



中遠海運能源運輸股份有限公司 COSCO SHIPPING Energy Transportation Co., Ltd.

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

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2026

INTERIM REPORT

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MANAGEMENT DISCUSSION AND ANALYSIS

I. THE MAIN BUSINESSES, OPERATING MODEL OF COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.* (THE “COMPANY”, AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”) AND CONDITIONS OF THE INDUSTRY DURING THE SIX MONTHS ENDED 30 JUNE 2026 (THE “REPORTING PERIOD”)

1. Industry and characteristics

The Group is mainly engaged in the shipping of crude oil, product oil, LNG, LPG, chemicals and other bulk liquid hazardous cargo. With oil tanker and LNG transportation as its two core businesses, the Group possesses extensive management experience and strong brand recognition, maintaining a solid corporate image within the industry.

Oil, natural gas, and chemicals fall under the category of bulk commodities and serve as core materials for global economic activities. They provide a crucial foundation for industrial production, equipment manufacturing, and consumer consumption while also playing an essential role in international trade. Due to the imbalance between the distribution and consumption regions of energy resource, global trade flows have consequently emerged. Serving as a bridge connecting producing and consuming countries, the shipping industry undertakes the majority of oil, natural gas and chemical transportation. It not only drives global economic growth but also strengthens the resilience and long-term stability of the global supply chain.

The shipping industry is characterized by the following key features:

- (1) **High cyclicity:** The shipping industry is highly dependent on trade development, which is closely linked to economic conditions. As a result, transportation demand in the shipping industry is easily influenced by economic cycles.
- (2) **High volatility:** The supply of transportation capacity in the market is difficult to perfectly align with transportation demand at all times and in all locations. On the one hand, as transportation demand fluctuates, adjusting global shipping capacity cannot be accomplished instantly. On the other hand, the addition and removal of vessels from the market require a certain amount of time. As a result, the imbalance between the supply of transportation capacity and transportation demand often leads to significant uncertainty and volatility in freight rates.
- (3) **High capital intensity:** The shipping industry is a capital-intensive sector. The construction, maintenance and operation of vessels require substantial investment. Furthermore, the long lifespan of vessels often results in prolonged investment return periods for the industry.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- (4) **Stringent regulatory environment:** The shipping industry is highly regulated, encompassing vessel safety, environmental protection, crew rights, and navigation rules. The IMO has established regulations such as the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution from Ships (MARPOL), and the Maritime Labour Convention (MLC). Although these regulations enhance industry safety and environmental protection, they also add to the operational costs and complexity in the shipping industry. As a result, the shipping industry requires a high level of technical expertise.

The Group, with vessels as its core assets and high-quality crew teams, safety management capabilities, and global operational coordination as its core competencies, provides maritime energy transportation services to global clients. The shipping industry segment in which the Group operates has the following characteristics:

- (1) **Oil transportation:** Crude oil is unprocessed natural petroleum extracted directly from underground or seabed deposits, with maritime transportation serving as the primary method for global oil transportation. Cross-regional seaborne crude oil shipments offer high volume and low cost but remain highly dependent on critical maritime routes, making them susceptible to geopolitical tensions and changes in natural conditions; the major trade flows are from production regions in the Middle East, West Africa, the Americas and Russia to core consumption regions in Asia and Europe. Product oil, including gasoline, diesel and naphtha, is derived from crude oil through refining and processing. The trade pattern is dominated by “intra-regional circulation, supplemented by cross-regional complementarity”. Core exporters include the Middle East and Asian countries such as Singapore, while regions with limited refining capacity, such as Europe and the Americas are major importers. Overall, trade flows are influenced by factors including refining capacity distribution, geopolitics and shipping costs. The principal vessel types include VLCC, Suezmax, Aframax/LR2, Panamax/LR1 and MR.
- (2) **LNG transportation:** LNG is natural gas liquefied at an ultra-low temperature of -162°C , shrinking its volume to approximately 1/600 of its original gaseous volume. During transportation, it must be maintained at low temperatures, requiring exceptionally high insulation performance for transportation equipment. Additionally, LNG transportation requires stringent safety measures to prevent leaks, fires, and other accidents. As a result, LNG carriers have been recognised internationally as “three high” products with high technology, high difficulty and high added value. In the current global LNG fleet, most shipowners enter into long-term time charters with charterers, which brings stable freight and investment returns for shipping enterprises while ensuring reliable energy supply to energy traders.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- (3) **LPG transportation:** LPG is a by-product of petroleum extraction, refining and natural gas production, primarily composed of propane and butane, and may also include petrochemical products such as ethylene, propylene, and butylene, with trade flows primarily from regions such as the Middle East and the United States to consumption markets such as Asia and Europe. Based on different liquefaction conditions during transportation, LPG carriers are mainly classified into fully pressurized, semi-refrigerated and fully refrigerated types.
- (4) **Chemical transportation:** Chemicals are generally classified into organic chemicals, inorganic chemicals and vegetable oils, which have diverse production sources, subcategories and end uses. The maritime trade of chemicals is primarily concentrated in three major regions, namely Europe, Asia and North America, which include key trade flows such as intra-Northeast Asia routes, European continental routes, and Southeast Asia-Northeast Asia routes. Chemical tankers are generally classified into IMO1, 2, and 3 types based on the level of environmental and safety hazards posed by the chemicals, with IMO 1 being the most hazardous and IMO 3 the least.

2. The competitive position and operating model of the Group in the industry

The two core businesses of the Group are oil transportation and LNG shipping, and relying on China's huge demand for oil and gas import, abundant international and domestic large-scale customer resources and the advantages of comprehensive industrial chain resources of the controlling shareholder, the Group has maintained its leading position in the oil and gas import transportation sector in China, exerting a good market influence and brand reputation by virtue of its excellent management expertise and leading fleet size.

In terms of fleet size, the Group ranks among the world's top tier with a complete type of vessels. As of 30 June 2026, the Group owned and controlled 153 oil tankers with a total capacity of 21.9 million Dead Weight Tonnage (DWT); 38 oil tankers with a total capacity of 4.28 million DWT are under construction; and had 6 VLCCs with a total capacity of 1.842 million DWT to be delivered under bareboat charters. As the tanker owner with the most comprehensive vessel portfolio, the Group executes oil transportation business through diversified operational models including spot market chartering, time chartering, signing contracts of affreightment (COA) with cargo owners, and entering associated operating entities (POOL) using its self-owned and controlled tankers. By the multi-dimensional linkage of domestic and international trade, large and small vessels, and black and white oil, the Group fully unleashes the synergistic advantages of its vessel types and shipping route networks to provide customers with whole-process logistics solutions involving materials import in international trade, transshipment, and lightering in domestic trade, product oil transport and export, and downstream chemicals transportation, etc., to help customers reduce logistics costs and therefore realize win-win cooperation.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The Group continues to provide quality energy transportation services for domestic and international customers with its global marketing and service network, solid vessel safety-management expertise, and “customer-centric” business philosophy. Leveraging China’s position as the world’s leading oil and gas import market, the Group taps into vast opportunities in the domestic market and accumulates deep industry resources; while actively expanding overseas markets, it engages in in-depth cooperation with oil and gas companies and traders from multiple countries around the world. Through dedicated efforts over a long period, the Group has established solid strategic partnerships with leading domestic and international oil giants, overseas trading companies, and domestic independent refineries, laying a solid foundation for long-term business expansion and sustained growth in corporate value.

As a leader in China’s LNG shipping business, the Group participates in global LNG shipping. COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd. (“**Shanghai LNG**”), a wholly-owned subsidiary of the Group, and China LNG Shipping (Holdings) Limited (“**CLNG**”), in which the Company holds 50% equity, are the leading large-scale LNG transportation companies in China. As of 30 June 2026, the Group had participated in the investment and construction of a total of 97 LNG carriers. Among them, 66 LNG carriers with a total capacity of 11.18 million cubic meters have been put into operation and 31 LNG carriers with a total capacity of 6.18 million cubic meters are under construction. In addition, the Group bareboat chartered-in and operates 1 LNG carrier with a capacity of 0.17 million cubic meters; 5 large scale gas carriers chartered-in under bareboat charter are under construction with a total capacity of approximately 0.50 million cubic meters. The commissioned vessels are all engaged in long-term charters, providing relatively stable income. In recent years, as the LNG carriers, for which the Group is involved in investment and construction, are put into operation, the Group’s LNG transportation business has entered the harvest period.

The Group’s LPG transportation business is operated by Dalian COSCO SHIPPING Energy Supply Chain Co., Ltd.* (大連中遠海運能源供應鏈有限公司) (“**Dalian COSCO Energy**”), a wholly-owned subsidiary of the Group, which is primarily engaged in domestic coastal and international LPG shipping. The cargoes transported include LPG, propylene, butadiene, ethylene, and liquid ammonia and business activities are driven by diverse operational strategies including spot charters and time charters. As of 30 June 2026, the Group owned and controlled 14 LPG carriers with a total capacity of 140 thousand cubic meters; and had 5 LPG carriers with a total capacity of 360 thousand cubic meters under construction.

The Group’s chemical transportation business is primarily operated by Shanghai COSCO SHIPPING Chemical Carrier Co., Ltd.* (上海中遠海能化工運輸有限公司) (“**Shanghai COSCO Chemical Carrier**”), a wholly-owned subsidiary of the Group, which is primarily engaged in international and domestic bulk chemical shipping. It specializes in foreign trade routes in Southeast Asia and Northeast Asia, as well as domestic coastal shipping, with extensive experience in managing chemical tankers. As of 30 June 2026, the Group owned 9 chemical tankers with a total capacity of 80 thousand DWT; and 1 chemical tanker with a total capacity of 10 thousand DWT is under construction.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

China COSCO SHIPPING Corporation Limited, the controlling shareholder of the Group, has formed a relatively complete industrial structure system in the upstream and downstream industrial chains of shipping, ports, logistics, shipping finance, ship repair and building, and digital innovation. Relying on the solid resource background and brand advantages of COSCO SHIPPING Group, the Group is enabled to implement refined and centralized procurement of bunker fuel, sign preferential port usage agreements, enrich its customer base and route resources, and actively explore coordinated development with outstanding companies under the controlling shareholder, so as to provide better integrated energy transportation solutions and value-added services for all parties, and continues to move towards the goal of “resource integrator” and “solution provider”.

In the overall business structure of the Group, the international (foreign trade) oil transportation business provides cyclical elasticity in the Group’s operating results. As a leading player in the coastal crude oil and product oil transportation industry in the PRC, the Group’s coastal (domestic trade) oil transportation business, together with its LNG transportation business, collectively serve as a vital “safety cushion” for the Group’s operating results. The LPG and chemical transportation segments have expanded the Group’s business footprint in the energy transportation sector, driving the continuous extension of its core business from maritime energy transportation to the energy and chemical logistics supply chain.

II. ANALYSIS OF THE INTERNATIONAL AND DOMESTIC ENERGY TRANSPORTATION MARKET DURING THE REPORTING PERIOD

1. International oil shipping market

In the first half of 2026, the global oil market was significantly influenced by geopolitical events. According to data from the International Energy Agency (IEA), on the supply side, impacted by restricted navigation through the Strait of Hormuz, global crude oil production in June was approximately 98.8 million barrels per day, still about 9.4 million barrels per day lower than before the US-Iran conflict. Oil demand was suppressed by high oil prices, with the IEA estimating a global demand reduction of approximately 1.0 million barrels per day for the year; China’s crude oil imports from January to June decreased by 11.4% year-on-year, with June imports falling to approximately 29 million tonnes, a near-decade low.

