasing companies were related to 20 owned vessels with total net book value amounting to US\$518,832,000 (2024: 12 owned vessels with total net book value amounting to US\$267,730,000 and 6 vessels under construction with carrying amount of prepayment for vessels purchased amounting to US\$60,140,000), which were sold and simultaneously leased back by the Group on a bareboat charter basis. Under the terms of the leases, the Group has options to purchase these vessels at pre-determined times during the lease periods and is obliged to purchase these vessels upon the expiry of the respective leases. In addition, The Group's bank borrowing with carrying amount of US\$2,861,000 was secured by buildings with carrying amount of US\$1,105,000. Such borrowings are effectively secured as the rights to the leased vessels revert to the lessors in the event of default.

(a) The Group's borrowings were repayable as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Bank loans		
Within 1 year	50,513	10,028
1–2 years	8,283	6
2–5 years	33,118	40
	91,914	10,074
Loans from financial leasing companies		
Within 1 year	44,234	20,517
1–2 years	24,832	24,259
2–5 years	80,751	76,002
Over 5 years	265,336	137,904
	415,153	258,682
	507,067	268,756

(b) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Within 1 year	506,995	268,710
1–2 years	20	10
2–5 years	52	30
Over 5 years	—	6
	507,067	268,756

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

24 BORROWINGS (Continued)

- (c) The Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
US\$	460,894	268,700
RMB	45,680	—
JPY	493	56
	<u>507,067</u>	<u>268,756</u>

- (d) The average rates of the Group's borrowings for the respective years are summarised as below:

	As at 31 December	
	2025	2024
Borrowings	<u>6.54%</u>	<u>7.97%</u>

- (e) The carrying amounts of borrowings were not materially different from their fair values as at each of the balance sheet dates.
- (f) The Directors are of the view that the Group has complied with the financial covenants during the year ended 31 December 2025, based on the terms of the borrowing contracts or the confirmations with the banks (as borrowers).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25 DEFERRED INCOME TAX

(a) Deferred tax assets

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Lease liabilities	2,632	265
Total deferred tax assets	2,632	265
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,631)	(264)
Net deferred tax assets	1	1

Movements in the deferred income tax assets are as below:

	Lease liabilities US\$'000
As at 1 January 2024	—
Credited	
— to profit or loss	265
As at 31 December 2024	265
Credited	
— to profit or loss	2,367
As at 31 December 2025	2,632

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

25 DEFERRED INCOME TAX (Continued)

(b) Deferred tax liabilities

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Japanese roll over relief	2,495	3,119
Right-of-use assets	2,639	297
Total deferred tax liabilities	5,134	3,416
Set-off of deferred tax liabilities pursuant to set-off provisions	(2,631)	(264)
Net deferred tax liabilities	2,503	3,152

Movements in the deferred income tax liabilities are as below:

	Japanese compression accounting method US\$'000	Right-of-use assets US\$'000	Total US\$'000
As at 1 January 2024	—	—	—
Charged			
— to profit or loss	3,119	297	3,416
As at 31 December 2024	3,119	297	3,416
Charged			
— to profit or loss	(624)	2,342	1,718
As at 31 December 2025	2,495	2,639	5,134

During the year ended 31 December 2025 and 2024, the Group does not have any plan for its Chinese Mainland subsidiaries to distribute their retained earnings of US\$1,749,000 as at 31 December 2025 (2024: US\$1,688,000) and intends to retain them to operate and expand its business in the Chinese Mainland. Accordingly, no deferred income tax liability on withholding tax was accrued as of the end of each year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

26 ADVANCES AND CONTRACT LIABILITIES

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Non-current		
Contract liabilities — ship management business	<u>1,962</u>	<u>663</u>
Current		
Advances and contract liabilities — shipping business	5,420	2,162
Contract liabilities — ship management business	<u>2,589</u>	<u>1,126</u>
	<u>8,009</u>	<u>3,288</u>

Advances and contract liabilities balance amounted to US\$8,009,000 as at 31 December 2025 will be recognised as revenue for the year ending 31 December 2026 (2024: US\$3,288,000 has been recognised as revenue for the year ended 31 December 2025).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

27 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Trade payables (a)		
— third parties	29,625	16,351
— related parties (Note 32(k))	2,049	12
	<u>31,674</u>	<u>16,363</u>
Other payables		
— advances from related parties (Note 32(k))	2,970	3,997
— deposits from related parties (Note 32(k))	1,517	200
— deposits from third parties	17,580	8,488
— salaries and staff welfare payable	3,574	5,620
— others	216	525
	<u>25,857</u>	<u>18,830</u>
	<u>57,531</u>	<u>35,193</u>

