中遠海運發展股份有限公司

COSCO SHIPPING Development Co.,Ltd.

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

Stock Code: 2866

SHIPPING INDUSTRY AND FINANCE OPERATOR

2026

INTERIM REPORT

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Corporate Information

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Zhang Mingwen *(Chairman of the Board)*
Mr. Wang Kunhui *(General Manager)*

NON-EXECUTIVE DIRECTORS

Mr. Ip Sing Chi
Ms. Zhang Xueyan
Mr. Zheng Xiaozhe

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Shao Ruiqing
Mr. Chan Kwok Leung
Mr. Wu Daqi

EXECUTIVE COMMITTEE

Mr. Zhang Mingwen *(Chairman)*
Mr. Wang Kunhui

INVESTMENT STRATEGY COMMITTEE

Mr. Zhang Mingwen *(Chairman)*
Mr. Wang Kunhui
Mr. Ip Sing Chi
Ms. Zhang Xueyan
Mr. Zheng Xiaozhe
Mr. Shao Ruiqing
Mr. Chan Kwok Leung

RISK AND COMPLIANCE MANAGEMENT COMMITTEE

Mr. Wu Daqi *(Chairman)*
Mr. Shao Ruiqing
Mr. Chan Kwok Leung

AUDIT COMMITTEE

Mr. Shao Ruiqing *(Chairman)*
Ms. Zhang Xueyan
Mr. Chan Kwok Leung

REMUNERATION COMMITTEE

Mr. Shao Ruiqing *(Chairman)*
Mr. Chan Kwok Leung
Mr. Wu Daqi

NOMINATION COMMITTEE

Mr. Chan Kwok Leung *(Chairman)*
Mr. Zhang Mingwen
Ms. Zhang Xueyan
Mr. Shao Ruiqing
Mr. Wu Daqi

CHIEF ACCOUNTANT

Mr. Hu Haibing

COMPANY SECRETARY

Mr. Cai Lei

AUTHORISED REPRESENTATIVES

Mr. Zhang Mingwen
Mr. Cai Lei

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DOMESTIC AUDITOR

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Grandall Law Firm (As to PRC law)

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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China Construction Bank
Bank of Communications
The Export-Import Bank of China
China Development Bank
Agricultural Bank of China
Standard Chartered Bank

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COMPANY WEBSITE

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H SHARE LISTING PLACE

Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")

LISTING DATE

16 June 2004

NUMBER OF H SHARES IN ISSUE

3,421,629,000 H Shares(1)

BOARD LOT (H SHARES)

1,000 Shares

HONG KONG STOCK EXCHANGE STOCK CODE

02866

A SHARE LISTING PLACE

Shanghai Stock Exchange

LISTING DATE

12 December 2007

NUMBER OF A SHARES IN ISSUE

9,710,427,720 A Shares(1)

BOARD LOT (A SHARES)

100 Shares

SHANGHAI STOCK EXCHANGE STOCK CODE

601866

* The Company is a registered non-Hong Kong company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and it is registered under its Chinese name and under the English name "COSCO SHIPPING Development Co., Ltd."

Note:

(1) Such numbers of shares represent the numbers of issued shares of the Company as of the date of this report

Financial Highlights (Under HKFRS Accounting Standards)

For the six months ended 30 June 2026 (the "**Period**")

- Revenue amounted to RMB13,514,423,000
- Profit before tax amounted to RMB1,099,068,000
- Profit for the period attributable to owners of the Company amounted to RMB1,001,389,000
- Basic earnings per share attributable to ordinary equity holders of the Company amounted to RMB0.0761

I. DISCUSSION AND ANALYSIS OF THE OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD

(I) INDUSTRIAL ENVIRONMENT

In the first half of 2026, the global economic and trade landscape continued to undergo adjustment and restructuring. The shipping industry has built up development resilience amid a market environment with both opportunities and challenges. In terms of the container leasing and manufacturing market, relatively steady foreign trade growth, container demand for new tonnage, replacement demand for old containers and expanded application scenarios for containers jointly provided stable support to container market demand in the first half of the year. In terms of the shipping leasing market, multiple factors, including the regionalisation trend of global trade and capital market interest rates continued to exert an impact. Meanwhile, the accelerating digital, intelligent and low-carbon transformation of the shipping industry has brought opportunities to the shipping leasing market.

(II) PRINCIPAL BUSINESSES

With a focus on shipping and logistics industry, the Group has concentrated on the integrated development with container manufacturing, shipping leasing and container leasing as the core businesses and underpinned by investment management. Rooted in shipping industry-finance integration, the Company has consistently bolstered its core strengths in "industry, finance and investment", fostered new quality productive forces, striving to grow into a world-class industry-finance operator in the shipping industry with COSCO SHIPPING's characteristics.

1. Container manufacturing business

The Company researches, develops, produces, and sells international-standard dry containers, reefer containers and special containers. The Company is ranked as the world's second-largest container manufacturer and serves customers from world-renowned liner companies and major container leasing companies. The Group remains customer-oriented, optimizes resources allocation and product mix, and enhances its "container+" customization capabilities. The Company deepens intelligent manufacturing of containers, leverages technological innovation and green and low-carbon transformation to strengthen its product competitiveness to build a world-leading logistics equipment technology enterprise.

2. Shipping leasing business

The Company is engaged in the operating lease and financial lease of various vessel types, including container ships, dry bulk vessels, special vessels and oil tankers, ranking among the domestic market leaders in the shipping leasing sector. The Group seizes the opportunities presented by the green and low-carbon transformation of the shipping industry, optimizes the allocation of internal and external resources, gives full play to the collaborative advantages of the industrial chain, and strengthens industry-finance integration. The Company focuses on the service needs at various stages of the full lifecycle of various types of vessels and other shipping assets, innovates products and services, enhances customized service capabilities, and delivers high-quality solutions for fleet development in the shipping sector.

3. **Container leasing business**

The Company is engaged in container leasing, management and sales, ranking third in the world in terms of scale with a global presence. The Group deeply explores customer needs, enhances full lifecycle asset operation capabilities for containers, and enhances professional service capabilities. The Company focuses on digital empowerment, continuously optimizes the global layout of the operating network, actively responds to customer needs, improves customer experience, and continuously deepens customer value creation.

4. **Investment management business**

Focusing on the core business of shipping logistics, the Company adheres to the integration of industry and finance, further optimizes its asset structure, enhances its value-capturing capability, and concentrates on areas such as industry incubation, fund empowerment, and strategic emerging industries. Through investment empowerment, it promotes the deep integration of technological innovation and industrial innovation.

(III) REVIEW OF OPERATIONS

In the first half of 2026, the global economic and trade landscape remained complex with the ongoing evolution of supply chain restructuring. The shipping industry strove for breakthroughs and reshaped its ecosystem amid uncertainties, advancing resiliently with firm strides toward intelligence and low-carbon development. COSCO SHIPPING Development adhered to its shipping industry-finance positioning, adopted coordinated and targeted measures. It expanded new value creation space via industry-finance synergy, tapped new endogenous growth momentum through technological innovation, and consolidated the foundation for sustainable development driven by digital, intelligent and low-carbon transformation. The Company continuously fostered new strengths for high-quality development and laid a solid foundation for the launch of the “15th Five-Year Plan”.

1. **Deepened layout of industry-finance synergy to form aggregated momentum**

Container manufacturing business solidified its foundation with steady growth: The Company continuously tapped market potential and steadily solidified its growth base, achieving sales volume of 958,600 TEU in the first half of the year, representing a year-on-year increase of 13.35%. Leveraging robust product and service capabilities as well as forward-looking layout in green and smart sectors, the Company further consolidated its market footing and expanded customer coverage. The Company accelerated the upgrading of manufacturing capacity with strong growth momentum released from high value-added products. A diversified product matrix including energy storage containers, housing containers, ro-ro frames and planting containers delivered synergistic growth. The sales volume of special containers surged by 117.31% year-on-year in the first half of the year, further consolidating the Company’s competitive edges in special containers and green smart containers. Meanwhile, refined management and industrial chain synergy were strengthened to comprehensively empower quality and efficiency improvement.

Shipping leasing business broke new ground: The Company steadily expanded high-quality industry-finance synergy projects and optimized asset layout, maintaining an industry-leading asset scale. The Group's industry-finance projects have entered a concentrated delivery phase. Since the start of the year, seven 80,000 DWT multi-purpose grain carriers, two 64,000 DWT bulk carriers and one 62,000 DWT heavy-lift vessel have been successively delivered and leased out, with economic benefits gradually realised. Construction projects for 12 vessels of 210,000 DWT, 20 vessels of 87,000 DWT and two vessels of 64,000 DWT are steadily advancing. Up to now, the managed fleet size of the Company exceeds 240 vessels (including vessels under construction). Vessel asset covers dry bulk, energy, container and special vessel segments, forming a multi-vessel-type, multi-scenario and multi-cycle vessel portfolio. Meanwhile, the Company has made forward-looking deployment of vessels with clean fuel-ready designs to align with the global trend towards green and low-carbon shipping, continuously consolidating its leading position in the industry.

Container leasing business optimized its layout: The Company further advanced international development in depth, actively tapped emerging markets under the "Belt and Road Initiative" and expanded service networks across the Americas, Africa, Eastern Europe and other regions. Tender wins for new container lease contracts maintained a positive trend in the first half of the year. Catering to personalized market demands, the Company expanded diversified application scenarios for logistics equipment such as tank containers. By aligning with the industrial chain to integrate "shipping supporting services + collaborative marketing", the Company accurately addressed end-customer demands, unlocked incremental market volume and expanded comprehensive service capabilities covering the entire container transportation chain.

Investment management business delivered in-depth empowering outcomes: The Company continuously optimized resources allocation and accelerated the development of the investment management system. Seizing development opportunities in the shipping sector, the Company strengthened industry-finance linkage and coordination, conducted in-depth research on strategic emerging industries, and explored and incubated new business growth drivers in light of the Group's business development.

2. Multi-pronged technological innovation driven new growth momentum

The Company leveraged the development of the "technology+" system to continuously release innovation potential and accelerate the cultivation of new quality productive forces in the shipping industry-finance sector. In the field of intelligent manufacturing, the Company advanced tiered cultivation and in-depth intelligent upgrading. It steadily improved automation levels and deployed more than 1,200 industrial robots on a large scale, driving continuous improvement in production line efficiency. DFIC Ningbo has been rated as Level IV in the Maturity Model of Intelligent Manufacturing Capability, being the first in the industry to receive such accreditation. Intelligent manufacturing achievements of multiple container plants also won national awards for equipment management and technological innovation, fully demonstrating the Group's strength in "intelligent manufacturing".