International crude oil shipping market:

In the first half of 2026, the crude oil tanker shipping market experienced significant volatility due to the geopolitical situation in the Middle East, with freight rates reaching historically high levels. During the Reporting Period, according to data from the Baltic Exchange, for the highly active VLCC routes, the average market TCE for the TD15 route (West Africa-China) was USD117,773 per day, an increase of approximately 180% compared to the corresponding period last year; the average market TCE for the TD22 route (US Gulf-China) was USD111,083 per day, an increase of approximately 170% compared to the corresponding period last year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

At the shipping demand level, the VLCC shipping market showed significant phased differences, clearly demarcated by the outbreak of the US-Iran conflict: (1) From January to February, the VLCC market was driven by multiple factors, including persistently tight compliant capacity, compact crude oil import schedules in China, effectively increased shipowner concentration, and rising geopolitical risk premiums in the region, leading to strong upward momentum in transportation demand; (2) After the outbreak of the US-Iran conflict, geopolitical security risks in the Strait of Hormuz rapidly escalated, causing a significant decline in commercial vessel traffic. Approximately 15 million barrels per day of crude oil exports flowing through the strait were disrupted. Although Saudi Arabia diverted approximately 7.2 million barrels per day of cargo through its East-West crude oil pipeline to Yanbu port, and ship-to-ship transfers in the Gulf of Oman peaked at 1.8 million barrels per day, these alternative routes still could not fully compensate for the supply gap. Asian importers turned to sourcing crude oil from more distant regions such as the US Gulf, West Africa, and South America, driving an increase of approximately 3.5 million barrels per day in crude oil exports from the Atlantic Basin to markets east of the Suez Canal. VLCC cargo flow structure shifted towards long-haul routes. From May onwards, the fundamental market tightness in supply did not fundamentally change, but the freight rate boosting effect from longer haul distances gradually diminished, and freight rates steadily declined from their highs.

The Aframax tanker market showed a significant divergence between East and West: Markets west of the Suez Canal benefited from the release of transportation demand driven by the temporary waiver of the US Jones Act, combined with increased crude oil arbitrage trading between the US Gulf and the Mediterranean, generating substantial new short-to-medium haul cargoes, resulting in an overall robust market. Markets east of the Suez Canal continued to face pressure, with a large number of LR2s washing and converting to carry crude oil, introducing incremental capacity and weakening market sentiment significantly compared to the western market.

In terms of capacity supply, according to Clarksons data, in the first half of 2026, 106 Panamax-sized and above tankers were delivered. This included 19 VLCCs, 26 Suezmax, and 47 Aframax/LR2s; during the corresponding period, 6 vessels were scrapped, including 2 VLCCs. From a book data perspective, global VLCC capacity showed net growth, but non-compliant capacity accounted for nearly 20% of the global tanker fleet. Therefore, the supply of capacity in the compliant market remained persistently tight during the Reporting Period.

International product oil shipping market:

In the first half of 2026, the product oil tanker market experienced phased divergences. In the early period, freight rates for product oil tankers moved up periodically, driven by cross-regional supply and demand gaps and the premium impact of crude oil tanker freight rates. From the second quarter onwards, as oil flows through the Strait of Hormuz were disrupted, global refinery utilization rates declined, product oil trade volumes contracted, and freight rates generally retreated amidst fluctuations.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

In terms of shipping demand, increased navigation risks in the Strait of Hormuz suppressed Middle Eastern product oil exports; additionally, China tightened product oil export policies starting in March, further constraining global product oil supply. Consumer regions like Europe turned to the US Gulf and West Africa for alternative product oil supplies. Meanwhile, impacted by tight feedstock supply, Asian refineries lowered their operating rates, driving a year-on-year decline of 4.7 million barrels per day in global refinery throughput to 78.5 million barrels per day in the second quarter.

In terms of capacity supply, according to Clarksons data, in the first half of 2026, 41 LR2s and 56 MRs were delivered; no LR2s and 5 MRs were scrapped; new orders placed were 62 LR2s and 86 MRs. As of the end of the Reporting Period, global newbuilding orders for LR2 and MR vessels stood at 199 and 303, respectively.

2. Domestic oil shipping market

Crude oil shipping market:

In the first half of 2026, the total domestic crude oil transportation volume (MR and above) was approximately 52 million tons, an increase of approximately 6 million tons year-on-year. By cargo source structure, offshore crude oil production remained high, with corresponding volume increasing by approximately 1 million tons year-on-year. Transshipment oil contributed an increase of approximately 5 million tons, primarily from the first quarter; in the second quarter, affected by the Middle East geopolitical situation, China's crude oil imports declined rapidly, leading to a certain degree of decline in transshipment crude oil transportation volume on a quarter-on-quarter basis.

Product oil shipping market:

Changes in the Middle East geopolitical situation caused short-term supply-demand mismatches in the product oil market, leading to a decline in trade volumes. Coupled with weakening end-user demand and tight crude oil feedstock supply, some refineries proactively adjusted their operating rates, resulting in an overall contraction in product oil output, and correspondingly lower MR tanker demand for product oil transportation.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

3. LNG shipping market

In the first half of 2026, impacted by the geopolitical turmoil in the Middle East, the LNG trade and shipping market experienced heightened volatility. The spot shipping market moved lower initially before rising. At the beginning of the year, market capacity was ample, and spot charter rates were low. In March, due to restricted navigation through the Strait of Hormuz and hampered Qatari shipments, global LNG trade routes adjusted rapidly, increasing haul distances, and available LNG vessel capacity tightened. Concurrently, the startup of the US Golden Pass LNG export project drove up charter rates. In June, following a temporary ceasefire agreement between the US and Iran, geopolitical risk sentiment subsided, causing market charter rates to retreat from their highs. In the medium-to-long-term time charter market, newbuilding prices remained high, coupled with expectations of demand from new export projects concentrated after 2028, long-term charter rates generally remained resilient.

In terms of capacity supply, accelerated new vessel deliveries drove fleet growth. According to Clarksons data, 42 LNG carriers were delivered globally in the first half of the year, a year-on-year increase of approximately 17%. At the same time, significant increases in voyage costs such as fuel prices, and operating costs, put pressure on older vessels, accelerating capacity removal, with 6 steam turbine vessels scrapped in the first half, a higher level for the corresponding period in recent years. As of the end of June 2026, the global fleet of LNG carriers over 100,000 cubic metres reached 796 vessels, with 291 vessels on order.

4. LPG shipping market

International shipping market:

In the first half of 2026, the VLGC spot market freight rates were impacted by escalating geopolitical conflicts in the Middle East and restricted navigation through the Strait of Hormuz. Global trade patterns adjusted, leading to a restructuring of trade flows that redirected source cargoes towards the US Gulf region. This significantly increased tonne-mile demand, tightening market capacity supply. Freight rates initially fell then rose, showing an overall upward trend amidst fluctuations.

In terms of capacity supply, 20 VLGCs were delivered globally in the first half of 2026, while only 1 older vessel was scrapped. A total of 38 new vessels are expected to be delivered for the full year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Domestic shipping market:

In the first half of 2026, dominated by the dual factors of the Middle East geopolitical situation and supply-demand fundamentals, high international LPG prices combined with supply chain instability drove up domestic import costs. On the demand side, civil combustion entered a traditional off-season, leading to sluggish end-consumption; in the chemical sector, due to rising raw material costs, downstream plants generally reduced production and lowered operating rates. Trade activity also declined in parallel, reducing the demand for domestic vessel turnaround. In the first half, the combined domestic shipping volume for LPG, butadiene, and propylene was 2.3147 million tons, a decrease of 15% compared to the corresponding period last year.

As of June 2026, there were 86 domestic coastal inter-provincial LPG carriers. In terms of vessel type trends, high-value-added vessels capable of transporting both ethylene and liquid ammonia are becoming a hotspot in the market layout. Currently, orders under construction include 6 ethylene carriers and 2 liquid ammonia carriers.

5. Chemical shipping market

International shipping market:

In the first half of 2026, the global chemical shipping market experienced significant fluctuations. Early in the year, the market faced the dual pressures of slowing trade growth and increasing capacity supply. The escalation of geopolitical conflicts in the Middle East, leading to continued restrictions on navigation through the Strait of Hormuz, further exacerbated market uncertainty. According to Drewry data, the global seaborne chemical/vegetable oil trade volume is forecasted to be 312 million tons in 2026, a contraction of 1.6% year-on-year; the global chemical tanker fleet is projected to reach 143.5 million DWT in 2026, a year-on-year expansion of 3.7%.

Domestic shipping market:

In the first half of 2026, overall market demand in the petrochemical industry remained weak. Starting in March, affected by the Middle East geopolitical conflict, fuel prices surged, causing a spike in freight rates driven by costs. However, with the ongoing conflict, petrochemical companies reduced exports of finished products due to insufficient raw materials, and the domestic chemical shipping market continued to face pressure.

III. REVIEW OF OPERATING RESULTS DURING THE REPORTING PERIOD

As of 30 June 2026, the Group owned and controlled 153 oil tankers with a total capacity of 21.90 million DWT. Among the 97 LNG vessels in which the Group has invested and is constructing, 66 LNG vessels with a total capacity of 11.18 million cubic metres have been put into operation; in addition, one bareboat-chartered LNG vessel with a capacity of 0.17 million cubic metres has also been put into operation. The Group also owned and controlled 14 LPG carriers with a total capacity of 0.14 million cubic metres; and owned 9 chemical tankers with a total capacity of 0.08 million DWT.

In the first half of 2026, the Group achieved a transportation volume (excluding time charter) of 82.39 million tons, representing a year-on-year decrease of 12.79%; a transportation turnover (excluding time charter) of 267.2 billion tonne-miles, a year-on-year decrease of 22.05%; revenue from principal operations of RMB15.079 billion, a year-on-year increase of 30.26%; cost of principal operations of RMB8.843 billion, a year-on-year decrease of 0.73%; and a year-on-year increase of 18.4 percentage points in gross profit margin. Net profit attributable to shareholders of the listed company was RMB4.556 billion, a year-on-year increase of 140.58%; EBITDA was RMB8.660 billion, a year-on-year increase of 69.14%.

In the first half of 2026, the global energy shipping market experienced significant fluctuations driven by escalating geopolitical conflicts, leading to a continuous reshaping of the energy trade landscape. The Group focused on enhancing its customer service capabilities and the resilience of the global energy supply chain. Through the following key measures, the Group achieved solid operating results:

First, we continuously optimized the global oil tanker capacity and route network, flexibly responded to geopolitical risks, and coordinated efforts in both domestic and international trade businesses to enhance the Group's oil tanker operating income. Second, the LNG shipping business operated steadily, with orderly progress on key projects and continuous extension of the industrial chain layout. Third, the energy and chemical logistics system was continuously improved, establishing a cross-border full-chain service model, with sustained release of supply chain synergies. Fourth, we deepened lean management and implemented multiple cost-reduction measures, achieving significant savings in fuel procurement and innovatively implementing several major financing projects to continuously optimize the financing structure. Fifth, we accelerated digital and green transformation, with several digital platforms built and put into use, and continued to advance energy-saving technical upgrades and environmental compliance construction. Sixth, we strictly adhered to safety and compliance standards, efficiently handled international navigation safety risks, and established a comprehensive full-process compliance risk control system. Seventh, we deeply promoted reforms and capital operations, successfully completing equity acquisitions of subsidiaries and major project financing. ESG governance performance was significant, with rating levels steadily improving at authoritative institutions.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

1. Revenue from principal operations

For the six months ended 30 June 2026, overall conditions of the Group's principal operations classified by products transported and geographical regions were as follows:

Principal operations by products transported

Industry or product	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenue as compared with the same period in 2025 (as restated)	Increase/ (decrease) in operating costs as compared with the same period in 2025 (as restated)	Increase/ (decrease) in gross profit margin as compared with the same period in 2025 (as restated)
	(RMB'000)	(RMB'000)	(%)	(%)	(%)	(percentage points)
Domestic crude oil	1,648,659	1,086,890	34.1	4.4	(3.1)	5.1
Domestic product oil	961,995	763,621	20.6	(12.6)	(14.5)	1.7
Domestic oil tanker chartering	78,412	77,178	1.6	26.2	31.4	(3.8)
Domestic Oil Shipping Sub-Total	2,689,066	1,927,689	28.3	(2.0)	(7.0)	3.9
International crude oil	8,256,254	4,536,434	45.1	58.5	(0.1)	32.3
International product oil	1,145,839	753,973	34.2	0.1	(11.0)	8.2
International oil tanker chartering	1,090,897	526,070	51.8	17.0	(11.4)	15.4
International Oil Shipping Sub-Total	10,492,990	5,816,477	44.6	44.0	(2.8)	26.7
Oil Shipping Sub-Total	13,182,056	7,744,166	41.3	31.4	(3.9)	21.6
LNG Shipping	1,520,146	808,684	46.8	22.2	29.0	(2.8)
LPG Shipping	178,552	123,396	30.9	24.9	13.6	6.9
Chemical Shipping	198,680	166,820	16.0	24.2	42.3	(10.7)
Total	15,079,434	8,843,066	41.4	30.3	(0.7)	18.4

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Principal operations by geographical regions

Regions	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenue as compared with the same period in 2025 (as restated)	Increase/ (decrease) in operating costs as compared with the same period in 2025 (as restated)	Increase/ (decrease) in gross profit margin as compared with the same period in 2025 (as restated)
				(%)	(%)	(percentage points)
Domestic shipping	2,857,376	2,060,990	27.9	(1.2)	(6.0)	3.7
International shipping	12,222,058	6,782,076	44.5	40.8	1.0	21.9
Total	15,079,434	8,843,066	41.4	30.3	(0.7)	18.4

2. Shipping business – Oil, gas and chemical shipping

(1) International oil shipment business

In the first half of 2026, the Group's international oil tanker fleet completed international oil shipping revenue of RMB10.493 billion, a year-on-year increase of 44.0%; shipping gross profit of RMB4.677 billion, a year-on-year increase of 258.8%; and a gross profit margin of 44.6%, an increase of 26.7 percentage points year-on-year.