- (a) Ageing analysis of trade payables of the Group on each of the balance sheet dates, based on the invoice dates, was as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Less than 1 year	31,129	16,260
1–2 years	460	86
2–3 years	69	—
Over 3 years	16	17
	<u>31,674</u>	<u>16,363</u>

The carrying amounts of trade and other payables of the Group approximated their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

28 DIVIDENDS

The Board of Directors did not propose a final dividend relating to the years ended 31 December 2025 and 2024. On 27 March 2024, the directors of the Company proposed a final dividend of HK\$0.15 per ordinary share and declared a special dividend of HK\$0.115 per ordinary share, totaling HK\$132,500,000 (equivalent to US\$16,933,000). The proposed final dividend was fully paid during the year ended 31 December 2024.

Seacon Ships Management (Europe) S.A. is a non-wholly owned subsidiary which the Group and China Maritime General Services Co., Limited had 51% and 49% shareholding interests respectively. Seacon Ships Management (Europe) S.A. declared cash dividend of US\$2,550,000 to the Group and US\$2,450,000 to the non-controlling interests in April 2025.

Seacon Energy Carrier Limited was a non-wholly owned subsidiary which the Group and Bright Future Marine had 75% and 25% shareholding interests. Seacon Energy Carrier Limited declared cash dividend of US\$188,000 to the Group and US\$63,000 to the non-controlling interests in May 2024.

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to net cash flows generated from operations:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Profit before income tax	41,890	77,422
Adjustments for:		
– Net impairment (reversals)/losses on financial assets	(149)	213
– Depreciation and amortisation (Note 8)	34,371	28,697
– Gains on disposals of property, plant and equipment and changes of lease term	(33,088)	(46,452)
– Share of profits of associates and joint ventures	(1,799)	(6,691)
– Gains on disposal of subsidiaries	(43)	(155)
– Finance costs (Note 10)	24,890	19,678
– Finance income	(470)	(17)
– Fair value losses of financial assets at fair value through profit or loss	2,137	229
– Exchange losses/(gains)	293	(566)
Changes in working capital:		
– Inventories	(397)	(1,538)
– Trade and other receivables	(20,352)	(6,253)
– Advances and contract liabilities	6,588	921
– Trade and other payables	22,643	5,642
Cash generated from operations	76,514	71,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Proceeds from disposal of property, plant and equipment and other non-current assets comprise:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Net book amount of property, plant and equipment disposed (Note 13)	88,422	90,240
Net book amount of other non-current assets	25,170	—
Net book amount of assets held for sale (Note 21)	4,890	6,996
Non-cash transactions from disposal of the vessel (Note 29(e))	(24,947)	(30,033)
Net gains on disposal of property, plant and equipment (Note 7)	33,036	46,166
Proceeds from disposal of property, plant and equipment	<u>126,571</u>	<u>113,369</u>

(c) Summary of net debt

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Cash and cash equivalents	51,016	65,822
Borrowings — repayable within 1 year	(94,747)	(30,545)
Borrowings — repayable after 1 year	(412,320)	(238,211)
Lease liabilities — repayable within 1 year	(17,501)	(14,399)
Lease liabilities — repayable after 1 year	(30,400)	(34,954)
Advance from related parties	(2,970)	(3,997)
Net debt	<u>(506,922)</u>	<u>(256,284)</u>
Cash and cash equivalents	51,016	65,822
Gross debt — interest free	(2,970)	(3,997)
Gross debt — fixed interest rates	(81,850)	(39,540)
Gross debt — floating interest rates	(473,118)	(278,569)
Net debt	<u>(506,922)</u>	<u>(256,284)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(d) Reconciliation of liabilities arising from financing activities

	Borrowings	Lease liabilities	Advance from related parties	Total
As at 1 January 2025	(268,756)	(49,353)	(3,997)	(322,106)
Lease liabilities recognised	—	(36,480)	—	(36,480)
Change of lease term	—	(47,266)	—	(47,266)
Cash flows	(61,056)	60,325	1,109	378
Non-cash transaction	(241,070)	24,873	(82)	(216,279)
Interest charged	(27,458)	(2,223)	—	(29,681)
Interest paid	27,497	2,223	—	29,720
Reclassified to liabilities classified as held for sale (Note 21, 32(k))	63,776	—	—	63,776
As at 31 December 2025	<u>(507,067)</u>	<u>(47,901)</u>	<u>(2,970)</u>	<u>(557,938)</u>