In terms of digital intelligent, the Company implemented multiple innovative practices to effectively enable smart operations. The container manufacturing business advanced deep integration of digital-intelligent technologies and manufacturing, and drove efficiency improvement via intelligent scenarios. The container leasing business iteratively upgraded the iFlorens digital operation platform, and built digital models such as the second-hand container pricing model and the intelligent One Way collaboration platform to improve asset turnover efficiency. The shipping leasing business set up a business-finance integrated digital-intelligent support system and pushed forward the development of scenarios including vessel management evaluation and crew database. The Group promoted in-depth integration of technological innovation and industrial innovation, fostered an enterprise-wide science and innovation culture, focused on eight core areas covering production, operation, marketing and finance, deeply explored more than 70 intelligent application scenarios, built a full-chain empowerment system, and injected continuously evolving digital-intelligent momentum into high-quality development by driving qualitative change through intelligent transformation.

3. Deepening green and low-carbon development to unlock new momentum

The Company comprehensively put efforts in fostering a green ecosystem for shipping industry-finance integration, demonstrating its commitment to sustainable development through satisfying transformation outcomes. It advanced green production, took the lead in the container manufacturing industry to achieve full coverage of "national green factories", and steadily advanced towards a new development paradigm of efficiency and low-carbon. It built a green container industrial system, promoted research on green classification standards for containers, launched the ECO CON brand of green containers, and introduced new "pilot-level" green products of dry and refrigerated containers, providing nearly a total of 1 million TEU of green containers to customers, and actively exploring the pathway for green circular services. It also facilitated mutual data recognition between the Container Carbon Footprint and Environmental Product Declaration (CFP & EPD) platform and the industry's green and low-carbon public service platform, consolidating a reliable data foundation in the low-carbon field. It explored the value of green products, successfully obtained the country's first Hi-ECO E-vessel certificate in collaboration with industrial chain partners, establishing a standardized, quantifiable, and traceable framework for green transportation services for electric vessels. Besides, it also innovated green financing channels, actively advancing financing businesses related to green development, low-carbon transformation and sustainability, so as to provide long-term and stable financial support for the Company's business development, thereby consolidating the foundation for sustainable development.

4. Steadfast commitment to value sharing and fulfilling responsibilities

Adhering to value creation as the core principle, the Group continuously strengthened its market value management, systematically enhanced its corporate governance effectiveness, actively explored diversified shareholder return methods, and achieved further advancement in value realization. The Company promoted a continuous and stable dividend distribution. As of the date of this report, the payment of 2025 final dividend was completed, with a total cash dividend of approximately RMB487 million for 2025, representing a dividend payment of RMB0.037 per share, marking the eighth consecutive year of cash dividend distribution. Meanwhile, the Company focused on enhancing the stability, sustainability and predictability of cash dividends, and promoted the implementation of a mechanism for distributing dividends multiple times a year. Accordingly, the Board has declared the 2026 interim dividend of RMB0.022 per share, consistently rewarding investors' confidence. Additionally, the Company proactively advanced share repurchase and cancellation. The Company completed the third round of A+H share repurchases, including 41,556,100 A shares and 24,043,000 H shares, representing an aggregated repurchase of 65,599,100 shares, with a repurchase amount of approximately RMB137 million. The Company's credentials in sustainable development continued to be strengthened, as evidenced by its receipt from Wind ESG of the highest AA rating among the industry, its winning of the "17th Investor Relations Tianma Award of Hong Kong Listed Companies" from Securities Times, and its inclusion in the S&P Global "Sustainability Yearbook (China Edition)" for the fourth consecutive year. Its commitment to social responsibility was also firmly demonstrated through its support for projects such as the "Youth Home and Agricultural Assistance Live-Streaming Station" in Anhua County, Hunan Province, and the container-based modular school facilities in Yongde County, Yunnan Province, reflecting its practical efforts to improve people's livelihoods and empower rural development.

5. Enhancing quality and efficiency with precise measures to ensure steady and sustainable development

The Company actively carried out the "Promoting Quality, Efficiency and Returns" special initiative, systematically summarized the effectiveness of implementation across several aspects, including deepening the core responsibility and principal business of shipping industry-finance integration, promoting technological innovation, advancing green and low-carbon transformation, improving corporate governance, strengthening investor communication and returns, and reinforcing compliance awareness, and formulated action plans, with an aim of continuously improving the quality of listed companies. Leveraging its strategic positioning in "industry, finance and investment", the Company determined its own path for long-term development, built its advantages of synergies between industry and finance, and cultivated and developed new quality productivity in shipping industry-finance, aiming to expand its value growth potential and reward its investors with the Company's high-quality and sustainable development. Furthermore, the Group strengthened its compliance situation through internal control management, consolidated its stable operating foundation through digital and intelligent risk control, and enhanced its security resilience through innovative mechanisms, systematically laying the solid foundation for steady and sustainable development.

(IV) OUTLOOK

In the second half of 2026, the global economic and trade landscape will continue to be adjusted and reshaped due to multiple factors. The shipping industry chain will rapidly advance towards development trend of sophistication, intelligence, and green, injecting fresh momentum into and opening up new horizons for the market. Facing the complex and changing market environment, COSCO SHIPPING Development will always maintain strategic focus, creating a new landscape in the midst of changes with a more forward-looking vision and more proactive actions. The Group will enhance its resilience in high-quality development through industry-finance synergy to improve its value creativity; promote comprehensive quality and efficiency improvement through innovative practices to establish its brand presence in shipping industry-finance sector; and stimulate new growth momentum through digital, intelligent and low-carbon initiatives to forge core competitiveness. At the same time, the Company will remain steadfast in its investor-first commitment, effectively rewarding investor's trust with sustainable value. The Company will build its strength and advantages with extensive accumulation during the new voyage of the "15th Five-Year Plan" and strive to lead the way forward.

II. FINANCIAL REVIEW OF THE GROUP

The Group recorded revenue of RMB13,514,423,000 during the Period, representing an increase of 11.14% as compared with the revenue of RMB12,159,349,000 for the same period of last year; profit for the Period attributable to owners of the Company amounted to RMB1,001,389,000, representing an increase of 3.20% as compared with the profit of RMB970,365,000 for the same period of last year. Basic earnings per share were RMB0.0761, and an interim dividend of RMB0.022 per share (tax inclusive) has been declared for 2026.

Analysis of segment businesses is as follows:

Unit: RMB'000

	Revenue			Cost		
Segment	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025	**Change** *(%)*	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025	Change *(%)*
Container manufacturing business	**11,112,317**	10,864,042	2.29	**10,767,645**	10,116,046	6.44
Shipping leasing business	**962,390**	1,047,133	(8.09)	**364,681**	352,578	3.43
Container leasing business	**2,740,667**	2,605,832	5.17	**1,819,148**	1,594,415	14.10
Investment management business	**16,006**	15,982	0.15	**–**	–	–
Offset amount	**(1,316,957)**	(2,373,640)	(44.52)	**(1,420,438)**	(2,239,960)	(36.59)
Total	**13,514,423**	12,159,349	11.14	**11,531,036**	9,823,079	17.39

1. ANALYSIS OF CONTAINER MANUFACTURING BUSINESS

1) Operating Revenue

In the first half of 2026, the Group's container manufacturing business realized operating revenue of RMB11,112,317,000, representing a year-on-year increase of 2.29% as compared with the revenue of RMB10,864,042,000 for the same period of last year, mainly due to the year-on-year increase in the sales volume of containers driven by the rising container transportation market influenced by the interplay of multiple factors. During the Period, the aggregate container sales was 958,600 TEU, representing a year-on-year increase of 13.35% as compared with 845,700 TEU for the same period of last year.

2) Operating Costs

Operating costs of the container manufacturing business mainly consist of raw material costs, transportation costs, employee compensation and depreciation expenses. The operating costs of the container manufacturing business amounted to RMB10,767,645,000 for the first half of 2026, representing a year-on-year increase of 6.44% as compared with the costs of RMB10,116,046,000 for the same period of last year. This was mainly attributable to the combined effects of the growth in container sales volume and the Company's measures to improve quality, enhance efficiency and reduce costs.

2. ANALYSIS OF SHIPPING LEASING BUSINESS

1) Operating Revenue

In the first half of 2026, the Group recorded revenue from the shipping leasing business of RMB962,390,000, representing a decrease of 8.09% as compared with the revenue of RMB1,047,133,000 for the same period of last year, which was mainly due to the year-on-year decrease of the scale of fleet under finance lease. As of 30 June 2026, as the vessels invested and constructed under the Group's industry-finance projects were gradually delivered and leased out, the number of the Group's vessel assets under operating lease increased by 6.25% year-on-year; while the number of the Group's vessel assets under finance lease decreased by 11.32% year-on-year.

2) Operating Costs

The costs of shipping leasing business mainly comprise of depreciation of vessels and interest expenses. The costs of shipping leasing business for the first half of 2026 amounted to RMB364,681,000, representing an increase of 3.43% as compared to the costs of RMB352,578,000 for the same period of last year, which was mainly attributable to the year-on-year increase in the number of the Group's vessel assets under operating lease.

3. ANALYSIS OF CONTAINER LEASING BUSINESS

1) Operating Revenue

In the first half of 2026, the Group recorded revenue from the container leasing, management and sales of RMB2,740,667,000, representing an increase of 5.17% as compared with the revenue of RMB2,605,832,000 for the same period of last year, primarily attributable to the Group's enhanced efforts in disposing of old containers, leading to a year-on-year increase in the volume of second-hand container disposals during the Period.

2) Operating Costs

Operating costs of the container leasing business mainly include the depreciation and maintenance costs of containers, net carrying value of sale of containers returned upon expiry and interest costs of finance lease business. The costs related to container leasing, management and sales for the first half of 2026 amounted to RMB1,819,148,000, representing an increase of 14.10% as compared with the costs of RMB1,594,415,000 for the same period of last year, which was mainly due to the increase in the volume of second-hand container disposals during the Period.

3) Details of the Group's Finance Lease Business

The Group entered into finance lease arrangements with leased assets for certain vessels, machinery, equipment and facilities owned in shipping, transportation and logistics industries, etc. The term of finance leases entered into mainly ranges from one to ten years. The interest rate of finance leases mainly ranges from 4.08% to 17.82%. Finance lease receivables of the Group are secured over the leased assets. As of 31 December 2025 and 30 June 2026, the total present value of minimum finance lease receivables of the Group amounted to RMB27,063,577,000 and RMB25,225,282,000, respectively. As of 30 June 2026, the number of clients for the Group's finance lease business was approximately 43.

As of 31 December 2025 and 30 June 2026, the balance of finance lease transactions for the largest single client of the Group accounted for approximately 10.28% and 9.13% of the total assets of the Group, respectively, while the balance of finance lease transactions for the largest single group client accounted for approximately 15.65% and 13.81% of the total assets of the Group, respectively.