Key operational highlights include:

In the face of the complex situation characterized by intertwined changes in the international shipping market and ongoing geopolitical risks, the Group focused on securing safety, strengthening refined fleet operations, actively expanding high-quality customers, and seizing market fluctuation windows to enhance overall operational efficiency. Key measures include:

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

VLCC fleet:

- 1) In response to the sudden security risks in the Strait of Hormuz, we swiftly implemented emergency measures, closely communicated with customers, and timely adjusted the voyage arrangements for 14 VLCCs already fixed outside the Gulf, ensuring continuous production and operational stability, and striving to safeguard operational results.
- 2) In response to oil price fluctuations caused by geopolitical events, we conducted multiple procurement batches following prudent market analysis, effectively reducing fuel costs. During the Reporting Period, the weighted average procurement price of high and low sulfur fuel oil in Singapore for the VLCC fleet was 6.23% lower than the average Platt's price for the same period, significantly saving fuel procurement costs.
- 3) We continued to deepen route cooperation with leading international oil companies and traders, renewed global route COA contracts, and successfully developed new customers and cargo sources, further enhancing overall commercial resilience.

International small and medium-sized fleet:

- 1) The global deployment of the Aframax fleet achieved significant results, focusing on high-value cargoes on the Atlantic US Gulf-Europe and Mediterranean routes, as well as Pacific Canadian exports. At the same time, we successfully opened a new route to Argentina and operated a large triangular route Australia – South America – US West Coast – Far East.
- 2) We keenly seized windows created by market supply-demand mismatches and enhanced the overall fleet earnings through refined operations. In response to weakening demand in the product oil market triggered by the Middle East geopolitical situation, we effectively mitigated the pressure of product oil tanker capacity surplus by flexibly converting between crude and product oil tankers; simultaneously, we capitalized on opportunities during international vessels' return windows to seamlessly transition international capacity to domestic trade voyages, hedging the risk of temporary domestic capacity surplus.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(2) Domestic oil shipping business

In the first half of 2026, the Group's domestic oil tanker fleet completed domestic oil shipping revenue of RMB2.689 billion, a year-on-year decrease of 2.0%; shipping gross profit of RMB0.761 billion, a year-on-year increase of 13.6%; and a gross profit margin of 28.3%, an increase of 3.9 percentage points year-on-year.

Key operational highlights include:

- 1) Leveraging the advantages of fleet size and vessel type structure, and relying on high-quality and efficient transportation services, we deepened the integration of direct-sourced cargoes from core domestic transshipment oil customers. In the first half of 2026, despite a year-on-year decline in the national total crude oil import volume, the crude oil volume of the Company's domestic self-operated vessels grew against the trend.
- 2) We continued to deepen business synergies with joint venture and associated enterprises, coordinated cargo sourcing by combining the strengths of each party's fleet and route resources, intensified the development of high-value-added cargoes such as offshore oil, continuously optimized cargo mix to increase the proportion of high-quality cargoes, and comprehensively improved the fleet's overall operational efficiency.

(3) LNG shipping business

In the first half of 2026, the Group's LNG transportation segment achieved operating revenue of RMB1.520 billion, a year-on-year increase of 22.2%; LNG transportation investment income of RMB0.463 billion, a year-on-year increase of 17.81%; and contributed net profit attributable to shareholders of the listed company of RMB0.512 billion, a year-on-year increase of 20.75%.

Key operational highlights include:

- 1) We independently expanded international LNG shipping business, ordering 4 LNG carriers of 175,000 cubic metres each to increase medium-to-long-term charter business scale, steadily expand international cooperation, and solidify the foundation for globalized business development.
- 2) Following strategic customer needs, we bareboat chartered in 5 newly built 100,000 cubic metre large gas carriers with long-term charters attached, achieving a breakthrough in the Company's industrial chain extension business.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(4) *LPG shipping business*

In the first half of 2026, the Group's LPG fleet achieved shipping revenue of RMB0.179 billion, a year-on-year increase of 24.9%; shipping gross profit of RMB0.055 billion, a year-on-year increase of 60.8%; and a gross profit margin of 30.9%, an increase of 6.9 percentage points year-on-year.

Key operational highlights:

- 1) We expanded into the international market through multi-dimensional efforts, maintaining close cooperation with international large-scale traders and energy companies, and actively explored diversified business models such as long-term time charters for newbuilding VLGCs;
- 2) We actively explored the ethylene and liquid ammonia markets, reaching the letter of intent for long-term charter with multiple domestic and foreign charterers, aiming to lock in stable returns.
- 3) By operating a short-haul triangular route in South China, we enhanced vessel operational efficiency, ensured high-standard service for time-chartered vessels, and successfully completed multiple time charter renewals and COA implementations, stabilizing returns from existing business.

(5) *Chemical shipping business*

In the first half of 2026, the Group's chemical tanker fleet achieved shipping revenue of RMB0.199 billion, a year-on-year increase of 24.2%; shipping gross profit of RMB0.032 billion, a year-on-year decrease of 25.4%; and a gross profit margin of 16.0%, a decrease of 10.7 percentage points year-on-year.

Key operational highlights include:

- 1) In response to market changes, we dynamically optimized route layouts, capitalizing on cyclical market highs in Southeast Asian palm oil transportation; meanwhile, we continued to consolidate cooperation with high-quality customers, successfully renewing several COA contracts, relying on stable long-term business to withstand market impacts and ensure stable international trade earnings.
- 2) The customized supply chain project "Yuanhai Huanyang" completed its maiden voyage successfully, establishing an integrated full-chain service system covering warehousing, terminals, and cross-border shipping, laying a solid foundation for subsequent scaled promotion.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

IV. COSTS AND EXPENSES ANALYSIS

For the six months ended 30 June 2026, the composition of the operating costs of the Group's main businesses is as follows:

	For the six months ended 30 June 2026 (RMB'000)	For the six months ended 30 June 2025 (RMB'000) (Restated)	Increase/ (decrease) (%)	Composition ratio in the six months ended 30 June 2026 (%)
Oil shipping costs				
Items				
Fuel costs	2,177,632	2,604,758	(16.4)	28.1
Port costs	456,895	519,737	(12.1)	5.9
Sea crew costs	1,007,678	1,089,565	(7.5)	13.0
Lubricants expenses	133,287	144,981	(8.1)	1.7
Depreciation	1,618,855	1,576,937	2.7	20.9
Insurance expenses	81,175	90,157	(10.0)	1.0
Repair expenses	117,789	82,768	42.3	1.5
Charter costs	1,798,253	1,751,291	2.7	23.2
Others	352,602	195,417	80.4	4.7
Sub-total	7,744,166	8,055,611	(3.9)	100.0
LNG shipping costs				
Items				
Sea crew costs	159,714	128,123	24.7	19.8
Lubricants expenses	25,927	14,242	82.0	3.2
Depreciation	382,820	294,346	30.1	47.3
Insurance expenses	27,279	19,407	40.6	3.4
Repair expenses	182,680	133,727	36.6	22.6
Others	30,264	37,016	(18.2)	3.7
Sub-total	808,684	626,861	29.0	100.0
LPG shipping costs	123,396	108,597	13.6	100.0
Chemical shipping costs	166,820	117,225	42.3	100.0
Total	8,843,066	8,908,294	(0.7)	100.0

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

V. OPERATING RESULTS OF THE JOINT VENTURES AND THE ASSOCIATES

In the first half of 2026, the two major joint venture and associated shipping companies of the Group realized a total operating revenue of approximately RMB1,864 million and a total net profit attributed to the parent of approximately RMB938 million with a year-on-year increase of 0.75%. The Group recognized investment income from the joint ventures and the associates of approximately RMB420 million which remained unchanged year-on-year.

1. The operating results achieved by a major joint venture shipping company of the Group during the Reporting Period are as follows:

Company name	Interest held by the Group	Shipping volume (billion tonne-miles)	Operating revenue (RMB'000)	Net profit (attributed to the parent) (RMB'000)
CLNG	50%	41.43	530,468	476,559

2. The operating results achieved by an associated shipping company of the Group during the Reporting Period are as follows:

Company name	Interest held by the Group	Shipping volume (billion tonne-miles)	Operating revenue (RMB'000)	Net profit (attributed to the parent) (RMB'000)
Shanghai Beihai Shipping Company Limited	40%	9.13	1,333,493	461,896

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

VI. FINANCIAL ANALYSIS

1. Net cash generated from operating activities

The net cash generated from operating activities of the Group for the Reporting Period was approximately RMB6,961,636,000, representing an increase of approximately 128.5% as compared to approximately RMB3,046,197,000 (restated) for the six months ended 30 June 2025.

2. Capital Commitments

		30 June 2026	31 December 2025
	Notes	RMB'000	RMB'000 (Restated)
Authorised and contracted but not provided for:			
Construction and purchases of vessels	(i)	29,670,386	18,537,065
Construction of park property	(ii)	12,463	18,796
		29,682,849	18,555,861

Notes:

- (i) According to the construction and purchase agreements entered by the Group, these capital commitments will fall due in 2026 to 2030.
- (ii) Included in capital commitments for park property construction payables are commitments for contracted construction projects.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

3. Capital structure

To continuously optimise the Company's capital structure, maintain its comprehensive financing cost advantage, and align with its capital needs for development, the Group continues to coordinate its equity and debt financing strategies.

In terms of equity financing, the Group takes advantage of the window periods in the A Shares and H Shares capital markets to optimise its share capital and investor structure through methods such as issuing shares to specific subscribers and share repurchases. This approach aims to strengthen long-term capital support and stabilise shareholder return expectations. In terms of debt financing, the Group dynamically adjusts the ratio of short-term and long-term debt, the structure of floating-rate and fixed-rate debt, and the currency composition of its debt.

Based on the premise of maintaining stable dividend return expectations, the Group reduces its debt by reasonably managing the amount and method of dividend payments, as well as through the monetization of asset operations. The Group controls its overall debt level within a reasonable range.

Management monitors the Group's capital structure on the basis of a net debt-to-equity ratio. For this purpose, the Group defines net debt as total debts which includes interest-bearing bank and other borrowings, other loans, bond payable and lease liabilities less cash and bank.

The Group's net debt-to-equity ratio as at 30 June 2026 and 31 December 2025 is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Total debts	38,693,660	35,734,462
Less: cash and bank	(18,190,925)	(15,454,372)
Net debt	20,502,735	20,280,090
Total equity	51,334,514	51,226,540
Net debt-to-equity ratio	40%	40%

As at 30 June 2026, the balance of cash and bank amounted to approximately RMB18,190,925,000, representing an increase of approximately RMB2,736,553,000 and by 17.71% as compared to the end of last year. The Group's cash and bank are mainly denominated in RMB and USD, the remainder are denominated in Euro, Hong Kong dollar and other currencies.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

As at 30 June 2026, the Group's net gearing ratio (i.e. net debts over total equity) was 40%, which was almost the same as at 31 December 2025.