	Borrowings	Lease liabilities	Advance from related parties	Total
As at 1 January 2024	(215,853)	(66,612)	(7,035)	(289,500)
Lease liabilities recognised	—	(9,533)	—	(9,533)
Change of lease term	—	11,815	—	11,815
Cash flows	(34,891)	14,977	1,555	(18,359)
Non-cash transaction	(64,680)	—	1,483	(63,197)
Interest charged	(23,943)	(1,858)	—	(25,801)
Interest paid	22,794	1,858	—	24,652
Disposal of subsidiaries	47,817	—	—	47,817
As at 31 December 2024	<u>(268,756)</u>	<u>(49,353)</u>	<u>(3,997)</u>	<u>(322,106)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Major non-cash transactions:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Non-cash investing activities		
Vessel purchase payments offset by borrowings from leasing companies (i)	(238,228)	(94,713)
Lease liabilities repayments offset by proceeds from disposal of the vessel (ii)	24,947	—
Borrowings repayments offset by proceeds from disposal of the vessel (iii)	—	30,033
Non-cash financing activities		
Vessel purchase payments offset by borrowings from leasing companies (i)	238,228	94,713
Lease liabilities repayments offset by proceeds from disposal of the vessel (ii)	(24,947)	—
Borrowings repayments offset by proceeds from disposal of the vessel (iii)	—	(30,033)

- (i) The Group purchased vessels from third party sellers in 2024 and 2025, financed by borrowings from leasing companies under sales and lease-back arrangements. The leasing companies paid directly to the sellers on behalf of the Group.
- (ii) In April 2025, the Group purchased a vessel by exercising the purchase option under a Bareboat Charter agreement from the owner. In the meantime, the Group sold the vessel to a third party buyer for a total consideration of US\$32.1 million (net of commissions). The third party buyer paid the Purchase Option Price amounted to US\$24.9 million directly to the owner on behalf of the Group.
- (iii) In December 2024, the Group purchased two vessels by exercising the purchase option under each sale-and-leaseback arrangement from leasing companies. The purchase option price is the aggregate of the applicable purchase option fee and the unpaid borrowing outstanding balances under the sales and lease-back arrangement. In the meantime, the Group sold the vessels to third party buyers with the total consideration of US\$63.9 million (net of commissions). The vessels purchased had been further delivered to the buyer. The third party buyers paid the outstanding borrowings amounted to US\$30.0 million directly to the leasing companies on behalf of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

30 CONTINGENCIES

As at 31 December 2025, there was no material on going legal proceeding.

31 CAPITAL COMMITMENTS

Capital expenditure contracted for by the Group at the balance sheet date but not yet incurred is as follows:

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Property, plant and equipment		
– Vessels	269,176	307,254
– Buildings	27,176	26,402
	<u>296,352</u>	<u>333,656</u>

As at 31 December 2025, the Group had 9 vessel construction contracts still in progress. The expected delivery date of 1 vessel, which amounts to US\$9.1 million, will be in 2026, 7 vessels, which amount to US\$236.9 million, will be in 2027, and 1 vessel, which amounts to US\$35.0 million, will be in 2028.

32 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under common control or joint control in the controlling shareholders' families. Members of key management and their close family member of the Group are also considered as related parties.

The following is a summary of the significant transactions took place between the Group and its related parties at terms as mutually agreed among the parties concerned for the year ended 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32 RELATED PARTY TRANSACTIONS (Continued)

(a) Purchases of goods or services

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Associates and joint ventures	2,369	24

(b) Provision of services

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Associates and joint ventures	8,141	3,459

(c) Novation of vessels under construction

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Joint ventures	32,247	—

(d) Lease

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Rental expense		
Related parties controlled by Mr. Guo (collectively referred to as "Seacon Group")*	42	43
Rental income		
Associates	2,400	3,293

* The transactions are continuing connected transactions that have complied with the disclosure requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which indicates purchases of goods or services from Seacon Group. As related parties in this continuing connected transactions ceased to be our connected person under the Listing Rules, any transactions entered into between these related parties thereafter no longer constituted continuing connected transactions of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32 RELATED PARTY TRANSACTIONS *(Continued)*

(e) Advances to related parties

Advances to associates and joint ventures

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Advances to related parties during the year		
– Cash	3,052	7,920
– Non-cash	290	2,357
	<u>3,342</u>	<u>10,277</u>
Repayments from related parties during the year		
– Cash	–	(7,130)
– Non-cash	(800)	–
	<u>(800)</u>	<u>(7,130)</u>

(f) Loans to associates and joint ventures

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Loans to associates and joint ventures during the year		
– Cash	35,795	18,906
– Non-cash	1,625	12,611
	<u>37,420</u>	<u>31,517</u>
Collections from associates and joint ventures in the year		
– Cash	(3,022)	(6,417)
– Non-cash	(362)	–
	<u>(3,384)</u>	<u>(6,417)</u>

The non-cash loans to associates and joint ventures during the year mainly included the impacts of foreign exchange gains and fair value changes, along with the reclassification of inter-company liquidity loans with related parties.