The following table sets forth the degree of concentration of single client and single group client of the Group as at 30 June 2026:

Concentration indicator	**Balance of finance lease transactions** *(RMB'000)*	**Balance of finance lease transactions as a percentage of the total assets of the Group**
Degree of concentration of single client financing	12,727,168	9.13%
Degree of concentration of single group client financing	19,218,247	13.81%

The following table sets forth details of the balance of finance lease transactions of the top ten single clients of the Group as of 30 June 2026:

Name of the client	**Business segment**	**Balance of finance lease transactions** *(RMB'000)*	**Percentage of finance lease related assets**
Client A	Shipping leasing	12,727,168	50.45%
Client B	Container leasing	4,080,203	16.18%
Client C	Shipping leasing	3,486,964	13.82%
Client D	Shipping leasing	3,004,115	11.91%
Client E	Shipping leasing	277,793	1.10%
Client F	Container leasing	271,252	1.08%
Client G	Shipping leasing	270,489	1.07%
Client H	Container leasing	261,375	1.04%
Client I	Shipping leasing	104,395	0.41%
Client J	Shipping leasing	101,302	0.40%
Total		24,585,056	97.46%

Note:

Client A, Client C and Client D are subsidiaries of the same holding company, as such, they are companies of the same group.

The following table sets forth the industrial distribution of net amount of finance lease receivables of the Group as at 30 June 2026:

Business segment	**Balance of finance lease transactions** *(RMB in 100 millions)*	**Percentage of finance lease related assets**
Shipping leasing	203.55	80.69%
Transportation and logistics	1.84	0.73%
Container leasing	46.86	18.58%
Total	252.25	100%

The Group strictly complies with the regulatory requirements for finance leasing business and achieves a dynamic balance of risk and return through front-end risk screening, enhanced asset control and optimized industry layout. The objective of risk management in finance leasing business is to control business risks within the Company's business risk appetite, avoid risk losses to the maximum extent possible and, on this premise, to obtain reasonable returns by assuming reasonable credit risks. In respect of shipping finance leasing, the core risk management policy of the business segment emphasizes risk control in the whole process, and through strict admission standards and the implementation of differentiated rental coverage ratios, the leading shipping companies in the industry, region and industry chain are preferentially selected; in respect of container finance and leasing, the quality of the customers is strictly controlled through multi-dimensional risk assessment, and the layered approval mechanism and the dynamic monitoring system with blacklist linkage are implemented. We also set credit limits for tail customers (non-head liner enterprises, small and medium-sized forwarders, etc.).

The Group has implemented the following internal control measures in terms of loan collection:

(1) the Group has implemented an asset management policy to proactively manage potential risks in connection with the Group's leased assets;

(2) the Group has conducted regular inspections of the leased assets to identify any potential risks in the lessees' operations and to ensure that the leased assets are in satisfactory condition. Onsite inspections shall be carried out immediately in the event of emergency (including but not limited to serious accidents, seizure of the leased assets by authorities, or bankruptcy of the lessees);

(3) in the event of non-payment of rent, the relevant department will attempt to collect the unpaid amount and any interest thereof from the lessee by making phone calls or written demand, or carry out on-site collection from the lessees, depending on the number of day(s) such payment is overdue and the circumstances of the lessees;

(4) depending on factors such as the value of the leased assets, business operations and creditworthiness of the lessees and how the Group monitors the assets, the Group categorizes the leased assets into five classes and takes appropriate monitoring/collection actions from time to time according to the classes assigned to specific assets; and

(5) for leased assets the rental payment of which is overdue for more than 30 days, the Group may further attempt to collect the unpaid amount from the lessees, bring legal or arbitral proceedings against the lessees, or apply for seizure of property or specific performance from the court, depending on the circumstances.

Details of the future lease payments of finance lease receivables are disclosed in note 12 to condensed consolidated interim financial statements.

4. ANALYSIS OF INVESTMENT MANAGEMENT BUSINESS

For details of analysis of the Group's equity investment business as of 30 June 2026, please refer to the section headed "Significant Investment in Equity".

GROSS PROFIT

Due to the above reasons, the Group recorded gross profit of RMB1,983,387,000 for the six months ended 30 June 2026 (gross profit for the same period of last year was RMB2,336,270,000).

SIGNIFICANT INVESTMENT IN EQUITY

As at 30 June 2026, the carrying value of the Group's external equity investments accounted for using the equity method amounted to RMB28,593,881,000, representing an increase of 2.62% as compared with RMB27,862,615,000 as at 31 December 2025, which was mainly attributable to the share of profits from associates for the Period. As at 30 June 2026 and 31 December 2025, the carrying value of the Group's external equity investments accounted for using the equity method represented approximately 20.51% and 21.17% of the Group's total assets, respectively.

As at 30 June 2026, the carrying value of the Group's financial assets at fair value through profit or loss amounted to RMB2,111,534,000, representing a decrease of 5.84% as compared with RMB2,242,567,000 as at 31 December 2025, which was mainly due to the recovery of investments in certain financial assets and the fair value changes thereof during the holding period. As at 30 June 2026 and 31 December 2025, the carrying value of the Group's financial assets at fair value through profit or loss accounted for approximately 1.51% and 1.70% of the Group's total assets, respectively. The Group's financial assets principally comprise private fund investments. The Company considers that such investments are not material as they account for a relatively small proportion of the Group's total assets.

For the six months ended 30 June 2026, the Group realised investment income of RMB954,958,000, representing a decrease of 4.75% as compared with RMB1,002,592,000 for the same period of last year, which was mainly attributable to the year-on-year decrease in the investment income recognised from associates during the Period.

For the six months ended 30 June 2026, the Group realised a loss of RMB13,038,000 on changes in fair value, representing a decrease of RMB158,219,000 compared with a gain of RMB145,181,000 for the same period of last year, which was mainly attributable to the decrease in the valuation of investments in financial assets held by the Group due to the impact of volatility in the capital markets.

Among others, as of 30 June 2026, the Group's significant equity investments included 1,975,315,000 shares, representing approximately 11.12% of the issued share capital of China Bohai Bank Co., Ltd., with a carrying amount of RMB12,117,119,000, representing approximately 8.7% of the Group's total assets.

1. SHAREHOLDINGS IN OTHER LISTED COMPANIES

Stock code	Company name	Investment cost *(RMB'000)*	Shareholding at the beginning of the Period *(%)*	Shareholding at the end of the Period *(%)*	Book value at the end of the Period *(RMB'000)*	Gain during the Period *(RMB'000)*	Changes in other reserve during the Period *(RMB'000)*	Dividends received during the Period *(RMB'000)*	Accounting ledger	Sources of the shareholding
09668	China Bohai Bank Co., Ltd.	5,749,379	11.12	11.12	12,117,119	434,088	103,263	–	Investment in associates	Purchase
601818/ 06818	China Everbright Bank Co., Ltd.	3,398,255	1.23	1.23	6,194,682	214,117	18,085	126,700	Investment in associates	Purchase
Total		9,147,634	/	/	18,311,801	648,205	121,348	126,700		

2. SHAREHOLDINGS IN FINANCIAL ENTERPRISES

Name of investee	Investment cost *(RMB'000)*	Shareholding at the beginning of the Period *(%)*	Shareholding at the end of the Period *(%)*	Book value at the end of the Period *(RMB'000)*	Gain during the Period *(RMB'000)*	Changes in other reserve during the Period *(RMB'000)*	Dividends received during the Period *(RMB'000)*	Accounting ledger	Sources of the shareholding
Bank of Kunlun Co., Ltd.	1,077,153	3.74	3.74	1,693,507	44,836	18,357	10,000	Investment in associates	Purchase
CIB Fund Management Co., Ltd.	100,000	10.00	10.00	584,873	35,926	1,965	5,000	Investment in associates	Purchase
Shanghai Haisheng Shangshou Financial Leasing Co., Ltd.	134,236	25.00	25.00	57,305	(56)	(1,834)	–	Investments in joint ventures	Purchase
COSCO SHIPPING Finance Company Limited	2,914,166	13.38	13.38	3,332,478	56,569	551	83,104	Investment in associates	Purchase
Powchan Financial Group Co., Ltd.	3,575,320	40.81	40.81	4,099,218	166,951	–	136,021	Investment in associates	Purchase
Total	7,800,875	/	/	9,767,381	304,226	19,039	234,125		

(a) Summary of principal business of the investees in the investments

Name of Investee	**Exchange**	**Principal business**
China Bohai Bank Co., Ltd.	The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**")	Banking business
Bank of Kunlun Co., Ltd.	/	Banking business
Powchan Financial Group Co., Ltd.	/	Leasing business
CIB Fund Management Co., Ltd.	/	Fund management business
Shanghai Haisheng Shangshou Financial Leasing Co., Ltd.	/	Leasing business
COSCO SHIPPING Finance Company Limited	/	Banking business
China Everbright Bank Co., Ltd.	Shanghai Stock Exchange/ Hong Kong Stock Exchange	Banking business

Focusing on the core business of shipping logistics, the Group strengthens the integration of industry and finance, continuously optimizes the investment portfolio, and strives to achieve the coordinated development of capital and industry. Meanwhile, the Group seizes opportunities in the development of the shipping industry, concentrates on strategic emerging sectors, and, in line with its business development, continuously explores innovative investment and new models of logistics asset operation. The investment scope of the Group principally comprises equity interests in the above-mentioned investees and financial enterprises, and the Group intends to hold such investments on a long-term basis, with an expectation of continuing to hold such investments for more than one year. The Group considers that this investment strategy is consistent with the Group's corporate strategy and principal business development.

The capital market was volatile in 2026. The Group manages its investment business activities on a unified basis under the principles of strategic leadership, standardized authorization, adequate matching of powers and responsibilities, and risk prevention. The Board manages and makes decisions on investment business activities in accordance with the articles of association of the Company and the rules of procedure of the Board, and regularly monitors, reviews and optimizes the investment portfolio. The above investments of the Group are funded by internal resources. The Group has established corresponding internal control measures for strictly performing procedures such as project introduction, project review and post-investment management, including but not limited to risk identification, regular and specific risk assessment mechanisms, and formulation of risk response strategies. The Group expects that the investment portfolio of the Group (including the above major investments) will be subject to, among other things, the movement of interest rates, market factors and overall economic performance. Moreover, the performance of the above-mentioned investees will be affected by their financial results, development plans and other factors, as well as the prospects of the industry where they operate. To mitigate relevant risks, the Group will take appropriate measures in due course and adjust its investment strategies in response to the changes in market conditions. The Group considers that the Group's existing investments do not involve any material counterparty or liquidity risk and therefore will not have a material adverse impact on its business or financial condition. In conducting risk identification, the Group primarily focuses on risk types including market risk, credit risk and liquidity risk. The Group expects to maintain its current investment portfolio and has no current plan to make additional financial investments. The Group considers that the above arrangements will keep the risks of its investment management business controllable. Taking comprehensively into account factors such as risk tolerance, changes in the macroeconomic and industry environment, asset quality, regulatory and group compliance control requirements, financial costs and funding arrangements for debt repayment, the Group reasonably determines and adjusts various risk limits in a timely manner, and monitors compliance with such risk limits.