4. Trade and Bills Receivables and Contract Assets

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Trade and bills receivables from third parties	1,498,670	673,988
Trade receivables from fellow subsidiaries	87	127
Trade receivables from an associate	8,502	–
Trade receivables from related companies (Note)	160,745	2,828
	<u>1,668,004</u>	<u>676,943</u>
Less: allowance	<u>(22,375)</u>	<u>(12,598)</u>
	<u><u>1,645,629</u></u>	<u><u>664,345</u></u>
Contract assets	1,870,652	1,960,468
Less: allowance	<u>(12,203)</u>	<u>(12,890)</u>
Total contract assets	<u><u>1,858,449</u></u>	<u><u>1,947,578</u></u>

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

Trade receivables from fellow subsidiaries, an associate and related companies are unsecured, non-interest-bearing and under normal credit terms as other trade receivables.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

An ageing analysis of trade and bills receivables at the end of the period, based on the invoice date and net of allowance for credit losses, is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Within 1 year	1,627,826	650,821
1–2 years	9,088	6,697
Over 2 years	8,715	6,827
	<u>1,645,629</u>	<u>664,345</u>

5. Trade Payables

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Trade payables to third parties	1,526,748	1,193,417
Trade payables to fellow subsidiaries	938,283	866,058
Trade payables to an associate	20,738	1,825
Trade payables to related companies (<i>Note</i>)	17,294	13,116
	<u>2,503,063</u>	<u>2,074,416</u>

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

Trade payables due to fellow subsidiaries, an associate and related companies are unsecured, non-interest-bearing and under normal credit terms as other trade payables.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

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

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Within 1 year	2,241,830	1,887,760
1–2 years	117,545	124,716
Over 2 years	143,688	61,940
	<u>2,503,063</u>	<u>2,074,416</u>

6. Derivative Financial Instruments

As at 30 June 2026, the Group had interest rate swap agreements with total notional principal amount of approximately USD613,828,000 (equivalent to approximately RMB4,180,721,000) (31 December 2025: approximately USD632,678,000 (equivalent to approximately RMB4,446,967,000)) which will mature in 2031, 2032, 2033, 2034 and 2035 (31 December 2025: 2031, 2032, 2033, 2034 and 2035). These interest rate swap agreements are designated as cash flow hedges in respect of the Group's certain portion of bank borrowings with floating interest rates.

During the period, the floating interest rates of the bank borrowings were 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45% (31 December 2025: 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45%).

As at 30 June 2026 and 31 December 2025, the Group has the following derivative financial instruments:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current assets		
Interest rate swaps – cash flow hedges	144,571	81,038
Total derivative financial instrument assets	<u>144,571</u>	<u>81,038</u>
Non-current liabilities		
Interest rate swaps – cash flow hedges	–	16,524
Total derivative financial instrument liabilities	<u>–</u>	<u>16,524</u>

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

7. Interest-Bearing Bank and Other Borrowings

As at 30 June 2026 and 31 December 2025, details of the interest-bearing bank and other borrowings are as follows:

	Maturity	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Current liabilities			
(i) Bank borrowings			
Secured	2026 to 2027	2,517,673	2,354,573
Unsecured	2026 to 2027	4,437,567	4,905,984
		6,955,240	7,260,557
(ii) Other borrowings			
Secured	2026 to 2027	127,829	114,877
Unsecured	2026 to 2027	2,679,470	2,788,583
		2,807,299	2,903,460
Interest-bearing bank and other borrowings – current portion		9,762,539	10,164,017
Non-current liabilities			
(i) Bank borrowings			
Secured	2027 to 2040	15,223,960	15,698,914
Unsecured	2027 to 2036	2,719,999	1,440,770
		17,943,959	17,139,684
(ii) Other borrowings			
Secured	2040 to 2042	3,297,897	2,265,844
Unsecured	2027 to 2032	2,019,872	3,224,292
		5,317,769	5,490,136
Interest-bearing bank and other borrowings – non-current portion		23,261,728	22,629,820

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

As at 30 June 2026, the Group's interest-bearing bank borrowings were secured by pledges of the Group's 40 (31 December 2025: 39) vessels and 2 (31 December 2025: 3) vessels under construction with approximate total net carrying amount of RMB28,483,679,000 (31 December 2025: approximately RMB28,136,648,000) and RMB1,608,513,000 (31 December 2025: approximately RMB2,233,780,000) respectively.

As at 30 June 2026, secured bank borrowings of approximately RMB16,176,287,000 (31 December 2025: approximately RMB16,423,381,000), unsecured bank borrowings of nil (31 December 2025: approximately RMB1,955,412,000), secured other borrowings of approximately RMB793,402,000 (31 December 2025: approximately RMB491,271,000) are denominated in USD.

8. Bond Payable

	30 June 2026 RMB'000	31 December 2025 RMB'000
At the beginning of the period	–	–
Bond issued	2,500,000	–
Interest charge	5,362	–
	2,505,362	–
Less: current portion	(5,362)	–
	2,500,000	–

9. Contingent Liabilities and Guarantee

- (a) Four associates of East China LNG Shipping Investment Co., Limited and North China LNG Shipping Investment Co., Limited, two non-wholly-owned subsidiaries of the Company, entered into a ship building contract for one LNG vessel each. After the completion of their LNG vessels, the four associates would lease the vessels to the lessors in accordance with the signed leasing contracts. In July 2011, the Company provided guarantees to the four associates for their obligations under the leasing contracts, with the guarantee amount not exceeding USD8,200,000 (equivalent to approximately RMB55,849,000). The guarantee period is limited to the lease period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- (b) The joint ventures of Shanghai LNG, a wholly-owned subsidiary of the Company, signed several ship building contracts and leasing contracts with certain third parties. According to those contracts, the Company would provide guarantees to the joint ventures for their obligations under those contracts based on the subsidiary's percentage of shareholdings in the joint ventures from 2014 to 2021. As at 30 June 2026, the amount of the guarantees provided to the shipbuilders was USD276,120,000 (equivalent to approximately RMB1,880,626,000) and the aggregate amount of the guarantees provided to the lessees was USD6,400,000 (equivalent to approximately RMB43,590,000) and EUR4,500,000 (equivalent to approximately RMB34,952,000). The guarantee periods are limited to the lease periods.
- (c) In June 2017, the Company provided financial guarantees to three joint ventures of Shanghai LNG, a wholly-owned subsidiary of the Company to the extent of the contract amount of USD377,500,000 (equivalent to approximately RMB2,571,115,000) in respect of the bank borrowings provided by two banks. The guarantee period is limited to 12 years after the vessel construction project of each of the joint ventures is completed. As at 30 June 2026, the balance of the guarantees was USD224,854,000 (equivalent to approximately RMB1,531,461,000).

10. Foreign exchange risk management

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to United States Dollar (“USD”) and Hong Kong Dollar (“HKD”) against RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities. Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

11. Interest rate risk management

Other than the deposits placed with banks and financial institutions and loan receivables, the Group has no other significant interest-bearing assets. As the average interest rates applied to the deposits are relatively low, the Directors are of the opinion that the Group is not exposed to any significant interest rate risk for these assets held as at 30 June 2026 and 31 December 2025.

The Group's exposures to interest rate risk also arises from its borrowings. Loan receivables and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Management monitors the capital market conditions and certain interest rate swap agreements with banks have been used to achieve an optimal ratio between fixed and floating rates borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

VII. FLEET DEVELOPMENT

In the first half of 2026, the Group's cash expenditure for the construction and purchase of new vessels, was approximately RMB5,421 million.

As at 30 June 2026, the specific composition of the Group's, and joint ventures' and associates' fleet was as follows:

Oil tanker fleet	Tankers in operation			Tankers under construction	
	Number	'0000 DWT	Average age	Number	'0000 DWT
Group-owned	140	1,914	13.9	38	428
Group-chartered	13	276	10.5	–	–
Associate-owned	17	114	12.1	–	–
Total	170	2,304	13.46	38	428

LNG carrier fleet	Vessels in operation			Vessels under construction	
	Number	'0000 cubic meters	Average age	Number	'0000 cubic meters
Group-owned	16	279	4.5	9	158
Group-chartered	1	17	5.7	–	–
JVs/associates-owned	50	839	6.6	22	460
Total	67	1,136	6.1	31	618

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

	Vessels in operation			Vessels under construction	
	Number	'0000 cubic meters	Average age	Number	'0000 cubic meters
LPG carrier fleet					
Group-owned	14	14	10.9	5	36
Total	14	14	10.9	5	36
	Tankers in operation			Tankers under construction	
	Number	'0000 DWT	Average age	Number	'0000 DWT
Chemical tanker fleet					
Group-owned	9	8	5.3	1	1
Total	9	8	5.3	1	1

VIII. OUTLOOK AND HIGHLIGHTS FOR THE SECOND HALF OF 2026

1. Landscape and trends in the industry

(1) *International oil shipping market*

In the second half of 2026, the core contradiction of the international oil shipping market will still revolve around the geopolitical situation in the Middle East, and the navigation of the Strait of Hormuz and the Bab el-Mandeb Strait will directly affect the global oil prices and trade flow, thus leading to violent fluctuations in short-term freight rates.

In terms of oil supply and demand, IEA predicts that global oil demand will decrease by 1 million bpd year-on-year to 103.5 million bpd in 2026. In 2026, the global oil supply will reduce by 3.7 million bpd to 102.6 million bpd due to the impact of geopolitical conflicts in the Middle East. The oil supply gap in the Middle East will be mainly supplemented by other oil-producing areas such as the Atlantic Basin. Cross-regional procurement will push up the average shipping distance of crude oil shipping, reshape the global oil trade pattern, and boost the demand for long-distance shipping.

In terms of shipping demand, if the situation of navigation blockage in the Strait of Hormuz and the Bab el-Mandeb Strait continues, the total trade volume of crude oil and product oil will be narrowed in stages, which will restrict the upward space of freight rates to some extent. However, for the VLCC market, geopolitical conflicts continue to disrupt the global crude oil shipping supply chains, the ship turnover efficiency drops significantly, the number of long-distance bypass routes increases, the waiting time for ships to berth increases, and the effective shipping capacity that the market can actually put into operation passively shrinks, which will support the freight rates.

The small and medium tonnage tanker market will maintain a significant regional differentiation pattern: the west of the Suez Canal relies on the production capacity gap of European refineries, and the crude oil arbitrage trade in the Atlantic region remains strong, which will continue to stimulate the demand for short- and medium-haul shipping, and the regional market prosperity has solid support; although the crude oil trade to the east of Suez Canal relies on Canadian TMX exports to form a certain supply support, the transformation of white oil tankers into black oil tankers may further intensify the involution of supply of regional shipping capacity due to the weakening product oil demand, and the overall market performance is expected to continue to be weaker than that of the West Suez market.

In the medium and long term, this round of geopolitical conflict in the Middle East has caused the global crude oil inventories to be greatly depleted, laying a foundation for the subsequent inventory repair cycle. At the same time, oil-consuming countries may readjust their structures of crude oil import and purchase, pay more attention to the safety of energy supply chains, and have the potential appeal for preventive storage increase and replenishment of strategic stocks, which will form a strong support for the medium and long-term boom cycle of the oil shipping industry.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

In terms of tanker supply, a certain number of new ships will be delivered for all types of oil tankers in the second half of the year. Among them, it is expected that 18 VLCC tankers will be delivered, accounting for 1.9% of the existing fleet; while approximately 22, 37 and 57 Suezmax, Aframax/LR2 and MR tankers will be delivered, accounting for 3.4%, 3% and 3.1% of the total number of their respective tanker types, respectively.

Looking forward to the market outlook, the current freight rate center has shown strong fundamental resilience. During the period of phased contraction in shipment volume caused by the disturbance of the situation between the United States and Iran, the daily charter rate of VLCC core routes such as TD15 can still stand steady at more than USD80,000 per day, which fully proves that the industry has entered an upward cycle. The tone of sanctions policies of Europe and the United States has not changed, the operation of non-compliant tonnage will continue to be limited, and the global compliant available tonnage will further tighten, which will continue to consolidate the fundamentals of the industry. At the same time, the improvement of VLCC industry concentration will continuously optimize the competition pattern, the market influence and bargaining power of leading shipowners will be steadily enhanced, and the asset value and profitability of compliant tankers will have room for long-term improvement.

(2) Domestic oil shipping market

In terms of crude oil shipping, with the ongoing implementation of CNOOC's strategy to increase reserves and production, the offshore oil transportation demand is expected to maintain steady growth, providing stable supply support for the domestic oil shipping market. The transshipment oil business is affected by the continuous disturbance of the geopolitical situation in the Middle East, the total domestic crude oil import volume and procurement rhythm has a strong uncertainty, and the market pallets will also fluctuate accordingly.