Loans to associates and joint ventures were all unsecured and repayable upon demand and measured at FVTPL. As mutually agreed with the parties in concern, the Group did not charge any interest on the loans to associates and joint ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32 RELATED PARTY TRANSACTIONS *(Continued)*

(g) Advances from related parties

Advances from Seacon Group

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Advances from related parties during the year		
– Cash	1,423	5,845
– Non-cash	82	60
	<u>1,505</u>	<u>5,905</u>
Repayments to related parties during the year		
– Cash	(2,532)	(7,400)
– Non-cash	–	(1,543)
	<u>(2,532)</u>	<u>(8,943)</u>

Advances from related parties also includes amount paid/received on behalf between the Group and related parties.

Advances from related parties were all unsecured and repayable within one year. As mutually agreed with the parties in concern, the Group did not pay any interest on the advances from related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32 RELATED PARTY TRANSACTIONS *(Continued)*

(h) Provision of financial guarantees

The information set out below represents the amount guaranteed by the Company for external financing in favour of the associates and joint ventures at the end of each year.

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Joint ventures and associates	<u>517,377</u>	<u>363,876</u>

As at 31 December 2025, the Group had guarantee contract liabilities of approximately US\$9,919,000 (31 December 2024: US\$6,319,000).

The Company, as guarantor, executed several financial guarantees, pursuant to which the Company has agreed to guarantee the due and punctual performance of the obligations under those transaction documents in favour of the associates and joint ventures in relation to the external financing with no compensation.

In relation to the Group's guarantees to joint ventures and associate, the Group received counter securities undertook by counter guarantors who shall bear a portion of liabilities arisen from such guarantees to joint ventures and associates by the Group. The aggregate amount of such counter securities was amounting to approximately US\$141,285,000 as at 31 December 2025.

As at 31 December 2025, the external financing under these guarantee contracts have incurred a total amount of US\$339,302,000 (31 December 2024: US\$129,483,000), the initial fair value of which has been accounted for as contributions and recognised as part of the cost of the investment in accordance with the policy described in Note 37.9.

(i) Interest expense to related parties

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Joint ventures	<u>725</u>	<u>—</u>

During the year ended 31 December 2025, the average rate of the Group's borrowings from joint ventures is 4.83% (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32 RELATED PARTY TRANSACTIONS (Continued)

(j) Key management compensation

Key management includes directors (executive and non-executive) and respective department heads. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Salaries, bonuses and other benefits	1,452	1,406

(k) Significant year-end balances arising from advances to/from related parties and sales/purchases of goods/services

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Receivables from related parties		
Trade receivables:		
– Associates and joint ventures	3,771	2,069
Other receivable		
Deposits to:		
– Associates and joint ventures	12	4
Advance to:		
– Associates and joint ventures	5,689	3,147
Receivables from disposals of other non-current assets		
– A joint venture	6,460	–
Total other receivables from related parties	12,161	3,151
Loans to associates and joint ventures (Note 32(f))		
– Non-current	32,299	25,100
– Current	26,837	–
	59,136	25,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

32 RELATED PARTY TRANSACTIONS *(Continued)*

- (k) Significant year-end balances arising from advances to/from related parties and sales/purchases of goods/services *(Continued)*

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Payables to related parties		
Trade payables:		
— Associates and joint ventures	2,049	12
Other payables:		
Advance from:		
— Seacon Group	2,968	3,995
— Other related parties	2	2
	2,970	3,997
Deposits received from:		
— Associates and joint ventures	1,517	200
Total other payables to related parties	4,487	4,197
Lease liability :		
— Seacon Group	—	43
Borrowings (Note 21)		
— Joint ventures	63,776	—

Except for the advances to and from related parties, loans to associates and joint ventures and borrowings, which were generated from non-operating activities and were non-trade in nature, all other balances with related parties were generated from normal operating activities and were of trade in nature. Except for the borrowings, all other balances with related parties are unsecured and interest free. The borrowings were repayable within 1 year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

33 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of every Director and the chief executive is set out below:

For the year ended 31 December 2025:

Name	Director's	Salaries	Bonus	Social	Contributions	Other welfare	Total
	Fee				to pension		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Chairman							
Mr. Guo*	—	364	—	19	17	5	405
Executive directors							
Mr. Chen*	—	448	—	—	2	5	455
Mr. Zhao	—	220	—	9	10	5	244
Mr. He	—	228	—	10	12	5	255
Independent non-executive directors							
Mr. Fu	31	—	—	—	—	—	31
Mr. Zhang	31	—	—	—	—	—	31
Mr. Zhuang	31	—	—	—	—	—	31
	<u>93</u>	<u>1260</u>	<u>—</u>	<u>38</u>	<u>41</u>	<u>20</u>	<u>1,452</u>