INCOME TAX

According to the Corporate Income Tax ("**CIT**") Law of the PRC, which was effective from 1 January 2008, the CIT rate applicable to the Company and its subsidiaries established in the PRC was 25% for the six months ended 30 June 2026 and 2025, except for the subsidiaries which are eligible for preferential income tax policies and subject to CIT rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%).

Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits of the Group's subsidiaries operating in Hong Kong for the six months ended 30 June 2026 (six months ended 30 June 2025: 16.5%).

Taxes or profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

For the six months ended 30 June 2026, the Group's selling, administrative and general expenses were RMB456,774,000, representing a decrease of 11.83% as compared with the expenses for the same period of last year, mainly due to the optimization of resources allocation and strengthening of cost control during the Period.

OTHER (LOSSES)/GAINS, NET

For the six months ended 30 June 2026, other losses of the Group were RMB219,301,000, representing a decrease of RMB378,947,000 as compared with the other gains of RMB159,646,000 for the same period of last year, which was mainly due to the year-on-year decrease in the fair value of financial assets held during the Period.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD

For the six months ended 30 June 2026, the profit attributable to owners of the Company for the Period was RMB1,001,389,000, representing an increase of 3.20% as compared with the profit of RMB970,365,000 for the same period of last year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Analysis of Liquidity and Borrowings

The Group's principal sources of liquidity are cash flow from operating business and short-term bank borrowings. The Group's cash is mainly used for expenses of operating cost, repayment of borrowings, acquisition and construction of vessels, procurement of containers, and supporting the Group in conducting financial leasing business. During the Period, the Group's net operating cash inflow was RMB1,891,939,000. As at 30 June 2026, the Group's cash and cash equivalents were RMB18,397,143,000.

As at 30 June 2026, the Group's total bank and other borrowings amounted to RMB78,053,754,000, with repayment maturity periods between 2026 and 2036, including RMB34,438,740,000 repayable within one year, RMB19,279,723,000 repayable within the second year, RMB22,519,951,000 repayable within the third to fifth year and RMB1,815,341,000 repayable after five years.

The Group's long-term bank borrowings were mainly used for acquisition and construction of vessels, procurement of containers and carrying out finance leasing business. As at 30 June 2026, the Group's long-term bank and other borrowings were secured by certain containers and vessels with an aggregate value of RMB14,216,003,000 and pledged by finance lease receivables with an aggregate value of RMB1,823,577,000.

As at 30 June 2026, the Group issued corporate bonds, mid-term notes and super short-term commercial papers totaling RMB22,600,000,000 and the proceeds raised therefrom were used for the repayment of debts and replacing self-owned funds previously used for vessel acquisitions.

The Group's RMB-denominated borrowings at fixed interest rates amounted to RMB9,230,429,000. USD-denominated borrowings at fixed interest rates amounted to USD1,044,504,000 (equivalent to approximately RMB7,114,013,000), RMB-denominated borrowings at floating interest rates amounted to RMB11,973,900,000, and USD-denominated borrowings at floating interest rates amounted to USD7,302,326,000 (equivalent to approximately RMB49,735,413,000). The Group's borrowings are settled in RMB or USD while its cash and cash equivalents are primarily denominated in RMB and USD.

The Group expects that its capital needs for regular liquidity and capital expenditure can be funded by the internal cash flow of the Group or external financing. The Board will review the operating cash flow of the Group from time to time. It is the intention of the Group to maintain an appropriate composition of equity and debt to ensure a reasonable capital structure.

Net Current Liabilities

As at 30 June 2026, the Group's net current liabilities amounted to RMB17,984,530,000. Current assets mainly included: inventories of RMB2,323,610,000; trade and notes receivables of RMB4,009,372,000; contract assets of RMB21,648,000; prepayments and other receivables of RMB2,592,232,000; financial assets at fair value through profit or loss of RMB1,096,000; the current portion of finance lease receivables of RMB2,192,845,000; cash and cash equivalents of RMB18,397,143,000; restricted and pledged deposits of RMB9,743,000. Current liabilities mainly included: trade and notes payables of RMB3,622,523,000; other payables and accruals of RMB2,243,690,000; contract liabilities of RMB65,543,000; bank and other borrowings of RMB34,438,740,000; corporate bonds of RMB7,000,000,000; current portion of lease liabilities of RMB86,509,000; derivative financial instruments of RMB763,000 and tax payable of RMB74,451,000.

Cash Flows

The following table provides the information regarding the Group's cash flows for the six months ended 30 June 2026 and 2025:

Unit: RMB'000

	For the six months ended 30 June	
	2026	2025
Net cash generated from operating activities	**1,891,939**	1,285,802
Net cash used in investing activities	**(1,232,416)**	(504,290)
Net cash generated from financing activities	**7,599,760**	1,398,460
Impact of exchange rate movement on cash	**(109,913)**	67,115
Net increase in cash and cash equivalents	**8,149,370**	2,247,087

As at 30 June 2026, the cash and cash equivalents balance increased by RMB8,149,370,000 as compared with that at the beginning of the Period, which was mainly due to the fact that the Group enlarged financing scale.

Net Cash Generated from Operating Activities

For the six months ended 30 June 2026, the net cash inflow generated from operating activities was RMB1,891,939,000, representing an increase of RMB606,137,000 as compared with RMB1,285,802,000 of net cash inflow generated from operating activities for the same period of last year. The increase was primarily attributable to the increased sales revenue from the container manufacturing segment and the optimization of inventory management.

Net Cash used in Investing Activities

For the six months ended 30 June 2026, the net cash outflow used in investing activities was RMB1,232,416,000, representing an increase of RMB728,126,000 as compared with the net cash outflow used in investing activities of RMB504,290,000 for the same period of last year. This was mainly due to the Group's focus on its core shipping industry-finance responsibility and business, active expansion of business layout, and the acquisition of vessels and containers during the Period.

Net Cash Generated from Financing Activities

For the six months ended 30 June 2026, the net cash inflow generated from financing activities was RMB7,599,760,000, representing an increase of RMB6,201,300,000 as compared with the net cash inflow generated from financing activities of RMB1,398,460,000 for the same period of last year, mainly due to the increase in liabilities arising from the Group's issuance of bonds to support its business scale expansion. The Group's cash inflow from financing activities during the Period was mainly from bank and other borrowings and the issuance of corporate bonds. The aforementioned funds were mainly used for operating cost expenses, repayment of borrowings, acquisition and construction of vessels, procurement of containers, and supporting the Group in conducting financial leasing business. For the six months ended 30 June 2026, the Group's bank and other borrowings amounted to RMB27,646,543,000, and repayment of bank and other borrowings amounted to RMB23,785,506,000.

Trade and Notes Receivables

As at 30 June 2026, the Group's net amount of trade and notes receivables was RMB4,009,372,000, representing an increase of RMB1,940,807,000 as compared with that as at 31 December 2025, of which notes receivables increased by RMB9,775,000 and trade receivables increased by RMB1,931,032,000, which was mainly due to the increase in container sales receivables resulting from the growth in container sales volume during the Period.

Gearing Ratio Analysis

As at 30 June 2026, the Group's net gearing ratio (i.e. interest-bearing liabilities, less cash and cash equivalents and time deposits included in other non-current assets, divided by net assets) was 257.47%, representing a decrease of 6.05 percentage points as compared with that as at 31 December 2025. The decrease was mainly attributable to the growth in both net cash flows from operating activities and operating accumulation of the Group during the Period.

Foreign Exchange Risk Analysis

Revenues and costs of the Group's container manufacturing, container leasing and shipping leasing operations are partially settled or denominated in USD. As a result, the impact on the net operating revenue due to RMB exchange rate fluctuation can be offset by each other to a certain extent. During the Period, the Group recorded an exchange loss of RMB225,038,000, which was mainly due to fluctuations of the USD exchange rate during the Period; the decrease in exchange difference which was charged to equity attributable to shareholders of the listed company amounted to RMB260,778,000. The Group will continue to closely monitor the exchange rate fluctuation of RMB and major international settlement currencies in the future to minimise the impact of exchange rate fluctuation and thus reduce foreign exchange risks.

Capital Expenditures Analysis

As of 30 June 2026, the Group's expenditures on the acquisition of containers, machinery and equipment, vessels and other expenditures amounted to RMB3,160,670,000, and its expenditures on the acquisition of finance lease assets amounted to RMB386,983,000.

Capital Commitments Analysis

As of 30 June 2026, the Group's unpaid subscribed investment amount in respect of the equity investment agreement that has been entered into was RMB59,604,000. The contract consideration for the purchase of vessels under purchase agreements that have been entered into but not yet completed amounted to RMB30,370,051,000.

Pledge

As at 30 June 2026, certain container vessels and containers of the Group with net carrying value of approximately RMB14,216,003,000 (31 December 2025: RMB22,038,555,000), finance lease receivables of RMB1,823,577,000 (31 December 2025: RMB1,784,331,000) and restricted deposits of RMB9,743,000 (31 December 2025: RMB29,304,000) were secured or pledged for the grant of bank borrowings and issuance of corporate bonds of the Group.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

There were no relevant matters for the Group during the Period.

SUBSEQUENT EVENTS

On 29 July 2026, the Group (as the buyer) entered into (i) certain shipbuilding contracts with Shanghai Waigaoqiao and CSTC (as the sellers) in relation to the construction of ten 210,000 DWT bulk carriers, at an aggregate contract price of approximately RMB5,280,000,000, exclusive of tax; and (ii) certain shipbuilding contracts with Nantong Xiangyu and Xiamen STC (as the sellers) in relation to the construction of five 210,000 DWT bulk carriers, at an aggregate contract price of approximately RMB2,640,000,000, exclusive of tax. On the same day, the Group entered into a vessel leasing agreement with Wai Fung Shipping Limited, pursuant to which the Group agreed to provide vessel leasing services to Wai Fung Shipping Limited in respect of the 210,000 DWT bulk carriers to be built under the aforesaid contracts, with a lease term of 20 years ± 120 days commencing from the delivery date of each vessel. The shipbuilding contracts with Shanghai Waigaoqiao and CSTC have been approved at the 2026 first extraordinary general meeting of the Company held on 31 August 2026.

For further details, please refer to the announcement of the Company dated 29 July 2026 regarding this matter. The capitalised terms used in this section shall have the same meanings as those defined in that announcement.