In terms of product oil transportation, the growth momentum of market transportation demand is weak due to the double constraints of domestic economic recovery rhythm and product oil export control policies, and the supply of transportation capacity of the industry is relatively loose, so it is expected that the overall product oil transportation market will remain weak in the second half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(3) *LNG shipping market*

In terms of the spot charter market, geopolitical risks in the Gulf persist, the risk premium is difficult to completely subside, and charter rates are easily disturbed and fluctuate greatly. At the same time, seasonal demand forms a strong support, and replenishing inventories due to summer refrigeration and winter heating brings staged freight increment. The demand for energy inventory replenishment and security in Europe is firm, and the demand in Asia is steadily expanding, making it difficult for the spot charter rates to fall sharply.

In terms of the time chartering market, the long-term growth of LNG trade is sufficiently certain. From 2026 to 2031, the global LNG trade volume will grow at a compound annual rate of 6.4%, and the liquefaction capacity will increase from 524 million tons per year to 878 million tons per year. New liquefaction projects in North America and Africa continue to be implemented (promoted by FID), and the long-term transportation demand increases clearly, supporting the medium and long-term time chartering market.

In terms of tonnage supply, new vessel deliveries will increase significantly in the second half of the year. According to Clarksons data, it is forecast that 59 LNG carriers will be delivered, representing a year-on-year increase of 28%, and there is overall pressure of staged excess tonnage. However, many new vessels are bound to long-term project charters, and the new pressure on the spot charter market is limited; with the tightening of environmental protection policies and the continuous elimination of old steam ships, the pressure of excess tonnage has been structurally alleviated.

(4) *LPG shipping market*

VLGC vessels: In the second half of 2026, the VLGC market will show an overall trend of continuous reshaping of trade structure, steady growth of tonne-mile demand and fluctuating operation of freight rates at medium and high levels. In terms of demand, the annual growth rate of LPG tonne-mile demand is expected to increase by approximately 5%. The expansion of long-distance export trade in the United States and the ship detour caused by the restricted passage of the Panama Canal are the core support for the demand growth. In terms of freight rates, the VLGC spot freight rates are expected to fluctuate in the middle and high levels in the second half of the year, and the just-needed demand in the traditional peak seasons of “Golden September and Silver October” will lay a solid foundation for freight rates. The geopolitical situation in the Middle East and the navigation state in the Straits bring uncertainties to the industry, which, together with El Niño and the low water level in the Panama Canal, will affect the ship turnover efficiency, aggravate the mismatch between tonnage supply and demand, and further amplify the periodic fluctuation of freight rates.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Small LPG pressure vessels: Affected by the conflict between the United States and Iran and the rise of international crude oil prices, the domestic and foreign trade markets of small pressure vessels may be under pressure simultaneously. If the conflict continues, the domestic import cargo supply will continue to shrink, the domestic LPG price will rise, and the consumption demand in South China will be curbed. At the same time, the cargo supply in Japan, South Korea and Southeast Asia is in short supply, the circulation of petrochemical products such as propylene will decline, the trade flow will be adjusted, and the overall water transport capacity will continue to decline. In terms of demand, with the recovery of civil gas demand after September, the release of downstream inventory replenishment demand will drive the coastal cargo volume to rebound, and the transportation demand is expected to be restored simultaneously.

(5) Chemical shipping market

According to Drewry's forecast, in 2026, the global chemical seaborne trade is expected to shrink by 1.6%, with tonne-mile demand decreasing by 2.6%, and the chemical fleet size is expected to expand by 3.7%. The market fundamentals show a pattern of "weak demand and strong supply".

At the same time, however, geopolitical conflicts are pushing forward the reconstruction of global chemical supply chains. The tonne-mile increment caused by route adjustment and the efficiency loss in the process of ship redeployment will provide additional tonnage demand support for the market. The integration and complementarity of the petrochemical industry chains within Asia will also drive growth in intra-regional trade volumes. In particular, India demonstrates strong import growth potential in sectors such as styrene and ethylene glycol. In addition, the trade in commodities such as ethanol has remained active and the potential of the chemical transportation market has also been improved by expanding global demand for biofuels.

Looking forward to the market outlook, the chemical shipping market is expected to remain volatile in the second half of 2026 due to disturbance of geographical events. In the medium and long term, the tonne-mile increase brought by route reconstruction, the import growth of emerging markets such as India and the expansion of biofuel trade will provide structural support for the market.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

2. Highlights for the second half of 2026

In the second half of 2026, amid the profound restructuring of the global energy industry and supply chains, and against a backdrop of intensifying escalation of geopolitical tensions and the continuous advancement of green and low-carbon shipping, opportunities and challenges are still intertwined. The Group will maintain strategic resolve, focus on enhancing core functions and improving core competitiveness, and take more solid strides in accelerating to become an outstanding leader in global energy and chemicals supply chain. The Group will give priority to the highlights as follows:

(1) Optimize the global network layout to enhance the global energy transportation security capabilities

The Group will closely monitor the development of external situation and industry trends, flexibly adjust shipping capacity and route plan, and fully commit itself to ensuring the smooth operation of global energy transportation channels. Focusing on key regions such as the Middle East, Southeast Asia, West Africa, the Americas and Australia, the Group will optimize the global hub network by leveraging geographical advantages and customer distribution, and improve the overall coordination of overseas satellite offices and local service system, thereby enhancing capabilities in global resource planning, acquisition and operation. The Group will build a premium global logistics network across all business segments, and continue to upgrade towards “network-based globalized operations”.

(2) Strengthen the profitability of main businesses to solidify the foundation for high-quality development

With respect to the oil tanker shipping segment: The VLCC fleet will fully seize the opportunities of the upward cycle of the industry, focus on the core profitability, and enhance the market influence of the core fleet. Aframax and international product oil fleets will focus on the global shipping route layout, intensify efforts to expand quality routes of Mediterranean and Australia, and continue to optimize cargo sources and route structures. With respect to the domestic tanker transportation, the Group will continuously deepen cooperation with core customers, strengthen the foundation of long-term cooperation, and take multiple measures to maintain its existing market share.

With respect to the LNG shipping segment: The Group will make an active plan for the development of fleet capacity, accelerate the layout and the extensions of LNG industry chain, enhance LNG vessel management capabilities and sustainable operational levels, deepen compliance management system construction, improve compliance management system, conduct compliance investigation and special rectification on a regular basis, thereby solidify the bottom line for the compliance operation and safe operation of LNG business.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

With respect to the LPG transportation segment: The Group will strive to improve operational efficiency of the VLGC fleet, strengthen the scale and professionalization of the small and medium LPG fleet and the liquid ammonia fleet, optimize ship matching and route scheduling, and consolidate its dominant position in the market segments.

With respect to the chemical shipping segment: The Group will continue to deepen the long-term cooperation with strategic customers, rely on long-term contracted cargo sources to stabilize the basic operations, lock in high-quality and stable cargo sources, and enhance the support of profitability of main businesses.

(3) *Accelerate the construction of the digital supply chain to shape core competitive advantages*

The Group will iterate the digital supply chain collaboration platform, upgrade the “Yuanhai Jincheng” series of digital service products, and optimize integrated digital services of “oil, gas, chemicals, storage”. The Group will focus on the development and construction of “vessel, cargo, human, platform”, advance the autonomous navigation and intelligent operation and maintenance of vessels, and promote the large-scale application of intelligent navigation safety system. The Group will upgrade and iterate digital intelligent application platform, further strengthen the front-end, middle-end, and back-end linkage, and provide customers with customized digital and intelligent supply chain solutions. The Group will focus on breakthroughs in and implementation of the integrated platform for comprehensive appraisal of human resources, accelerate the construction of a standardized training system for crews, steadily expand the number of its own crews, and enhance the talent reserves for crews in each fleet.

(4) *Promote scientific and technological innovation and industrial integration to foster new quality productive forces*

Guided by green and low-carbon research projects, the Group will vigorously advance technological and managerial energy-saving initiatives, steadily implement energy-saving retrofits of vessels, and promote the demonstration and application research of technologies (including wind-assisted propulsion, ship carbon capture and LNG dual-fuel retrofits) on vessels. The Group will improve the ship energy mix, scientifically advance the selection of green alternative fuels for new vessels, promote the use of bio-fuel and explore application pathways for new energies like green methanol and ammonia fuel. The Group will enhance the digital carbon management system to ensure an overall good rating for the carbon emission of the fleet, and further refine the low-carbon layout of the fleet.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(5) *Conduct targeted benchmarking analysis and strengthen the cost management*

The Group will deeply carry out targeted benchmarking and operating cost benchmarking against world-class enterprises to continuously enhance the efficiency of operating cost control and management. The Group will implement comprehensive budgeting management, carry out fuel price locking when appropriate to reduce fuel expenses, and optimize procurement channels for materials to comprehensively reduce operating costs of vessels. The Group will flexibly adjust vessel maintenance plans and closely monitor costs in key areas such as vessel speed and repairs. At the same time, the Group will make flexible use of various financing instruments and adopt multiple measures to reduce finance costs.

(6) *Adhere to the “major safety” philosophy in production and systematically reinforce the risk prevention and control system*

Firstly, the Group will strictly adhere to the safety bottom line and consolidate the intrinsic safety foundation. The Group will precisely respond to navigation risks on international shipping routes and strictly implement the vessel security mechanism of “one discussion for one vessel”. The Group will strengthen seasonal safety management and control, including the “five prevention” measures for vessels and typhoon preparedness during flood seasons. The Group will deepen the implementation of differentiated vessel maintenance plans of “one strategy for one vessel”, enhance vessel-shore safety training and emergency response, unify and standardize the safety management of outsourced onshore operations and remedy weakness in the safety management system.

Secondly, the Group will strengthen compliance management and control, and enhance the enterprise-wide risk control capabilities. The Group will strictly adhere to the mandatory rules of compliant operations, conduct regular compliance risk inspection, and focus on key areas such as international sanctions, anti-monopoly and environmental protection to enhance global compliance governance capabilities. The Group will dynamically analyze and assess policy changes in overseas jurisdictions and proactively deploy risk response plans.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

IX. OTHER MATTERS

1. Changes in directors (the “**Directors**”) and senior management of the Company

(1) *Appointment of Mr. LI Kin Fai, Mr. CHEN Gang and Ms. CHENG Yan*

The appointment of Mr. LI Kin Fai, Mr. CHEN Gang and Ms. CHENG Yan as independent non-executive Directors of the Company was approved at the 2025 annual general meeting of the Company held on 26 June 2026, with their terms of office commencing from the date of approval by the Shareholders until the end of the term of the eleventh session of the Board. At the ninth meeting of the board (the “**Board**”) of Directors of the Company in 2026 held on the same day, it was approved that Mr. LI Kin Fai would serve as the chairman of the Audit Committee of the Board and a member of each of the Nomination Committee, the Remuneration and Appraisal Committee and the Risk Control and Compliance Management Committee of the Board; Mr. CHEN Gang would serve as the chairman of the Remuneration and Appraisal Committee of the Board and a member of each of the Strategy Committee, the Nomination Committee and the Audit Committee of the Board; and Ms. CHENG Yan would serve as the chairlady of the Nomination Committee of the Board and a member of each of the Strategy Committee, the Remuneration and Appraisal Committee and the Risk Control and Compliance Management Committee of the Board.