For the year ended 31 December 2024:

Name	Director's	Salaries	Bonus	Social	Contributions	Other welfare	Total
	Fee				to pension		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Chairman							
Mr. Guo*	—	346	179	15	14	5	559
Executive directors							
Mr. Chen*	—	440	159	1	3	5	608
Mr. Zhao	—	207	129	6	6	4	352
Mr. He	—	219	129	6	9	4	367
Independent non-executive directors							
Mr. Fu	31	—	—	—	—	—	31
Mr. Zhang	31	—	—	—	—	—	31
Mr. Zhuang	31	—	—	—	—	—	31
	<u>93</u>	<u>1,212</u>	<u>596</u>	<u>28</u>	<u>32</u>	<u>18</u>	<u>1,979</u>

* Mr. Guo and Mr. Chen are also the shareholders and directors of Seacon Group, and they also received salaries from Seacon Group for the years ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

33 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any Directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaken (2024: Nil).

(c) Directors' termination benefits

No payment was made to Directors as compensation for the early termination of the appointment for the year ended 31 December 2025 (2024: Nil).

(d) Consideration provided to third parties for making available Directors' services

No payment was made to the former employer of Directors for making available the services of them as a Director of the Company during the year ended 31 December 2025 (2024: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors

There are no loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors during the year ended 31 December 2025 (2024: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 32 no significant transactions, arrangements and contracts in relation to the Group's business to which the Group 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 years or at any time during the year ended 31 December 2025 (2024: Nil).

(g) Inducement of joining the Group or compensation for loss of office, waive of remuneration

During the year ended 31 December 2025, there are no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil). In addition, none of the directors waived or agreed to waive any remuneration during the year (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

34 PARTICULARS OF PRINCIPAL SUBSIDIARIES

As at 31 December 2025, particulars of the Group's principal subsidiaries are as follows:

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held		Note
				31 December		
				2025	2024	
Seacon Shipping Pte. Ltd.	Singapore, 29 January 2020	Vessel holding and chartering services	SG\$100,005/SG\$2	100%	100%	
Seacon Drybulk (Singapore) Pte. Ltd.	Singapore, 19 April 2017	Chartering services	SG\$800,000/ SG\$800,000	75%	85%	(b)
Seacon Shipping Japan Ltd	Japan, 25 October 2018	Vessel holding and chartering services	JPY98,000,000/ JPY98,000,000	100%	100%	
Seacon Shipping (Qingdao) Co., Limited	Hong Kong, 29 December 2021	Vessel holding and chartering services	HK\$10,000/—	100%	100%	
Seacon Kobe Ltd	Republic of the Marshall Islands, 20 January 2021	Vessel holding and chartering services	US\$50,000/—	100%	100%	
Seacon Osaka Ltd	Republic of the Marshall Islands, 20 January 2021	Vessel holding and chartering services	US\$50,000/—	100%	100%	
Seacon Victory Ltd	Republic of the Marshall Islands, 8 April 2015	Vessel holding and chartering services	US\$50,000/—	100%	100%	
Jasper Shipping Ltd	Republic of the Marshall Islands, 19 February 2021	Vessel holding and chartering services	US\$50,000/US\$1	100%	100%	
Seacon Nola Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US\$500/—	100%	100%	
Seacon Hamburg Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US\$500/—	100%	100%	
Seacon Vancouver Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US\$500/—	100%	100%	
Seacon Oslo Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US\$500/—	100%	100%	
Seacon Tokyo Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US\$500/—	100%	100%	
Seacon Bangkok Ltd	Liberia, 15 May 2023	Vessel holding and chartering services	US\$500/—	100%	100%	
Golden Iris Ships Ltd.	Liberia, 9 October 2023	Vessel holding and chartering services	US\$500/—	100%	100%	
Golden Jasmine Ships Ltd.	Liberia, 9 October 2023	Vessel holding and chartering services	US\$500/—	100%	100%	
Seacon Antwerp Ltd	Liberia, 31 January 2024	Vessel holding and chartering services	US\$500/—	100%	100%	
Golden Banyan Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/—	100%	100%	
Golden Olive Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/—	100%	100%	
Golden Maple Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/—	100%	100%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