Save as disclosed above and except for the 2026 interim dividend distribution plan as disclosed in the section headed "III. OTHER SIGNIFICANT MATTERS — DIVIDENDS" below, since the end of the Period, there have been no significant events that may have an impact on the Group.

CONTINGENT LIABILITIES

As at 30 June 2026, there were no significant contingent liabilities for the Group.

EMPLOYEES, TRAINING AND BENEFITS

As at 30 June 2026, the Group had 17,395 employees, and the total staff costs for the Period (including staff remuneration, welfare and social insurance, etc.) amounted to approximately RMB1,328,720,000 (including outsourced labour costs). To support the Group's production and operation, reform and development needs, talent development and cultivation, the Group has developed its employee training system. Based on identification of demand, supported by the division of authority and responsibility and list-based management, we have enhanced the training content and implementation system, organized various types of trainings and improved the effectiveness of training resources allocation, staff training participation and satisfaction. Based on the training system, various training programmes were designed and implemented to address different types of business and positions, covering topics such as technological innovation, green and low-carbon, industry development, management capability, risk management, safety and individual caliber.

Remuneration management, as one of the most effective incentives and a form of enterprise value distribution, is carried out on the basis of total budget control, value creation, internal fairness, market competition and sustainable development, and the incentive and restraint mechanism based on performance management is strengthened. The Group's comprehensive remuneration system applicable to the employees mainly consists of two aspects of salaries and benefits: (1) salaries, including position/title salary, performance salary, special incentives and allowances; and (2) benefits, including mandatory social insurance, provident housing fund as stipulated by the state and benefits as set by the enterprise.

III. OTHER SIGNIFICANT MATTERS

DIVIDENDS

On 28 August 2026, the Board approved the Company's 2026 interim dividend distribution plan and declared the payment of an interim dividend of RMB0.022 per share (inclusive of applicable tax) for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB0.022 per share), totalling RMB288,905,000 (for the six months ended 30 June 2025: RMB290,348,000). Such dividend distribution has not been recognised as a liability in the condensed consolidated financial statements for the six months ended 30 June 2026, but will be accounted for as an appropriation of retained profits for the year ending 31 December 2026. If there is a change in the total share capital of the Company available for equity distribution during the period from the date of first disclosure of this profit distribution plan (i.e., 28 August 2026) to the record date for the equity distribution, the Company will adjust the total distribution amount based on the principle of maintaining an unchanged distribution amount per share. If there are subsequent changes in the total share capital, separate announcement(s) will be made regarding the specific adjustments. This profit distribution plan does not need to be submitted to the general meeting of the Company for approval. For further details of the above authorization to the Board, please refer to the circular of the Company dated 8 June 2026 and the announcement of the Company dated 30 June 2026.

The 2026 interim dividend will be paid to A shareholders and domestic investors investing in H shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect in RMB and to H shareholders in Hong Kong Dollar ("**HKD**" or "**HK$**"). The actual amount of interim dividend to be distributed and paid to H shareholders in HKD is calculated in accordance with the average middle exchange rate of HK$1 to RMB0.86531 as quoted by the People's Bank of China for the period of one week before 28 August 2026. Accordingly, the amount of the interim dividend payable per H share is HK$0.02542 (tax inclusive). The expected ex-dividend date will be 23 September 2026 and the interim dividend in respect of the H shares is expected to be distributed and paid on 26 October 2026. The interim dividend will be paid by the receiving agent of the Company in Hong Kong and relevant cheques will be despatched by Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, to the H shareholders who are entitled to receive the interim dividend, by ordinary post at their own risk on or around 26 October 2026.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the H shareholders' entitlement to the 2026 interim dividend, the register of members of the Company will be closed from Friday, 25 September 2026 to Wednesday, 30 September 2026 (both days inclusive), during which period no transfer of H shares will be registered. The H shareholders whose names appear on the register of members of the Company on Wednesday, 30 September 2026 are entitled to receive the 2026 interim dividend. In order to qualify for the 2026 interim dividend, the H shareholders shall lodge all transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 24 September 2026.

INFORMATION ON WITHHOLDING TAX

Enterprise income tax

According to the Law on Corporate Income Tax of the People's Republic of China and the relevant implementation rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the interim dividends to non-resident enterprise shareholders as appearing on the register of members. Any shares not registered in the name of an individual person, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders and will therefore be subject to the withholding of the corporate income tax. After receiving the interim dividends, non-resident enterprise shareholders may apply, personally or by proxy, to provide materials to the competent taxation authorities proving their eligibility to be the actual beneficiaries under the taxation agreements (arrangement) to enjoy tax refund.

Individual income tax

Pursuant to the requirements of the Announcement of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax on Dividends and Bonus Derived by Foreign Individuals (《財政部、國家税務總局關於外籍個人股息紅利個人所得税政策有關事項的公告》), dividends and bonus derived by foreign individual H shareholders from foreign-invested enterprises shall be subject to individual income tax under the category of "interest, dividends and bonus income" at the tax rate of 20%. As the Company is a foreign-invested joint stock limited company, the Company will withhold and pay the individual income tax payable by such foreign individual H shareholders whose names appear on the register of members at the rate of 20%.

For dividends received by mainland individual investors from investing in H shares of the Company, the Company will withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf.

Profit distribution for domestic investors investing in H Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect

Shanghai-Hong Kong Stock Connect

For domestic investors (including enterprises and individuals) investing in the H shares through the Shanghai Stock Exchange, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H shareholders through Shanghai-Hong Kong Stock Connect, will receive the interim dividends paid by the Company and further distribute the interim dividends to the relevant investors of H shares through Shanghai-Hong Kong Stock Connect through its depositary and clearing system.

The interim dividends will be paid to investors investing in H shares through Shanghai-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)) issued by the Ministry of Finance of the PRC, the State Administration of Taxation and the China Securities Regulatory Commission:

(i) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;

(ii) for dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and

(iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

Shenzhen-Hong Kong Stock Connect

For domestic investors (including enterprises and individuals) investing in the H shares through the Shenzhen Stock Exchange, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the H shareholders through Shenzhen-Hong Kong Stock Connect, will receive the interim dividends paid by the Company and further distribute the interim dividends to the relevant investors of H shares through Shenzhen-Hong Kong Stock Connect through its depositary and clearing system. The interim dividends will be paid to investors investing in H shares through Shenzhen-Hong Kong Stock Connect in RMB. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)):

(i) for dividends received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall withhold and pay individual income tax payable by such mainland individual investors at the rate of 20% on their behalf;

(ii) for dividends received by mainland securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, individual income tax payable by such mainland securities investment funds shall be withheld and paid by the relevant H share listed company in the same manner as stated in paragraph (i) above; and

(iii) for dividends received by mainland enterprise investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the relevant H share listed company shall not withhold or pay the income tax of dividends for mainland enterprise investors and those enterprise investors shall report and pay the income tax themselves.

The record date, the date of distribution and other arrangements in relation to the payment of the interim dividend to domestic investors investing in the H shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect will be the same as those for the H shareholders.

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

On 26 June 2025, the 2024 annual general meeting, the 2025 first A share class meeting and the 2025 first H share class meeting of the Company considered and approved the grant of a general mandate to the Board to repurchase A Shares of the Company ("**A Shares**") and H shares of the Company ("**H Shares**"), so as to repurchase A Shares and H Shares not exceeding 10% of the number of A Shares (the "**General Mandate to Repurchase A Shares**") and H Shares (the "**General Mandate to Repurchase H Shares**") in issue as at the date of the 2024 annual general meeting, the 2025 first A Share class meeting and the 2025 first H Share class meeting of the Company, respectively. On 29 August 2025, the Board considered and approved the "Resolution on the Shares Repurchase of COSCO SHIPPING Development (《關於中遠海運發展回購股份的議案》)", pursuant to which it proposed to repurchase A Shares by way of centralized price bidding under the General Mandate to Repurchase A Shares ("**A Shares Repurchase Plan**") and to repurchase H Shares under the General Mandate to Repurchase H Shares in 2025. On 23 September 2025, the extraordinary general meeting of the Company considered and approved the implementation of the A Shares Repurchase Plan.

Monthly reports on the repurchase of A Shares and H Shares from Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively during the Period are as follows:

Repurchase of A Shares

Month of repurchase	Number of shares repurchased	Price per share		Total price
		Highest	Lowest	*(excluding transaction costs)*
		(RMB/Share)	*(RMB/Share)*	*(RMB)*
March 2026	1,500,000	2.75	2.70	4,079,942
April 2026	14,867,300	3.04	2.66	41,881,599
May 2026	8,672,500	2.73	2.52	23,341,097
Total	25,039,800			69,302,638

Repurchase of H Shares

Month of repurchase	Number of shares repurchased	Price per share		Total price
		Highest	Lowest	*(excluding transaction costs)*
		(HK$/Share)	*(HK$/Share)*	*(HK$)*
May 2026	4,697,000	1.02	0.98	4,683,980
June 2026	704,000	1.01	1.00	708,510
Total	5,401,000			5,392,490

On 2 July 2026, the Company cancelled 41,556,100 A Shares which were repurchased during the period from 18 November 2025 to 27 May 2026 (of which 25,039,800 A Shares were repurchased during the period from 31 March 2026 to 27 May 2026).

On 10 July 2026, the Company cancelled 24,043,000 H Shares which were repurchased during the period from 18 November 2025 to 1 June 2026 (of which 5,401,000 H Shares were repurchased during the period from 26 May 2026 to 1 June 2026).

Save as disclosed above, during the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sales of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

SHARE CAPITAL

As at 30 June 2026, the share capital of the Company was as follows:

Type of shares	Number of issued shares	Percentage
A shares	9,751,983,820	73.89%
H shares	3,445,672,000	26.11%
Total	13,197,655,820	100.00%

Note: As of the date of this report, the total share capital of the Company was 13,132,056,720 shares, comprising 9,710,427,720 A shares and 3,421,629,000 H shares.

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

As at 30 June 2026, the interests or short positions of the directors (the "**Directors**") or chief executives of the Company in the shares, underlying shares and 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 were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") were as follows:

INTERESTS IN THE SHARES OF THE COMPANY

Name	Position	Class of shares	Capacity	Number of shares interested *(Note 1)*	Approximate percentage of the total number of the relevant class of shares of the Company (%)	Approximate percentage of the issued share capital of the Company (%)
Chan Kwok Leung	Director	H shares	Beneficial owner	235,000 (L)	0.01	0.00
		H shares	Interest of spouse	60,000 (L) *(Note 2)*	0.00	0.00

Notes:

1. "L" means long position in the shares.