(2) *Appointment of Mr. WANG Mingfeng*

The appointment of Mr. WANG Mingfeng as general manager of the Company was approved at the ninth meeting of the Board of the Company in 2026 held on 26 June 2026, with his term of office commencing from the date of approval by the Board until 28 April 2028. The appointment of Mr. WANG Mingfeng as an executive Director of the Company was approved at the extraordinary general meeting of the Company held on 20 July 2026, with his term of office commencing from the date of approval by the Shareholders until the end of the term of the eleventh session of the Board. On the same day, Mr. WANG Mingfeng became a member of the Strategy Committee of the Board of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

(3) *Resignation of Mr. ZHU Maijin, Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen*

Due to work adjustments, Mr. ZHU Maijin tendered his resignation as an executive Director, a member of the Strategy Committee of the Board and the general manager of the Company, with the resignation taking effect from 26 June 2026. Due to the expiry of their six-year terms of office, with effect from 26 June 2026, Mr. Victor HUANG resigned as an independent non-executive Director, the chairman of the Audit Committee of the Board, a member of the Nomination Committee of the Board and a member of the Remuneration and Appraisal Committee of the Board; Mr. LI Runsheng resigned as an independent non-executive Director, the chairman of the Remuneration and Appraisal Committee of the Board, a member of the Strategy Committee of the Board and a member of the Nomination Committee of the Board; and Mr. ZHAO Jinsong resigned as an independent non-executive Director, the chairman of the Risk Control and Compliance Management Committee of the Board, a member of the Strategy Committee of the Board and a member of the Nomination Committee of the Board. Due to personal work arrangements, Mr. WANG Zuwen tendered his resignation as an independent non-executive Director, the chairman of the Nomination Committee of the Board, a member of the Remuneration and Appraisal Committee of the Board and a member of the Risk Control and Compliance Management Committee of the Board, with the resignation taking effect from 26 June 2026.

(4) *Appointment of Mr. HE Bin*

The appointment of Mr. HE Bin as a non-executive Director of the Company was approved at the extraordinary general meeting of the Company held on 1 September 2026, with his term of office commencing from the date of approval by the Shareholders until the end of the term of the eleventh session of the Board. On the same day, Mr. HE Bin became a member of the Audit Committee of the Board of the Company.

(5) *Resignation of Mr. WANG Wei*

Due to work adjustments, Mr. WANG Wei tendered his resignation as a non-executive Director and a member of the Audit Committee of the Board, with the resignation taking effect from 1 September 2026.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

2. Substantial shareholders' and other persons' interests in shares and underlying shares

As at 30 June 2026, so far as was known to the Directors or chief executive(s) of the Company, the interests or short positions of the shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director or chief executive(s) of the Company) in the shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (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 and the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) were as follows:

Name of substantial shareholders	Class of shares ⁽¹⁾	Number of shares ⁽¹⁾	Approximate percentage of the total number of shares of the relevant class ⁽²⁾	Approximate percentage of the total number of issued shares ⁽²⁾
China Shipping Group Company Limited (“China Shipping”) ⁽³⁾	A	1,536,924,595 (L)	36.81%	28.09%
COSCO SHIPPING ⁽³⁾	A	2,563,294,576 (L)	61.39%	46.85%
BlackRock, Inc.	H	113,924,464 (L)	8.79%	2.08%
		1,418,000 (S)	0.11%	0.03%
Morgan Stanley	H	98,336,424 (L)	7.59%	1.80%
		88,528,848 (S)	6.83%	1.62%
Oung Paul	H	91,932,000 (L)	7.09%	1.68%
JPMorgan Chase & Co.	H	77,797,360 (L)	6.00%	1.42%
		53,554,113 (S)	4.13%	0.98%
		17,244,325 (P)	1.33%	0.32%
Pacific Asset Management Co., Ltd.	H	76,360,995 (L)	5.89%	1.40%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Notes:

- (1) A – A share
H – H share
L – Long position
S – Short position
P – Lending pool
- (2) As at 30 June 2026, the total issued share capital of the Company was 5,471,206,653 shares of which 1,296,000,000 were H shares and 4,175,206,653 were A Shares.
- (3) China Shipping directly holds 1,536,924,595 A Shares in its capacity as beneficial owner. COSCO SHIPPING directly holds 1,026,369,981 A Shares in its capacity as beneficial owner, accounting for approximately 24.58% and 18.76% of the A Shares and of the total issued share capital of the Company as at 30 June 2026, respectively. COSCO SHIPPING is the sole shareholder of China Shipping. Therefore, COSCO SHIPPING (itself and through its subsidiaries) is interested in 2,563,294,576 shares in total.

Save as disclosed above, as at 30 June 2026, no other person (other than Directors or chief executive(s) of the Company) had any interests or short positions in any shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or any interests or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interests or short positions which have been notified to the Company and the Hong Kong Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

3. Directors' interests in contracts

During the Reporting Period, none of the Directors, or an entity connected with a Director, had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party.

4. Directors' and chief executives' interests and short positions in shares, underlying shares or debentures of the Company

As at 30 June 2026, the Directors and chief executive(s) of the Company who had an interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO that was required to be entered into the register kept by the Company pursuant to Section 352 of the SFO, or 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**”) as set out in Appendix C3 to the Listing Rules were as follows:

Long positions in the shares, underlying shares or debentures of the Company

Name of Director	Nature of interest	Class of shares ⁽¹⁾	Number of shares ⁽¹⁾	Approximate percentage of the total number of shares of the relevant class ⁽³⁾	Approximate percentage of the total number of issued shares ⁽³⁾
REN Yongqiang	Beneficial owner	A	283,200 (L) ⁽²⁾	0.01%	0.01%

Notes:

(1) A – A Shares
L – Long position

(2) Mr. REN Yongqiang holds 93,456 A Shares directly as a beneficial owner and holds 189,744 share options under the 2023 share option incentive scheme of the Company.

(3) As at 30 June 2026, the total issued share capital of the Company was 5,471,206,653 shares, of which 1,296,000,000 were H shares and 4,175,206,653 were A Shares.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

As at 30 June 2026, save as disclosed above, none of the Directors and chief executive(s) of the Company had any interests or short positions in the shares, underlying shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be entered into the register kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

5. Directors' rights to acquire shares or debentures

At no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

6. Share option incentive scheme

The 2023 share option incentive scheme of the Company (the **"Incentive Scheme"**) was approved and adopted at the Company's extraordinary general meeting and class meeting of shareholders held on 10 May 2024. Pursuant to the authorization granted by the shareholders of the Company at the general meeting, on 10 May 2024, the Board approved to grant 22,309,600 share options to 107 participants who met the conditions for the grant (the **"Initial Grant"**) at an exercise price (the **"Exercise Price"**) of RMB13.00 per A share. On 30 December 2024, the Board approved to grant 4,635,800 Share Options to 24 participants who met the conditions for the reserved grant (the **"Reserved Grant"**) at an Exercise price of RMB12.09 per A share. Following the Initial Grant and the Reserved Grant, there will be no other grants to be made under the Incentive Scheme pursuant to the shareholders' authorization obtained on 10 May 2024.

The Incentive Scheme will automatically expire in 7 years from the date of the approval at the relevant general meeting. Specifically, the exercise periods for the Initial Grant and the Reserved Grant of share options (the **"Share Options"** or **"Options"**) are from 11 May 2024 to 10 May 2031, and from 31 December 2024 to 30 December 2031, respectively. As of the date of this Report, the remaining term of the Incentive Scheme is 4 years and 7 months.

Pursuant to the terms of the Incentive Scheme, the granted Share Options are subject to a vesting period (the **"Vesting Period"**) of two years from the date of grant. Details regarding the vesting conditions and exercise conditions applicable to the Share Options are set out in the section entitled "Appendix I – SUMMARY OF THE PRINCIPAL TERMS OF THE 2023 SHARE OPTION INCENTIVE SCHEME – G. CONDITIONS OF GRANT AND EFFECTIVENESS UNDER THE SCHEME" of the circular dated 22 April 2024 of the Company (the **"Circular"**).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

There are 131 participants (the “**Participants**”) of the Incentive Scheme, including Directors (excluding independent non-executive Directors), senior management and other management and core technical personnel of the Group who have direct impact on the operation results and development of the Company. Such Participants do not include substantial Shareholders or controllers of the Company who individually or jointly hold 5% or more of the shares, or their spouse, parents or children. Participants are not required to make any payment for the application or acceptance of the Share Option(s) under the Incentive Scheme; and there are no period within which payments or calls that must or may be made or loans for such purposes must be repaid.

The details of the Participants under the Initial Grant are set out below:

Names	Position(s)	Share Options Granted (ten thousands)	Proportion to the total Share Options in the Initial Grant	Proportion to the total share capital of the Company as of the date of this Report ⁽¹⁾
I. Directors and senior management				
REN Yongqiang	Executive Director, Chairman, Secretary of Party Committee	28.32	1.269%	0.005%
ZHU Maijin	Former executive Director, General Manager, Deputy Secretary of Party Committee	26.93	1.207%	0.005%
TIAN Chao	Chief Accountant, Member of Party Committee	19.68	0.882%	0.004%
ZHANG Yong	Deputy General Manager, Member of Party Committee	31.27	1.402%	0.006%
XU Wei	Deputy General Manager, Member of Party Committee	27.56	1.235%	0.005%
ZHANG Lei	Deputy General Manager, Member of Party Committee	17.58	0.788%	0.003%
LI Xuhua	General Counsel	28.27	1.267%	0.005%
NI Yidan	Secretary to the Board	16.49	0.739%	0.003%
Subtotal (8 persons)		196.10	8.790%	0.036%
II. Other participants				
Core management at the headquarters (61 persons)		1,204.69	53.999%	0.220%
Core management of subsidiaries (38 persons)		830.17	37.221%	0.152%
Total Initial Grant (107 persons)		2,230.96	100.00%	0.408%

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

The details of the Participants under the Reserved Grant are set out below:

Names	Position(s)	Share Options Granted (ten thousands)	Proportion to the total Share Options in the Reserved Grant	Proportion to the total share capital of the Company as of the date of this Report ⁽¹⁾
I. Directors and senior management				
YU Zhenhong	Deputy General Manager, Member of Party Committee	22.98	4.957%	0.004%
Subtotal (1 person)		22.98	4.957%	0.004%
II. Other Participants				
Core management at the headquarters (12 persons)		232.52	50.157%	0.042%
Core management of subsidiaries (11 persons)		208.08	44.885%	0.038%
Total Reserved Grant (24 persons)		463.58	100.000%	0.085%

Notes:

- (1) Any discrepancy in the last digit of the above total amount and the sum of all breakdowns is a result of rounding.
- (2) As of the date of this Report, the Company's total issued Shares (excluding treasury shares, if any) were 5,471,251,402.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

During the Reporting Period, details of movement of the Share Options granted under the Incentive Scheme were as follows:

Name or category of Participants	Date of Grant	Vesting period	Exercise period	Exercise Price ^(a)	Number of Share Options						
					As at 1 January 2026	Granted during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Outstanding options as at 30 June 2026
				(RMB)	(ten thousands)						(ten thousands)
I. Directors, chief executive and senior management and/or their respective associate(s), if any											
REN Yongqiang (Chairman of the Board)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	28.32	-	-	-	9.35	9.35 ⁽⁷⁾	18.97
ZHU Maijin (former Director and General Manager) ⁽⁸⁾	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	26.93	-	8.89	-	-	-	18.04
YU Zhenhong (Deputy General Manager)	30 December 2024	2 years from the Date of Grant	31 December 2026 to 30 December 2031	11.50	22.98	-	-	-	-	-	22.98
TIAN Chao (Chief Accountant)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	19.68	-	-	-	6.49	-	19.68
ZHANG Yong (Deputy General Manager)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	31.27	-	-	-	10.32	-	31.27
XU Wei (Deputy General Manager) ⁽⁹⁾	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	27.56	-	-	-	9.09	6.00 ⁽⁸⁾	21.56
ZHANG Lei (Deputy General Manager) ⁽⁹⁾	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	17.58	-	-	-	5.80	-	17.58
LI Xuhua (General Counsel) ⁽⁸⁾	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	28.27	-	-	-	9.33	-	28.27
NI Yidan (Secretary to the Board)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	16.49	-	-	-	5.44	-	16.49
II. Other Participants											
Other essential management and core technical personnel (99 Participants)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	11.84	2,034.86	-	155.06	-	617.71	583.24	1,296.56
Other essential management and core technical personnel (23 Participants)	30 December 2024	2 years from the Date of Grant	31 December 2026 to 30 December 2031	11.50	440.60	-	15.79	-	-	-	424.81
Total					<u>2,694.54</u>	<u>-</u>	<u>179.74</u>	<u>-</u>	<u>673.53</u>	<u>598.58</u>	<u>1,916.22</u>

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Notes:

- (1) Mr. ZHU Majin ceased to serve as an executive Director and the General Manager of the Company with effect from 26 June 2026 (due to work adjustments).
- (2) Mr. XU Wei was appointed as a Deputy General Manager of the Company with effect from 18 November 2025.
- (3) Mr. ZHANG Lei was appointed as a Deputy General Manager of the Company with effect from 18 November 2025.
- (4) Ms. LI Xuhua was appointed as the general counsel of the Company with effect from 26 December 2025.
- (5) If the Company undergoes any ex-rights or ex-dividend issues such as capitalisation issue, sub-division or consolidation of the Shares, rights issue or declaration of dividends of the Company, the Exercise Price of the Share Options shall be adjusted accordingly.
- (6) Subject to satisfaction of the vesting conditions stipulated in the Incentive Scheme, the Share Options shall be exercisable in three equal tranches after the Vesting Period expires, as follows: (i) 33% of the Share Options shall be exercisable from the first trading day after expiry of 24 months (after the second full year) from the Date of Grant and ending on the last trading day of the 36 months from the Date of Grant; (ii) 33% of the Share Options shall be exercisable from the first trading day after expiry of 36 months (after the third full year) from the Date of Grant and ending on the last trading day of the 48 months from the Date of Grant; and (iii) 34% of the Share Options shall be exercisable from the first trading day after expiry of 48 months (after the fourth full year) from the Date of Grant and ending on the last trading day of the 84 months from the Date of Grant. For further details regarding the clawback mechanism, please refer to “Appendix I – SUMMARY OF THE PRINCIPAL TERMS OF THE 2023 SHARE OPTION INCENTIVE SCHEME – M. HANDLING OF SPECIAL OCCASIONS OF THE COMPANY AND PARTICIPANTS”.
- (7) During the Reporting Period, Mr. REN Yongqiang exercised his Share Options and subscribed for 93,456 A Shares at a price of RMB12.22 per A Share. The weighted average closing price on the date of exercise of the Share Options (i.e., the day preceding the acquisition of the relevant A Shares) was RMB22.15 per A Share.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

- (8) During the Reporting Period, Mr. XU Wei exercised his Share Options and subscribed for 60,000 A Shares at a price of RMB12.22 per A Share. The weighted average closing price on the date of exercise of the Share Options (i.e., the day preceding the acquisition of the relevant A Shares) was RMB16.81 per A Share.
- (9) During the Reporting Period, other core management and core technical personnel exercised their Share Options and subscribed for an aggregate of 5,832,358 A Shares at the exercise price of RMB12.22 per A share. The weighted average closing price on the date of exercise of the Share Options (i.e., the day preceding the acquisition of the relevant A Shares) was RMB22.19 per A Share.
- (10) Save for those listed above, there were no other Share Options granted or to be granted under the Incentive Scheme to (i) Directors, chief executives or substantial Shareholders of the Company, or their respective associates; (ii) any Participant with Share Options granted and to be granted in excess of the aforesaid 1% limit; (iii) other employee Participants or any related entity participant and service provider during the Reporting Period.

On 15 April 2026, the Company convened the Fifth Meeting of the Board of 2026, considering and approving the Proposal of the fulfillment of the conditions of exercise for the first exercise period of initial grant of options under the 2023 share option incentive scheme and the adjustment of the number and the exercise price of the options of the 2023 share option incentive scheme. The connected Directors, who are the Participants of the incentive scheme, abstained from voting on the above two proposals.

The Conditions of Exercise of 100 Participants for the First Exercise Period under the Initial Grant have been fulfilled and the self-directed exercise started from 11 May 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

In view of the fact that some Participants of the Initial Grant and the Reserved Grant of Share Options under the 2023 Share Option Incentive Scheme no longer met the incentive conditions due to the termination of employment and retirement or failure to meet the individual comprehensive assessment requirements, pursuant to the authorization of the general meeting, the Board has adjusted and cancelled (i) 1,639,480 Share Options under the Initial Grant that were granted but not exercised; and (ii) 157,900 Share Options under the Reserved Grant that were granted but not exercised, under the 2023 Share Option Incentive Scheme. After such adjustment and cancellation, the total number of Share Options under the Initial Grant has been reduced from 22,309,600 to 20,670,120 accordingly, and the total number of Share Options under the Reserved Grant has been reduced from 4,635,800 to 4,477,900 accordingly.

The Company's annual profit distribution plan for 2023, the interim profit distribution plan for 2024 and the final profit distribution plan for 2024 have been approved by Shareholders at the general meetings held by the Company on 28 June 2024, 14 October 2024 and 30 June 2025, respectively, with the payment of cash dividends of RMB0.35 (tax inclusive), RMB0.22 (tax inclusive) and RMB0.21 (tax inclusive) per share, respectively. The Company's annual profit distribution plan for 2023, the interim profit distribution plan for 2024 and the final profit distribution plan for 2024 have been implemented. In light of the Company's interim profit distribution for 2024 and the final profit distribution for 2023 and 2024, the Board adjusted the Exercise Price of the Share Options granted under the Incentive Scheme according to the authorization of the general meeting. After the adjustment, the Exercise Price of the Share Options under the Initial Grant shall be adjusted from RMB13.00 per Share to RMB12.22 per Share and the Exercise Price of the Share Options under the Reserved Grant shall be adjusted from RMB12.09 per Share to RMB11.88 per Share.

On 26 June 2026, the Company convened the ninth Meeting of the Board of 2026, considering and approving the Proposal of the adjustment of the exercise price of the options of the 2023 share option incentive scheme.

The Company's final profit distribution plan for 2025 has been approved by Shareholders at the general meetings held by the Company on 26 June 2026 with the payment of cash dividends of RMB0.38 (tax inclusive) per share. In light of the Company's final profit distribution for 2025, the Board adjusted the Exercise Price of the Share Options granted under the Incentive Scheme according to the authorization of the general meeting. After the adjustment, the Exercise Price of the Share Options under the Initial Grant shall be adjusted from RMB12.22 per Share to RMB11.84 per Share and the Exercise Price of the Share Options under the Reserved Grant shall be adjusted from RMB11.88 per Share to RMB11.50 per Share.

On 28 August 2026, the Company convened the eleventh Meeting of the Board of 2026, considering and approving the Proposal of the adjustment of the exercise price of the options of the 2023 share option incentive scheme.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Pursuant to the authorization granted to the Board by the general meeting of the Company, the Company's interim profit distribution plan for 2026 has been approved by the Board at the board meeting held by the Company on 28 August 2026 with the payment of cash dividends of RMB0.28 (tax inclusive) per share. In light of the Company's interim profit distribution for 2026, the Board adjusted the Exercise Price of the Share Options granted under the Incentive Scheme according to the authorization of the general meeting. After the adjustment, the Exercise Price of the Share Options under the Initial Grant shall be adjusted from RMB11.84 per Share to RMB11.56 per Share and the Exercise Price of the Share Options under the Reserved Grant shall be adjusted from RMB11.50 per Share to RMB11.22 per Share.

7. Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

8. Compliance with the Corporate Governance Code

The Board is committed to the principles of corporate governance for a value-driven management that is focused on enhancing shareholders' value. In order to enhance independence, accountability and responsibility, the posts of chairman of the Board and the chief executive officer are assumed by different individuals so as to maintain independence and balanced views.

In the opinion of the Directors, during the Reporting Period, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Listing Rules.

The Company has established five professional committees under the Board, including an audit committee (the "**Audit Committee**"), a remuneration and appraisal committee (the "**Remuneration and Appraisal Committee**"), a nomination committee (the "**Nomination Committee**"), a strategy committee (the "**Strategy Committee**") and a risk control and compliance management committee (the "**Risk Control and Compliance Management Committee**") with defined terms of reference.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

9. Audit Committee

The Company has established the Audit Committee to review the financial reporting procedures and internal control of the Group and to provide guidance thereto. The Audit Committee of the Company comprises two independent non-executive Directors and one non-executive Director, namely Mr. LI Kin Fai (chairman), Mr. CHEN Gang and Mr. HE Bin.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and this Report and has met with the independent auditor, SHINEWING (HK) CPA Limited (the “**SHINEWING (HK)**”), who has reviewed the interim financial information in accordance with Hong Kong Standard on Review Engagements 2410. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with the senior management members of the Group.

10. Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee of the Company comprises three independent non-executive Directors, namely Mr. CHEN Gang (chairlady), Mr. LI Kin Fai and Ms. CHENG Yan. The Remuneration and Appraisal Committee has adopted terms of reference which are in line with the Corporate Governance Code contained in Appendix C1 of the Listing Rules.

11. Nomination Committee

The Nomination Committee of the Company comprises three independent non-executive Directors and one non-executive Director, namely Ms. CHENG Yan (chairlady), Ms. ZHOU Chongyi, Mr. LI Kin Fai and Mr. CHEN Gang. The Nomination Committee reviews the structure, the size and the composition of the Board and the policy regarding Board diversity, and identifies individuals suitably qualified to become Board members, makes recommendations to the Board and assesses the independence of all independent non-executive Directors. The Nomination Committee has adopted terms of reference which are in line with the Corporate Governance Code contained in Appendix C1 of the Listing Rules.

12. Strategy Committee

The Strategy Committee of the Company comprises two executive Directors, three non-executive Directors, and two independent non-executive Directors, namely Mr. REN Yongqiang (chairman), Mr. WANG Mingfeng, Mr. WANG Shuqing, Ms. ZHOU Chongyi, Ms. MA Yuanru, Mr. CHEN Gang and Ms. CHENG Yan. It is responsible for the consideration, evaluation and review of investment projects and making recommendations to the Board on proposed major investments, acquisitions and disposals, and conducting post-investment evaluation of investment projects. It also reviews and considers the overall strategy, which covers the strategies of sustainable development, environment, social and governance and business development of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

13. Risk Control and Compliance Management Committee

The Risk Control and Compliance Management Committee of the Company comprises one executive Director and two independent non-executive Directors, namely Mr. WANG Mingfeng (chairman), Mr. LI Kin Fai and Ms. CHENG Yan. The major terms of reference of the Risk Control and Compliance Management Committee are to consider risk control strategies and major risk control solutions, to review the effectiveness of the Company's risk management, to consider major decisions and risk assessment report of major projects, to guide and promote the legal construction of the Company, and supervise the legal operation of the Company by the management and other risk control matters authorized by the Board.

14. Compliance with the Model Code as set out in Appendix C3 to the Listing Rules

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions.

Following specific enquiries made with the Directors and chief executives of the Company, the Company confirms that each of them has complied with the Model Code during the Reporting Period.

15. Employees

The adjustments of employee remuneration are calculated in accordance with the Company's turnover and profitability and is determined by assessing the correlation between the total salary paid and the operational efficiency of the Company. Under this mechanism, management of employees' remuneration will be more efficient while employees will be motivated to work hard to bring encouraging results for the Company. Other than the aforementioned disclosed remuneration policies and the 2023 Share Option Incentive Scheme of the Company, the Company does not maintain any other share option scheme for its employees and the employees do not receive any bonus. The Company regularly provides its operational management personnel with training on various subjects, including operation management, digitalization, technological innovation, industry know-how and policies and laws. Such training may be in different forms, such as seminars, site visits and study tours.

As at 30 June 2026, the Company had 7,747 employees. During the Reporting Period, the total employee costs was approximately RMB1,727 million.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

16. Profit distribution plan for the Reporting Period

On 26 June 2026, the annual general meeting of the Company considered and approved the proposed authorisation to the Board to decide the 2026 Interim Profit Distribution Plan. This authorization allows the Board to decide whether to implement and formulate the interim profit distribution plan based on the Company's performance in the first half of 2026 and its capital requirements.

Pursuant to the authorization granted to the Board by the annual general meeting, the Company has approved to proceed with an interim profit distribution of RMB0.28 per share (inclusive of applicable tax) for the six months ended 30 June 2026.

17. Investor relations

The Company has actively and faithfully performed its duties regarding disclosure of information and its work on investor relations. The Company has strictly abided by the principles of regular, accurate, complete and timely disclosure of information. The Company has established a designated department responsible for matters concerning investor relations and has formulated the "Investor Relations Management Measures" to regulate the relations with investors.

The Company has maintained an investor relations section on its website at <https://energy.coscoshipping.com> to disseminate information to its investors and shareholders on a timely basis. If shareholders and investment institutions need to conduct related exchanges with the Company, they can make enquiries through channels such as the Company's investor relations email address and telephone number, and the above contact information has been published in the periodic report and website of the Company.