34 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held	
				31 December 2025	Note 2024
Golden Cedar Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/–	100%	100%
Seacon Liverpool Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/–	100%	100%
Seacon Monaco Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/–	100%	100%
Seacon Dubai Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/–	100%	100%
Seacon Seattle Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US\$500/–	100%	100%
Seacon Ships Management (Europe) SA	Republic of the Marshall Islands, 19 April 2022	Ship management	US\$100/–	51%	51%
Seacon Ships Management Co., Limited	Hong Kong, 14 December 2012	Ship management	HK\$10,000/ HK\$10,000	100%	100%
Seacon Ships Management Pte. Ltd.	Singapore, 14 May 2019	Ship management	SG\$50,000/SG\$2	100%	100%

Notes:

- * The Group's shipping business and ship management business are all operated worldwide.
- (a) All companies comprising the Group have adopted 31 December as the financial year end.
- (b) The Group disposed 10% shareholding interests in 2025 as mentioned in Note 23(i).
- (c) The Group disposed of its 100% equity interest in Zhoushan Xi'ao Maritime Service Base Co., Ltd. in 2025.

35 SUBSEQUENT EVENTS

In February 2026, the Group entered into a guarantee agreement with a joint venture to provide guarantees for the joint venture in favour of external party under a financial lease arrangement in a maximum aggregate guaranteed amount of US\$19.5 million.

In March 2026, the Group entered into a contract to acquire four vessels from a third-party with a consideration of approximately US\$44.4 million. The vessels are expected to be delivered before November 2027.

In March 2026, the Group entered into a termination contract on acquisition of previous properties with a previous seller. The Group and a new seller entered into a contract to purchase the new properties, which are under construction and expected to be delivered in 2028. The consideration is approximately CNY 337.7 million (equivalents to approximately US\$48.2 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36 STATEMENT OF PROFIT OR LOSS, STATEMENT OF FINANCIAL POSITION, AND RESERVE MOVEMENT OF THE COMPANY

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
Revenue	605	—
Cost of sales	—	—
Gross profit	605	—
Selling and distribution costs	(31)	—
Administrative expenses	(5,249)	(4,512)
Net impairment losses on financial assets	3	(2)
Net impairment losses on guarantee for subsidiaries	—	2,261
Other income	31,188	25,479
Other losses — net	(988)	(261)
Operating profit	25,528	22,965
Finance income	7	1
Finance costs	(1,296)	(603)
Finance costs, net	(1,289)	(602)
Profit before income tax	24,239	22,363
Income tax expenses	—	—
Profit for the year	24,239	22,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36 STATEMENT OF PROFIT OR LOSS, STATEMENT OF FINANCIAL POSITION, AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Assets		
Non-current assets		
Right-of-use assets	97	311
Interests in subsidiaries	81,735	84,748
Other non-current assets	—	134
	<u>81,832</u>	<u>85,193</u>
Current assets		
Financial assets at fair value through profit or loss	48	1,500
Prepayments	20	27
Trade and other receivables	108,884	41,646
Restricted cash	5,000	—
Cash and cash equivalents	2,784	11,086
	<u>116,736</u>	<u>54,259</u>
Total assets	<u><u>198,568</u></u>	<u><u>139,452</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36 STATEMENT OF PROFIT OR LOSS, STATEMENT OF FINANCIAL POSITION, AND RESERVE MOVEMENT OF THE COMPANY (Continued)

	As at 31 December	
	2025 US\$'000	2024 US\$'000
Equity		
Share capital	637	637
Share premium	46,959	46,959
Reserves	70,779	70,779
Retained earnings/(accumulated losses)	14,130	(10,109)
Total equity	132,505	108,266
Liabilities		
Non-current liabilities		
Guarantee contract liabilities	13,915	18,116
Lease liabilities	—	101
	13,915	18,217
Current liabilities		
Trade and other payables	6,306	2,755
Borrowings	45,741	10,018
Lease liabilities	101	196
	52,148	12,969
Total liabilities	66,063	31,186
Total equity and liabilities	198,568	139,452

The balance sheet of the Company was approved and authorised for issue by the Board of Directors of the Company on 27 March 2026 and were signed on its behalf by.