2. The spouse of Mr. Chan Kwok Leung is the beneficial owner of 60,000 H shares. Mr. Chan Kwok Leung is deemed to be interested in the 60,000 H shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executives of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

INTERESTS OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES OR UNDERLYING SHARES

As at 30 June 2026, so far as was known to the Directors and chief executives of the Company, the interests or short positions of the shareholders who were entitled to exercise or control 5% or more of the voting power at any general meeting of the Company or other persons (other than Directors or chief executives of the Company) in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO, or which have been notified to the Company or the Hong Kong Stock Exchange were as follows:

Name of shareholder	Class of shares	Capacity	Number of shares interested *(Note 1)*	Approximate percentage of the total number of the relevant class of shares of the Company (%)	Approximate percentage of the issued share capital of the Company (%)
China Shipping Group Company Limited ("**China Shipping**")	A shares	Beneficial owner	4,628,015,690 (L)	47.46	35.07
	A shares	Interest of controlled corporation	1,447,917,519 (L) *(Note 2)*	14.85	10.97
	H shares	Interest of controlled corporation	100,944,000 (L) *(Note 3)*	2.93	0.76
China COSCO SHIPPING Corporation Limited	A shares	Interest of controlled corporation	6,075,933,209 (L)	62.30	46.04
	A shares	Beneficial owner	47,570,789 (L)	0.49	0.36
	H shares	Interest of controlled corporation	100,944,000 (L) *(Note 3)*	2.93	0.76
COSCO SHIPPING Investment Holdings Co., Limited	A shares	Beneficial owner	1,447,917,519 (L) *(Note 2)*	14.85	10.97
	H shares	Interest of controlled corporation	100,944,000 (L) *(Note 3)*	2.93	0.76

Notes:

1. "L" means long position in the shares.
2. Such 1,447,917,519 A shares represent the same block of shares.
3. Such 100,944,000 H shares represent the same block of shares held by Ocean Fortune Investment Limited, an indirectly wholly-owned subsidiary of China Shipping.

Save as disclosed above, as at 30 June 2026, no other person (other than Directors or chief executives of the Company) had any interest or short position in any shares or underlying shares of the Company which was required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which was required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO, or which has been notified to the Company or the Hong Kong Stock Exchange.

CHANGES IN INFORMATION ON DIRECTORS

The changes in the information on the Directors that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules following the date of the 2025 annual report of the Company are set out as follows:

Mr. Zheng Xiaozhe, a non-executive Director, has been appointed as a member of the Investment Strategy Committee of the Board, with effect from 13 February 2026.

AUDIT COMMITTEE

The Audit Committee consists of two independent non-executive Directors, namely Mr. Shao Ruiqing and Mr. Chan Kwok Leung, and one non-executive Director, namely Ms. Zhang Xueyan. The Audit Committee has reviewed the interim report of the Company for the period (including the unaudited condensed consolidated financial information for the six months ended 30 June 2026) and has agreed with the accounting treatment adopted by the Company.

CORPORATE GOVERNANCE CODE

The Board confirms that the Company has fully complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the "**Code of Conduct**") regarding securities transactions by Directors and relevant employees on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry to all Directors, the Directors have each confirmed their compliance with the required standard set out in the Model Code regarding securities transactions by Directors during the Period. The Company is not aware of any non-compliance with the Code of Conduct by the relevant employees.

By order of the Board
COSCO SHIPPING Development Co., Ltd.
Cai Lei
Company Secretary

Shanghai, the People's Republic of China
28 August 2026

Report on Review of Condensed Consolidated Interim Financial Statements

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TO THE BOARD OF DIRECTORS OF COSCO SHIPPING DEVELOPMENT CO., LTD.
中遠海運發展股份有限公司
(A joint stock limited company incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements set out on pages 31 to 56, which comprise the condensed consolidated statement of financial position of COSCO SHIPPING Development Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2026 and the related condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes.

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Condensed Consolidated Interim Financial Statements (continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTERS

The comparative interim condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months period ended 30 June 2025 and the relevant explanatory notes included in these condensed consolidated financial statements were extracted from the interim financial information of the Group for the six months period ended 30 June 2025 reviewed by another auditor who expressed an unmodified conclusion on the interim financial information on 29 August 2025.

The comparative interim condensed consolidated statement of financial position as at 31 December 2025 was extracted from the consolidated financial statements of the Group for the year ended 31 December 2025 audited by the same auditor who expressed an unmodified opinion on those statements on 30 March 2026.

BDO Limited
Certified Public Accountants
Chan Wing Fai
Practising Certificate Number: P05443

Hong Kong
28 August 2026

Condensed Consolidated Statement of Profit or Loss

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	**13,514,423**	12,159,349
Cost of sales		**(11,531,036)**	(9,823,079)
Gross profit		**1,983,387**	2,336,270
Other income	5	**131,271**	109,823
Other (losses)/gains, net	6	**(219,301)**	159,646
Selling, administrative and general expenses		**(456,774)**	(518,045)
Reversal of expected credit losses, net		**268,977**	24,524
Finance costs		**(1,563,450)**	(1,841,267)
Share of profits of associates		**953,308**	1,008,700
Share of profits/(losses) of joint ventures		**1,650**	(6,108)
Profit before tax	7	**1,099,068**	1,273,543
Income tax expenses	8	**(132,835)**	(234,098)
Profit for the period		**966,233**	1,039,445
Profit/(loss) for the period attributable to			
– Owners of the Company		**1,001,389**	970,365
– Non-controlling interests		**(35,156)**	69,080
Profit for the period		**966,233**	1,039,445
Earnings per share attributable to ordinary equity holders of the Company (expressed in RMB per share)	9		
– Basic		**0.0761**	0.0729
– Diluted		**0.0761**	0.0729

Condensed Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**966,233**	1,039,445
Other comprehensive expense for the period		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(expense) of associates	**142,839**	(132,526)
Cash flow hedges:		
– Effective portion of changes in fair value of hedging instruments arising during the period	**(12,683)**	61,872
– Reclassification adjustments for losses included in the condensed consolidated statement of profit or loss	**–**	(125)
	(12,683)	61,747
Exchange differences on translation of foreign operations	**(260,778)**	(32,157)
Net other comprehensive expense that may be reclassified to profit or loss in subsequent periods	**(130,622)**	(102,936)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of associates	**(25)**	25
Other comprehensive expense for the period, net of tax	**(130,647)**	(102,911)
Total comprehensive income for the period	**835,586**	936,534
Attributable to:		
– Owners of the Company	**870,742**	867,454
– Non-controlling interests	**(35,156)**	69,080
	835,586	936,534

Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**55,142,386**	55,591,791
Investment properties		**99,713**	103,096
Right-of-use assets		**619,816**	669,244
Intangible assets		**136,320**	151,364
Investments in joint ventures		**124,275**	124,459
Investments in associates		**28,469,606**	27,738,156
Financial assets at fair value through profit or loss		**2,110,438**	2,240,376
Finance lease receivables	12	**22,242,773**	23,521,278
Derivative financial instruments		**21,175**	21,080
Deferred tax assets		**259,518**	262,625
Other non-current assets		**625,294**	664,204
Total non-current assets		**109,851,314**	111,087,673
Current assets			
Inventories		**2,323,610**	2,853,916
Trade and notes receivables	13	**4,009,372**	2,068,565
Contract assets		**21,648**	21,648
Prepayments and other receivables		**2,592,232**	2,884,012
Financial assets at fair value through profit or loss		**1,096**	2,191
Finance lease receivables	12	**2,192,845**	2,387,424
Derivative financial instruments		**–**	8,412
Restricted and pledged deposits		**9,743**	29,304
Cash and cash equivalents		**18,397,143**	10,247,773
Total current assets		**29,547,689**	20,503,245
Total assets		**139,399,003**	131,590,918

Condensed Consolidated Statement of Financial Position (continued)

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current liabilities			
Trade and notes payables	14	**3,622,523**	3,733,700
Other payables and accruals		**2,243,690**	2,649,381
Contract liabilities		**65,543**	70,280
Derivative financial instruments		**763**	–
Bank and other borrowings	16	**34,438,740**	35,734,151
Corporate bonds		**7,000,000**	4,300,000
Lease liabilities		**86,509**	86,663
Tax payable		**74,451**	85,767
Total current liabilities		**47,532,219**	46,659,942
Net current liabilities		**(17,984,530)**	(26,156,697)
Total assets less current liabilities		**91,866,784**	84,930,976
Non-current liabilities			
Bank and other borrowings	16	**43,615,014**	40,278,372
Corporate bonds		**15,600,000**	12,600,000
Lease liabilities		**31,679**	76,179
Derivative financial instruments		**4,335**	730
Deferred tax liabilities		**119,888**	73,796
Deferred income		**97,298**	104,094
Other long-term payables		**607,389**	570,286
Total non-current liabilities		**60,075,603**	53,703,457
Net assets		**31,791,181**	31,227,519

Condensed Consolidated Statement of Financial Position (continued)

AS AT 30 JUNE 2026

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Equity		
Share capital	**13,197,656**	13,197,656
Treasury shares	**(135,013)**	(60,976)
Other reserves	**18,325,084**	17,652,229
Equity attributable to owners of the Company	**31,387,727**	30,788,909
Non-controlling interests	**403,454**	438,610
Total equity	**31,791,181**	31,227,519

Zhang Mingwen

Director

Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Share capital *RMB'000*	Share premium *RMB'000*	Treasury shares *RMB'000*	Share option reserve *RMB'000*	Other capital reserves *RMB'000*	Share of other comprehensive income using the equity method *RMB'000*	Hedging reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Special reserves *RMB'000*	Surplus reserve *RMB'000*	Retained profits *RMB'000*	Equity attributable to owners of the Company *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2026 (Audited)		13,197,656	19,813,023	(60,976)	-	(21,785,048)	312,376	26,762	(1,966,221)	-	2,265,744	18,985,593	30,788,909	438,610	31,227,519
Profit for the period		-	-	-	-	-	-	-	-	-	-	1,001,389	1,001,389	(35,156)	966,233
Other comprehensive income/(expense) for the period:															
Share of other comprehensive income of associates		-	-	-	-	-	142,814	-	-	-	-	-	142,814	-	142,814
Effective portion of changes in fair value of hedging instruments, net of tax		-	-	-	-	-	-	(12,683)	-	-	-	-	(12,683)	-	(12,683)
Exchange differences on translation of foreign operations		-	-	-	-	-	-	-	(260,778)	-	-	-	(260,778)	-	(260,778)
Total comprehensive income/(expense) for the period:		-	-	-	-	-	142,814	(12,683)	(260,778)	-	-	1,001,389	870,742	(35,156)	835,586
Repurchase of shares		-	-	(74,037)	-	-	-	-	-	-	-	-	(74,037)	-	(74,037)
Share of other capital reserves using the equity method		-	-	-	-	(906)	-	-	-	-	-	-	(906)	-	(906)
Dividends declared	10	-	-	-	-	-	-	-	-	-	-	(196,981)	(196,981)	-	(196,981)
Transfer from retained profits		-	-	-	-	-	-	-	-	37,993	20,195	(58,188)	-	-	-
Utilisation of special reserve fund		-	-	-	-	-	-	-	-	(37,993)	-	37,993	-	-	-
At 30 June 2026 (Unaudited)		13,197,656	19,813,023	(135,013)	-	(21,785,954)	455,190	14,079	(2,226,999)	-	2,285,939	19,769,806	31,387,727	403,454	31,791,181

	Notes	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Share option reserve RMB'000	Other capital reserves RMB'000	Share of other comprehensive income using the equity method RMB'000	Hedging reserve RMB'000	Exchange fluctuation reserve RMB'000	Special reserves RMB'000	Surplus reserve RMB'000	Retained profits RMB'000	Equity attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (Audited)		13,575,939	20,024,569	(296,465)	6,964	(21,791,666)	426,699	(10,043)	(1,823,263)	–	2,252,058	17,930,982	30,295,774	309,905	30,605,679
Profit for the period		–	–	–	–	–	–	–	–	–	–	970,365	970,365	69,080	1,039,445
Other comprehensive (expense)/income for the period:															
Share of other comprehensive expense of associates		–	–	–	–	–	(132,501)	–	–	–	–	–	(132,501)	–	(132,501)
Effective portion of changes in fair value of hedging instruments, net of tax		–	–	–	–	–	–	61,747	–	–	–	–	61,747	–	61,747
Exchange differences on translation of foreign operations		–	–	–	–	–	–	–	(32,157)	–	–	–	(32,157)	–	(32,157)
Total comprehensive (expense)/income for the period:		–	–	–	–	–	(132,501)	61,747	(32,157)	–	–	970,365	867,454	69,080	936,534
Repurchase of shares		–	–	(297,414)	–	–	–	–	–	–	–	–	(297,414)	–	(297,414)
Cancellation of treasury shares		(266,332)	(167,358)	433,690	–	–	–	–	–	–	–	–	–	–	–
Share of other capital reserves using the equity method		–	–	–	–	391	–	–	–	–	–	–	391	–	391
Cancellation of share options	15	–	4,316	–	(6,964)	–	–	–	–	–	–	–	(2,648)	–	(2,648)
Dilution effect using the equity method		–	–	–	–	5,474	–	–	–	–	–	–	5,474	–	5,474
Dividends declared	10	–	–	–	–	–	–	–	–	–	–	(250,755)	(250,755)	–	(250,755)
Transfer from retained profits		–	–	–	–	–	–	–	–	34,970	27,688	(62,658)	–	–	–
Utilisation of special reserve fund		–	–	–	–	–	–	–	–	(34,970)	–	34,970	–	–	–
At 30 June 2025 (Unaudited)		13,309,607	19,861,527	(160,189)	–	(21,785,801)	294,198	51,704	(1,855,420)	–	2,279,746	18,622,904	30,618,276	378,985	30,997,261

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**2,125,009**	1,598,772
Income tax paid	**(233,070)**	(312,970)
Net cash flows generated from operating activities	**1,891,939**	1,285,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	**310,954**	416,519
Dividends received from financial assets at fair value through profit or loss	**6,015**	5
Purchase of property, plant and equipment	**(3,614,903)**	(2,388,047)
Proceeds from disposal of property, plant and equipment	**65,736**	51,403
Purchase of intangible assets	**(9,025)**	(1,877)
Proceeds from partial disposal of investment in an associate	**–**	6
Purchase of financial assets at fair value through profit or loss	**–**	(11,000)
Proceeds from disposal of financial assets at fair value through profit or loss	**136,626**	110,844
Decrease in finance lease receivables	**1,823,448**	1,317,362
Other net cash inflows related to investing activities	**48,733**	495
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,232,416)**	(504,290)

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on repurchase of shares	**(74,037)**	(297,414)
New bank and other borrowings	**27,646,543**	22,110,301
Repayment of bank and other borrowings	**(23,785,506)**	(22,371,515)
New corporate bonds	**5,700,000**	3,900,000
Payment of principal portion of lease liabilities	**(46,072)**	(56,105)
Interest paid	**(1,846,258)**	(1,876,784)
Decrease in restricted and pledged deposits	**12,026**	10,062
Other net cash outflows related to financing activities	**(6,936)**	(20,085)
NET CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	**7,599,760**	1,398,460
NET INCREASE IN CASH AND CASH EQUIVALENTS	**8,259,283**	2,179,972
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL REPORTING PERIOD		
Representing cash and cash equivalents as stated in the condensed consolidated statement of financial position	**10,247,773**	8,677,216
	18,507,056	10,857,188
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	**(109,913)**	67,115
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**18,397,143**	10,924,303

1. CORPORATE AND GROUP INFORMATION

COSCO SHIPPING Development Co., Ltd. (the "Company") is a joint stock company with limited liability incorporated in the People's Republic of China (the "PRC"). The address of the Company's registered office is Room A-538, International Trade Center, Lin-gang Special Area of the Shanghai Pilot Free Trade Zone, Shanghai, the PRC.

During the six months ended 30 June 2026, the principal activities of the Group were as follows:

(a) Manufacture and sales of containers;
(b) Operating leasing and financial leasing; and
(c) Investment management.

In the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company are China Shipping Group Company Limited and China COSCO Shipping Corporation Limited, respectively, both established in the PRC.

2.1 BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The condensed consolidated interim statement of financial position has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

GOING CONCERN

The Group had net current liabilities of RMB17,984,530,000 as at 30 June 2026. The directors of the Company are of the opinion that based on the available unutilised banking facilities as at 30 June 2026, the Group will be able to have the necessary liquid funds to finance its working capital and to meet its capital expenditure requirements. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

2.2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025 except as described below.

APPLICATION OF AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the above amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements.

3. OPERATING SEGMENT INFORMATION

The following table presents revenue and profit information for the Group's operating segments for the six months ended 30 June 2026 and 2025, respectively:

	For the six months ended 30 June 2026				For the six months ended 30 June 2025			
	Shipping leasing and container leasing RMB'000 (Unaudited)	Container manufacturing RMB'000 (Unaudited)	Investment management business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Shipping leasing and container leasing RMB'000 (Unaudited)	Container manufacturing RMB'000 (Unaudited)	Investment management business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue								
Sales of containers	–	9,795,360	–	9,795,360	–	8,490,402	–	8,490,402
Other revenue from external customers	3,703,057	–	16,006	3,719,063	3,652,965	–	15,982	3,668,947
Subtotal segment revenue from external customers	3,703,057	9,795,360	16,006	13,514,423	3,652,965	8,490,402	15,982	12,159,349
Intersegment revenue from contracts with customers	–	1,316,957	–	1,316,957	–	2,373,640	–	2,373,640
Total segment revenue	3,703,057	11,112,317	16,006	14,831,380	3,652,965	10,864,042	15,982	14,532,989
Segment results	662,310	98,666	666,324	1,427,300	415,809	515,186	869,796	1,800,791
Elimination of intersegment results				103,481				(133,680)
Unallocated selling, administrative and general expenses				(89,736)				(66,170)
Unallocated finance costs				(341,977)				(327,398)
Profit before tax				1,099,068				1,273,543

4. REVENUE

An analysis of revenue and other revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Sales of containers	**9,795,360**	8,490,402
Other revenue:		
Shipping leasing	**962,390**	1,047,133
Container leasing	**2,740,667**	2,605,832
Investment management	**16,006**	15,982
Subtotal	**3,719,063**	3,668,947
Total revenue	**13,514,423**	12,159,349

4. REVENUE *(Continued)*

The disaggregation of the Group's revenue from contracts with customers (sales of goods), for the six months ended 30 June 2026 and 2025 is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets		
United States	**969,636**	1,373,480
Mainland China	**4,457,392**	1,046,305
Asia (excluding Hong Kong, China and Mainland China)	**2,341,147**	1,669,004
Europe	**334,033**	1,555,663
Hong Kong, China	**1,683,632**	2,823,065
Others	**9,520**	22,885
Total revenue from contracts with customers	**9,795,360**	8,490,402
Timing of revenue recognition		
Goods transferred at a point in time	**9,795,360**	8,490,402

5. OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**60,366**	45,868
Subsidies	**22,541**	26,894
Sales of scrap materials	**48,364**	29,793
Others	**–**	7,268
Total other income	**131,271**	109,823

6. OTHER (LOSSES)/GAINS, NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	**10,395**	415
Dividend income from financial assets at fair value through profit or loss	**6,015**	35
Changes in fair value of financial assets at fair value through profit or loss	**(13,038)**	145,181
Donation expenditures for public interest	**(13)**	(25,894)
Net foreign exchange (losses)/gains	**(225,038)**	32,443
Others	**2,378**	7,466
Total other (losses)/gains, net	**(219,301)**	159,646

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**1,452,923**	1,441,390
Depreciation of investment properties	**186**	196
Amortisation of intangible assets	**16,754**	15,791
Depreciation of right-of-use assets	**49,964**	51,696
Reversal of impairment of finance lease receivables and factoring receivables, net	**(337,478)**	(77,062)
Impairment of trade receivables	**64,879**	50,446
Impairment of other receivables	**3,622**	2,092
Net foreign exchange losses/(gains)	**225,038**	(32,443)

8. INCOME TAX EXPENSES

According to the Corporate Income Tax ("CIT") Law of the PRC, which was effective from 1 January 2008, the CIT rate applicable to the Company and its subsidiaries established in the PRC was 25% for the six months ended 30 June 2026 and 2025, except for subsidiaries which is eligible for preferential income tax policies and subject to CIT rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%).

Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits of the Group's subsidiaries operating in Hong Kong for the six months ended 30 June 2026 (six months ended 30 June 2025: 16.5%).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the Group operates.

The major components of income tax expenses in the condensed consolidated statement of profit or loss are:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Mainland China	**66,313**	193,563
– Hong Kong, China	**4,311**	16,821
– Elsewhere	**13,302**	7,031
Subtotal	**83,926**	217,415
Deferred income tax	**48,909**	16,683
Total	**132,835**	234,098

In December 2021, the Organisation for Economic Co-operation and Development released the Pillar Two Model Rules (the Global Anti-Base Erosion Proposal, or "GloBE") to reform international corporate taxation. Large multinational enterprises with consolidated revenue of over EUR750 million are subject to the rules. They are required to calculate their GloBE effective tax rate for each jurisdiction where they operate and will be liable to pay a minimum effective tax rate of 15%.