Executive Director: Chen Zekai

Executive Director: He Gang

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

36 STATEMENT OF PROFIT OR LOSS, STATEMENT OF FINANCIAL POSITION, AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	Reserves					
	Share premium	Other Reserves	Share-based Compensation	Sub-total	Retained earnings/ (accumulated losses)	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2025	46,959	65,144	5,635	117,738	(10,109)	107,629
Profit for the year	—	—	—	—	24,239	24,239
Balance at 31 December 2025	<u>46,959</u>	<u>65,144</u>	<u>5,635</u>	<u>117,738</u>	<u>14,130</u>	<u>131,868</u>

	Reserves					
	Share premium	Other Reserves	Share-based Compensation	Sub-total	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2024	46,959	65,144	5,635	117,738	(15,539)	102,199
Profit for the year	—	—	—	—	22,363	22,363
Dividends declared to ordinary shares	—	—	—	—	(16,933)	(16,933)
Balance at 31 December 2024	<u>46,959</u>	<u>65,144</u>	<u>5,635</u>	<u>117,738</u>	<u>(10,109)</u>	<u>107,629</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

37.1 Principles of consolidation

37.1.1 *Subsidiaries*

Subsidiaries are all 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 fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Apart from the business combination under common control which has been accounted for by regarding the Company as being the holding company of the subsidiaries from the beginning of the earliest period presented, or since the date when the combining companies first came under the control of the Group, where there is a shorter period, the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.1 Principles of consolidation *(Continued)*

37.1.2 *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in reserves within equity attributable to shareholders of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised 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 recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

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

37.1.3 *Associates and joint arrangements*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in associates and joint ventures are accounted for using the equity method of accounting (see Note 37.1.4), after initially being recognised at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.1 Principles of consolidation *(Continued)*

37.1.4 *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interests in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interests in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 37.8.

37.2 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.3 Foreign currency translation

37.3.1 *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 functional currency of the Company and its major subsidiaries located in Hong Kong, Singapore, Japan and other countries, except for the People's Republic of China (the "Chinese Mainland"), is US\$, while the functional currency of the subsidiaries in the Chinese Mainland is Renminbi ("RMB"). The consolidated financial statements is presented in US\$, which is the Group's presentation currency.

37.3.2 *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 of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss within "finance costs, net". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "Other gains/(losses), net".

37.3.3 *Group companies*

The results and financial position of all the Group's 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:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this 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
- all resulting exchange differences are recognised in other comprehensive income.

For the year ended 31 December 2025, exchange differences arising from the translation of any net investment in foreign entities, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.4 Property, plant and equipment

37.4.1 *Vessels*

Vessels 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.

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 capitalised 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 and recognised in profit or loss immediately.

37.4.2 *Other property, plant and equipment*

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

Subsequent costs are included in the asset's carrying amount or recognised 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

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 37.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses), net" in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.5 Leases

The Group as a lessee

Lease is recognised as a right-of-use assets and a corresponding lease liability at the date while the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

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;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.5 Leases *(Continued)*

The Group as a lessor

The Group leases out self-owned vessels under various charter arrangements.

The Group identifies that a charter arrangement does not contain a lease if the customer does not have the right to control the use of the ship because it does not have the right to direct its use, otherwise, it may contain a lease.

For charter arrangement which contains a lease, except the vessels, the Group also provides technical management services and crew manning services, thus the arrangement contains both a lease (i.e. bareboat charter) and non-lease components (i.e. shipping services including technical management services and crew manning services).

Consideration of the lease component and non-lease component is allocated with reference to the stand-alone market prices which are benchmarked against market data available, and accordingly recognised as rental income and service income.

A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant lease. Initial direct costs with more than a significant amount are capitalised when incurred, and are recognised in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the year in which they are incurred.

The lease receivables under lease arrangements are included as “trade receivables” in the consolidated balance sheets. Please refer to Note 37.12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.5 Leases *(Continued)*

The Group as a sublease lessor

Sub-lease is a transaction for which an underlying asset is re-leased by a lessee (“sublease lessor”) to a third party, and the lease (“head lease”) between the head lessor and lessee remains in effect. The Group leased in certain vessels and then leased them out under various charter arrangements. The Group identifies whether the sublease arrangement contains a lease based on whether customer has the right to control the use of the vessel. For sublease arrangement which contains a lease, consideration of the lease component and non-lease component of a charter is allocated with reference to the stand-alone market prices which are benchmarked against market data available, and accordingly recognised as rental income and service income.

In classifying a sublease, a sublease lessor shall classify the sublease as a finance lease or an operating lease as follows:

- (a) if the head lease is a short-term lease that the entity, as a lessee, has accounted for the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, the sublease shall be classified as an operating lease.
- (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease as finance lease or operating lease.

37.6 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.7 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) classified as held for sale are presented separately from the other assets in the balance sheet and are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

37.8 Investments and other financial assets

37.8.1 *Classification*

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss ("FVPL") or OCI ("FVOCI"). 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 present subsequent changes in fair value in other comprehensive income.

As at 31 December 2025, the Group has financial assets in the category of financial assets at amortised cost and at fair value through profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.8 Investments and other financial assets *(Continued)*

37.8.2 *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

37.8.3 *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.