8. INCOME TAX EXPENSES *(Continued)*

The Group is within the scope of the GloBE. However, international shipping income and certain qualified ancillary international shipping income are excluded from the GloBE. Certain jurisdictions where the Group has operations, such as the United Kingdom, countries under the European Union, etc. have their Pillar Two legislation being effective in 2024. The Pillar Two legislation has also been enacted in Hong Kong in 2025 and becomes effective from 1 January 2025. The Group applies the exception from recognising and disclosing information about deferred tax assets and liabilities related to the Pillar Two income taxes, as provided in the Amendments to HKAS 12 issued in July 2023.

As the Group operates worldwide and the types of international shipping income and ancillary income covered by the exclusion are subject to complicated rules and restrictions, the Group would continue to cooperate with the ultimate parent company in assessing the full impact of the rules, covering Hong Kong and other jurisdictions.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic and diluted earnings per share attributable to the owners of the Company are based on the following data:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**1,001,389**	970,365

	Number of shares for the six months ended 30 June	
	2026	2025
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share	**13,151,656**	13,312,436
Effect of dilutive potential ordinary shares:		
Share options	**–**	299
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**13,151,656**	13,312,735

10. DIVIDENDS

DIVIDENDS ATTRIBUTABLE TO THE INTERIM PERIOD

On 28 August 2026, the board of directors approved the Company's 2026 interim dividend distribution plan and declared the payment of an interim dividend of RMB0.022 per share (inclusive of applicable tax) for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB0.022 per share), totalling RMB288,905,000 (for the six months ended 30 June 2025: RMB290,348,000). Such dividend distribution has not been recognised as a liability in the condensed consolidated financial statements for the six months ended 30 June 2026, but will be accounted for as an appropriation of retained profits during the year ending 31 December 2026.

During the period, the Company approved distribution of the 2025 final dividend totalling RMB196,981,000, or RMB0.015 per share (inclusive of applicable tax) (for the six months ended 30 June 2025: approved distribution of the 2024 final dividend totalling RMB250,755,000, or RMB0.019 per share).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB3,313,850,000 (six months ended 30 June 2025: RMB2,566,577,000). Depreciation for items of property, plant and equipment was RMB1,452,923,000 during the period (six months ended 30 June 2025: RMB1,441,390,000).

The items of property, plant and equipment with a carrying amount of RMB35,641,000 were disposed and written off during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB38,882,000).

12. FINANCE LEASE RECEIVABLES

The total future lease payment receivables under finance leases and their present values were as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**3,225,860**	3,566,179
After one year but within two years	**3,075,786**	3,268,369
After two years but within three years	**2,911,163**	3,156,497
After three years but within four years	**2,789,351**	2,822,701
After four years but within five years	**2,696,971**	3,124,633
After five years	**16,861,828**	17,996,054
Total minimum finance lease receivables	**31,560,959**	33,934,433
Unearned finance income	**(6,335,677)**	(6,870,856)
Total present value of minimum finance lease receivables	**25,225,282**	27,063,577
Impairment	**(789,664)**	(1,154,875)
Total net finance lease receivables	**24,435,618**	25,908,702
Current portion	**(2,192,845)**	(2,387,424)
Non-current portion	**22,242,773**	23,521,278

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**2,237,471**	2,487,510
After one year but within two years	**2,176,835**	2,303,209
After two years but within three years	**2,122,243**	2,297,518
After three years but within four years	**2,094,787**	2,088,875
After four years but within five years	**2,137,309**	2,529,634
After five years	**14,456,637**	15,356,831
Total present value of minimum finance lease receivables	**25,225,282**	27,063,577

13. TRADE AND NOTES RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**4,173,778**	2,179,348
Notes receivables	**9,775**	–
Subtotal	**4,183,553**	2,179,348
Impairment	**(174,181)**	(110,783)
Net carrying amount	**4,009,372**	2,068,565

An ageing analysis of the trade and notes receivables as at the end of the reporting period, based on the revenue recognition date and net of provision, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**3,960,108**	2,015,714
3 to 6 months	**15,212**	35,477
6 to 12 months	**21,862**	17,374
Over 1 year	**12,190**	–
Total	**4,009,372**	2,068,565

14. TRADE AND NOTES PAYABLES

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**3,042,442**	3,339,486
3 to 6 months	**110,805**	14,669
6 to 12 months	**91,646**	322
Over 1 year	**377,630**	379,223
Total	**3,622,523**	3,733,700

15. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Under the Scheme, share options were granted on 30 March 2020 and on 6 May 2021 respectively.

On 30 March 2020, 11,142,500 and 67,078,211 share options were granted to the Company's directors and senior management and the Group's other employees, respectively. On 6 May 2021, 8,847,445 share options were granted to the Group's other employees.

A summary of movements in the Company's share options is as follow:

	2026 **Number of share options** ***'000***	2025 Number of share options *'000*
At 1 January	**–**	26,024
Cancelled during the period/year (note i)	**–**	(26,024)
At 30 June 2026/31 December 2025	**–**	–

There are no share options outstanding as at the end of each of the reporting period.

Note:

i. The outstanding share options of 26,024,000 as at 1 January 2025 have been cancelled during the six months ended 30 June 2025.

The Group recognised share option income of RMB2,648,000 during the six months ended 30 June 2025.

No share options were granted during the six months ended 30 June 2026 and 2025.

No share options were exercised during the six months ended 30 June 2026 and 2025.

16. BANK AND OTHER BORROWINGS

	30 June 2026 *RMB'000* (Unaudited)	31 December 2025 *RMB'000* (Audited)
Current		
Bank loans – secured	**3,054,281**	4,896,298
Bank loans – unsecured	**29,715,558**	26,286,409
Borrowings from related parties – unsecured	**1,668,901**	4,551,444
Subtotal	**34,438,740**	35,734,151
Non-current		
Bank loans – secured	**10,487,713**	12,772,100
Bank loans – unsecured	**24,328,007**	19,016,065
Borrowings from related parties – unsecured	**8,799,294**	8,490,207
Subtotal	**43,615,014**	40,278,372
Total	**78,053,754**	76,012,523

As at 30 June 2026 and 31 December 2025, the Group's secured bank loans disclosed above are secured by the Group's certain property, plant and equipment, finance lease receivables, and restricted deposits.

17. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 June 2026 *RMB'000* (Unaudited)	31 December 2025 *RMB'000* (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**30,370,051**	24,874,184
Finance lease payments	**–**	284,666
Interests in an associate and joint ventures	**59,604**	62,140
Total	**30,429,655**	25,220,990

18. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 30 June 2026 and 2025:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income from:		
Associates	**1,936**	26,985
Interest expense to:		
An associate	**227,305**	149,288
Sales of goods to:		
Fellow subsidiaries	**4,921,077**	1,205,207
Purchase of goods from:		
Fellow subsidiaries	**395,239**	320,819
Purchase of property, plant and equipment from:		
Fellow subsidiaries	**–**	916
Rendering of services to fellow subsidiaries:		
Vessel chartering and container leasing	**1,659,640**	1,689,653
Management fee income	**13,018**	8,859
Others	**1,610**	930
Receiving of services from:		
Immediate holding company	**28**	–
An intermediate holding company	**1,526**	–
Fellow subsidiaries	**600,592**	481,997

The related party transactions above were made according to the published prices or interest rates and conditions similar to those offered to the respective major customers or suppliers.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those measured at fair value or with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Bank and other borrowings	**43,615,014**	40,278,372	**43,071,504**	39,719,045
Corporate bonds	**15,600,000**	12,600,000	**16,065,228**	12,677,744
Other long-term payables	**607,389**	570,286	**507,894**	520,072
	59,822,403	53,448,658	**59,644,626**	52,916,861

Management has assessed that the fair values of cash and cash equivalents, restricted and pledged deposits, trade and notes receivables, financial assets included in other receivables, the current portion of finance lease receivables, trade and notes payables, financial liabilities included in other payables and accruals, the current portion of bank and other borrowings, and the current portion of corporate bonds approximate to their carrying amounts largely due to the short term maturities of these instruments.

The non-current portion of finance lease receivables of the Group approximate to their fair values because their carrying amounts are present value and the internal rates of return are close to rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the non-current portion of bank and other borrowings, corporate bonds and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

30 June 2026

	Fair value measurement categorised into		
	Level 1	**Level 2**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Financial assets measured at fair value			
Derivative financial instruments	**–**	**21,175**	**21,175**
Financial assets at fair value through profit or loss	**1,689**	**2,109,845**	**2,111,534**
Financial liabilities measured at fair value			
Derivative financial instruments	**–**	**5,098**	**5,098**

31 December 2025

	Fair value measurement categorised into		
	Level 1	Level 2	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)
Financial assets measured at fair value			
Derivative financial instruments	–	29,492	29,492
Financial assets at fair value through profit or loss	1,678	2,240,889	2,242,567
Financial liabilities measured at fair value			
Derivative financial instruments	–	730	730

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

FAIR VALUE HIERARCHY *(Continued)*

For all the financial assets and financial liabilities with fair value measurement categorised into Level 2, the Group estimates their fair values using the market approach. For investments in private funds, the fair values are calculated in accordance with net asset value prepared by the fund manager. For the other investments, if there is a recent deal regarding these investments, the fair values are estimated based on the deal price. If there is no such deal to be referenced, the directors of the Company will determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculate an appropriate price multiple for each comparable company identified. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimate. The directors of the Company believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including foreign exchange forward contracts, interest rate swaps and currency swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of foreign exchange forward contracts, interest rate swaps and currency swaps are the same as their fair values.

20. EVENT AFTER THE REPORTING PERIOD

On 29 July 2026, the Group (as the buyer) entered into (i) certain shipbuilding contracts with Shanghai Waigaoqiao and CSTC (as the sellers) in relation to the construction of ten 210,000 DWT bulk carriers, at an aggregate contract price of approximately RMB5,280,000,000, exclusive of tax; and (ii) certain shipbuilding contracts with Nantong Xiangyu and Xiamen STC (as the sellers) in relation to the construction of five 210,000 DWT bulk carriers, at an aggregate contract price of approximately RMB2,640,000,000, exclusive of tax. On the same day, the Group entered into a vessel leasing agreement with Wai Fung Shipping Limited, pursuant to which the Group agreed to provide vessel leasing services to Wai Fung Shipping Limited in respect of the 210,000 DWT bulk carriers to be built under the aforesaid contracts, with a lease term of 20 years ± 120 days commencing from the delivery date of each vessel. The shipbuilding contracts with Shanghai Waigaoqiao and CSTC have been approved at the 2026 first extraordinary general meeting held on 31 August 2026.

Save as disclosed above and declaration of interim dividend disclosed in note 10, there is no other material subsequent event undertaken by the Group after the reporting period.

21. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 28 August 2026.