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 two 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 in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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 OCI, 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 recognised 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 FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.8 Investments and other financial assets *(Continued)*

37.8.4 Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 19 for details.

37.9 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time when 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 on initial recognition equals the present value of the premium in an arm's length transaction.

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 recognised as part of the cost of the investment.

37.10 Intangible assets

Intangible assets are mainly acquired software, which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives of 10 years.

37.11 Inventories

Inventories mainly comprise of bunkers. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. Net realizable value of bunkers is the expected amount to be realized from use as estimated by the directors/management. All costs that relate directly to the contract — both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts are recognised within inventory in the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.12 Trade and other receivables

Trade receivables include freight receivables, charter-hire receivables, and ship management receivables from customers for services performed.

If collection of trade and other receivables 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 and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

37.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

37.14 Share capital

Ordinary shares are classified as equity.

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

37.15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.16 Borrowings

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

Fees paid on the establishment of loan facilities are recognised 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 capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

A sale and leaseback is a transaction in which the owner of an asset sells the asset and leases it back from the buyer. The seller-lessee must determine if the transaction qualifies as a sale for which revenue is recognised, or whether the transaction is a collateralised borrowing. If the transfer does not qualify as a sale under HKFRS 15, the seller-lessee does not de-recognise the transferred asset, and it accounts for the cash received as a financial liability.

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 the year.

37.17 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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 capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.18 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

37.18.1 Current income tax

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 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.

37.18.2 Deferred income tax

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

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.19 Employee benefits

37.19.1 *Wages and salaries*

Liabilities for wages, salaries and annual leave that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

37.19.2 *Other employee benefit obligations*

In accordance with the rules and regulations in the Chinese Mainland, the Group has arranged for its Chinese Mainland employees to join defined contribution plans, including pension, medical, housing and other welfare benefits, set up and administered by the Chinese Mainland government. According to the relevant regulations, the monthly contributions that should be borne by the Chinese Mainland subsidiaries of the Company are calculated based on percentages of the total salary of employees, subject to a certain ceiling. The assets of these plans are held separately from those of the Group in independent funds managed by the Chinese Mainland government.

As at 31 December 2025, regarding the defined contribution plans, the Group had no forfeited contributions (by employers on behalf of employees who leave the defined contribution plan prior to vesting in such contributions) to reduce the existing level and future level of contributions.

The subsidiaries in Hong Kong operate the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee administered funds. Under the MPF scheme, the employer and its employees are each required to make regular mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The Group's contributions to the scheme are expensed as incurred. When employees leave the scheme prior to the full vesting of the employer's voluntary contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The subsidiaries in Singapore contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the government of Singapore, which applies to the majority of the employees who are either Singapore citizens or permanent residents.

The subsidiaries in Japan contributes to the defined contribution plan regulated and managed by the government of Japan.

The Group has no further payment obligations once the above contributions have been paid. The Group's contributions to these plans are charged in the consolidated statement of profit or loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.19 Employee benefits *(Continued)*

37.19.3 Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

37.20 Provisions

Provisions for legal claims and service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised 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 recognised 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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

37.21 Earnings per share

37.21.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares ;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

37 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

37.21 Earnings per share *(Continued)*

37.21.2 *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

37.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders, where appropriate.

FIVE-YEAR FINANCIAL SUMMARY

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Revenue	323,846	282,136	259,034	359,101	372,738
Gross profit	54,461	64,376	40,103	62,364	57,650
Operating profit	64,213	90,103	28,775	57,335	40,322
Profit before income tax	41,890	77,422	22,379	61,047	41,186
Income tax expenses	(520)	(2,637)	(361)	(2,118)	(1,181)
Profit for the year	41,370	74,785	22,018	58,929	40,005
Profit attributable to:					
Owners of the Company	35,980	70,340	21,211	57,316	33,617
Non-controlling interests	5,390	4,445	807	1,613	6,388

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of 31 December				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Assets					
Non-current assets	722,968	487,895	418,944	225,000	165,773
Current assets	248,285	111,001	73,113	62,247	64,673
Total assets	971,253	598,896	492,057	287,247	230,446
Equity and liabilities					
Equity attributable to the owners of the Company	261,666	225,600	172,332	104,606	47,320
Non-controlling interests	8,707	5,780	1,398	4,404	4,087
Total equity	270,373	231,380	173,730	109,010	51,407
Non-current liabilities	457,104	283,299	245,990	117,079	93,062
Current liabilities	243,776	84,217	72,337	61,158	85,977
Total liabilities	700,880	367,516	318,327	178,237	179,039
Total equity and liabilities	971,253	598,896	492,057	287,247	230,446