18. Discloseable and Connected Transaction – Construction of Two Panamax Crude Oil Tankers

On 15 April 2026, the Board of the Company approved that the Group proposed to enter into the Shipbuilding Contracts with COSCO SHIPPING (Qidong) Offshore Co., Ltd.* (啟東中遠海運海洋工程有限公司) for the construction of two Panamax crude oil tankers at an aggregate consideration of RMB1.018 billion. On 20 April 2026, the Group completed the signing of the Shipbuilding Contracts with COSCO SHIPPING (Qidong) Offshore Co., Ltd.*.

COSCO SHIPPING (Qidong) Offshore Co., Ltd.* is a company incorporated under the laws of the PRC with limited liability. It is an indirect wholly-owned subsidiary of COSCO SHIPPING Heavy Industry Co., Ltd. and is principally engaged in the construction, repair and conversion of vessels.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

19. Discloseable transaction – charter

On 26 May 2026, the Board of the Company approved that Future Ocean LNG Investment Co., Ltd.* (遠海液化天然氣投資有限公司), an indirect wholly-owned subsidiary of the Company and as charterer/lessee, proposed to enter into the charter party with Seaspan Corporation Pte. Ltd. as lessor, pursuant to which Future Ocean LNG Investment Co., Ltd. agreed to lease two gas carriers from the Lessor with a lease term of 20 years. On the same day, Future Ocean LNG Investment Co., Ltd. completed the signing of the charter party with Seaspan Corporation Pte. Ltd.

Seaspan Corporation Pte. Ltd. is a private limited company incorporated under the laws of Singapore, principally engaged in asset management, operation and long-term charter of various merchant ships, primarily containership. Seaspan Corporation Pte. Ltd. is owned as to 48.9% by Ocean Network Express Pte. Ltd. No shareholder, other than Ocean Network Express Pte. Ltd., directly or indirectly controls one-third or more of the equity interests in Seaspan Corporation.

Ocean Network Express Pte. Ltd. is a company incorporated in Singapore and is principally engaged in shipping and chartering of ships/boats. It was wholly owned by Ocean Network Express Holdings, Ltd., a holding company incorporated in Japan, which is in turn owned as to 38% by Nippon Yusen Kabushiki Kaisha (“**NYK**”), 31% by Mitsui O.S.K. Lines, Ltd. (“**MOL**”) and 31% by Kawasaki Kisen Kaisha, Ltd. (“**K Line**”). NYK, MOL and K Line are each listed on the Prime Market of the Tokyo Stock Exchange (stock codes: 9101, 9104 and 9107, respectively).

Each of Seaspan Corporation and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

20. Issuance of mid-term notes

On 27 May 2026, the Company issued the first issue of mid-term note of 2026 in the interbank bond market, with an issuance scale of RMB2.5 billion, a term of 10 years, and a coupon rate of 2.06%.

21. Discloseable and connected transaction: acquisition of the entire equity interest in COSCO SHIPPING Investment Dalian

On 2 June 2026, Dalian COSCO SHIPPING Energy Supply Chain Co., Ltd.* (大連中遠海運能源供應鏈有限公司) (a wholly-owned subsidiary of the Company) and China COSCO SHIPPING Corporation Limited completed the signing of the COSCO SHIPPING Investment Dalian Equity Transfer Agreement at an aggregate consideration of RMB1.585 billion. On 26 June 2026, the Equity Transfer Agreement and the transactions contemplated thereunder were approved by the annual general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

22. Material acquisition and disposal of subsidiaries, associates and joint ventures

During the Reporting Period, save as disclosed in this report, the Group did not have any material acquisition and disposal in relation to subsidiaries, associates or joint ventures.

23. Significant investments and future plans for material investments and capital assets

As at 30 June 2026, the Group did not have any individual investment with a fair value of 5% or more of its total assets. Save as disclosed in this report, during the Reporting Period, the Group did not hold any significant investments and did not have any immediate plans for material investments and capital assets.

24. Use of proceeds from a share issuance

On 22 October 2025, the Company completed issuance of A Shares to specific target subscribers under a specific mandate (the “**2025 Issuance**”). Upon completion of the 2025 Issuance, an aggregate of 694,444,444 A Shares were issued at an issue price of RMB11.52 per A Share. After deducting the issuance expenses, the net proceeds from the 2025 Issuance were RMB7,979,510,279.32 (the “**2025 Net Proceeds**”).

As at 30 June 2026, the use of 2025 Net Proceeds was as follows:

Unit: RMB in ten thousand

No.	Name of the Projects	Total Investment	Proposed	Amount Utilized during the Reporting Period	Amount
			Amount of Proceeds to be Invested		Unutilized as at 30 June 2026
1	Investment in construction of 6 VLCCs	574,800.00	459,840.00	459,840.00	0.00
2	Investment in construction of 2 LNG carriers	343,341.86	274,673.49	240,703.88	0.00
3	Investment in construction of 3 Aframax crude oil tankers	173,700.00	63,437.54	63,437.54	5,790.00
Total		1,091,841.86	797,951.03	763,981.42	5,790.00
					758,191.42

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Expected timetable for the use of 2025 Net Proceeds was as follows:

Unit: RMB in ten thousand

Projects	For the six months ending 31 December 2026	For the financial years ending 31 December		Total
		2027	2028	
Investment in construction of 6 VLCCs	19,160.00	124,540.00	316,140.00	459,840.00
Investment in construction of 2 LNG carriers	51,501.28	188,838.02	0.00	240,339.30 ⁽¹⁾
Investment in construction of 3 Aframax crude oil tankers	40,530.00	17,117.54	0.00	57,647.54
Total	111,191.28	330,495.56	316,140.00	757,826.84

Note:

- (1) For the project “Investment in construction of 2 LNG carriers”, the proposed amount of proceeds to be invested is RMB2,746.7349 million (converted at the exchange rate of USD1 = RMB7.1889 as stated in the prospectus). As at the end of June 2026, due to exchange rate fluctuations, the unused proceeds for this project exceeded the expected amount by RMB3.6458 million. This difference is attributable to exchange rate movements and does not affect the total investment amount of the project.

As at the date of this Report, the Directors confirm that the aforesaid proceeds raised from the 2025 Issuance are proposed to be utilized according to the intentions previously disclosed.

25. Events after the Reporting Period

1. Appointment of an Executive Director

The appointment of Mr. WANG Mingfeng as an executive Director of the Company was duly approved by the Shareholders at the extraordinary general meeting of the Company (the “EGM”) on 20 July 2026.

2. Provision of a Charter Performance Guarantee

The provision of a charter performance guarantee by the Company for the single-purpose vessel company of the Qatar Energy Phase II Project was duly approved by the Shareholders at the EGM on 20 July 2026.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

3. *Appointment of a Non-executive Director*

The appointment of Mr. HE Bin as a non-executive Director of the Company was duly approved by the Shareholders at the EGM on 1 September 2026.

By order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
REN Yongqiang
Chairman

Shanghai, the PRC
28 August 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTOR OF COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.

中遠海運能源運輸股份有限公司

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

INTRODUCTION

We have reviewed the condensed consolidated interim financial information of COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 58 to 124, which comprises the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and 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 condensed consolidated interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review, and to report our conclusion 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 Hong Kong Institute of Certified Public Accountants. A review of this condensed consolidated 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 INFORMATION (Continued)

CONCLUSION

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

SHINEWING (HK) CPA Limited

Certified Public Accountants

Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong

28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited and restated)
Revenues	5	15,079,434	11,575,618
Operating costs	8	(8,843,066)	(8,908,294)
Gross profit		6,236,368	2,667,324
Other income and other gains, net	6	282,095	397,529
Marketing expenses	8	(42,992)	(36,140)
Administrative expenses	8	(554,770)	(508,037)
Provision for impairment losses on financial and contract assets		(8,363)	(5,549)
Other expenses		(53,913)	(41,383)
Share of profits of associates		305,058	266,678
Share of profits of joint ventures		387,551	365,843
Finance costs	7	(635,435)	(707,149)
Profit before tax		5,915,599	2,399,116
Income tax expense	9	(1,123,994)	(306,492)
Profit for the period		4,791,605	2,092,624
Other comprehensive (loss)/income			
<i>Items that will not be reclassified subsequently to profit or loss, net of tax:</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income ("FVOCI")		(53,947)	56,215
Exchange differences from translation of financial statements of subsidiaries		(50,756)	(6,729)
<i>Items that may be reclassified subsequently to profit or loss, net of tax:</i>			
Exchange differences from translation of financial statements of subsidiaries, joint ventures and associates		(560,632)	(125,412)
Net profit/(loss) on cash flow hedges		91,328	(97,058)
Hedging profit reclassified to profit or loss	7	(8,145)	(25,738)
Share of other comprehensive (loss)/income of associates		(74,224)	13,175
Share of other comprehensive (loss)/income of joint ventures		(250,236)	53,017
Other comprehensive loss for the period		(906,612)	(132,530)
Total comprehensive income for the period		3,884,993	1,960,094

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2026

		Six months ended 30 June	
	Note	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited and restated)
Profit for the period attributable to:			
Equity holders of the Company		4,555,557	1,893,562
Non-controlling interests		236,048	199,062
		<u>4,791,605</u>	<u>2,092,624</u>
Total comprehensive income for the period attributable to:			
Equity holders of the Company		3,688,451	1,792,872
Non-controlling interests		196,542	167,222
		<u>3,884,993</u>	<u>1,960,094</u>
Earnings per share			
	10		
– Basic (RMB cents/share)		83.34	39.69
– Diluted (RMB cents/share)		83.22	39.69
		<u>83.22</u>	<u>39.69</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Unaudited and restated)
NON-CURRENT ASSETS			
Investment properties		103,131	103,131
Property, plant and equipment	12	55,951,683	55,821,356
Right-of-use assets	13	1,055,797	626,005
Goodwill		85,850	85,850
Investments in associates	14	6,066,610	6,124,293
Investments in joint ventures	15	8,213,261	7,185,500
Loan receivables	16	1,186,763	1,243,079
Financial assets at FVOCI	17	375,112	438,579
Deferred tax assets	18	34,386	35,354
Derivative financial instruments	23	144,571	81,038
Other non-current assets	21	3,230,052	1,906,298
		76,447,216	73,650,483
CURRENT ASSETS			
Current portion of loan receivables	16	29,704	23,618
Inventories	19	1,261,107	978,118
Contract assets	20	1,858,449	1,947,578
Trade and bills receivables	20	1,645,629	664,345
Prepayments, deposits and other receivables	21	1,260,615	1,089,356
Taxes recoverable		50,191	45,680
Restricted bank deposits	22	938	937
Cash and bank	22	18,190,925	15,454,372
		24,297,558	20,204,004
Assets classified as held for sale	24	–	139,516
		24,297,558	20,343,520
TOTAL ASSETS		100,744,774	93,994,003

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Unaudited and restated)
NON-CURRENT LIABILITIES			
Provision and other liabilities		72,226	78,824
Derivative financial instruments	23	–	16,524
Interest-bearing bank and other borrowings	25	23,261,728	22,629,820
Other loans	26	1,901,018	2,025,414
Bond payable	27	2,500,000	–
Defined benefit plan payable		119,295	127,117
Lease liabilities	13	454,111	217,053
Deferred tax liabilities	18	2,347,089	1,884,598
		30,655,467	26,979,350
CURRENT LIABILITIES			
Trade payables	28	2,503,063	2,074,416
Other payables and accruals	29	5,262,268	2,477,185
Contract liabilities		47,238	99,102
Current portion of interest-bearing bank and other borrowings	25	9,762,539	10,164,017
Current portion of other loans	26	216,396	215,079
Current portion of bond payable	27	5,362	–
Current portion of defined benefit plan payable		10,607	11,130
Current portion of lease liabilities	13	592,506	483,079
Tax payable		354,814	264,105
		18,754,793	15,788,113
TOTAL LIABILITIES		49,410,260	42,767,463
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	30	5,471,207	5,465,221
Reserves		42,632,923	42,518,524
		48,104,130	47,983,745
Non-controlling interests		3,230,384	3,242,795
TOTAL EQUITY		51,334,514	51,226,540

REN Yongqiang
Director

Wang Mingfeng
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the company											Non-controlling interests	Total equity
	Share capital	Share premium	Share revaluation reserve	Capital reserve	Merger reserve	Statutory surplus reserve	Safety fund reserve	General surplus reserve	Hedging reserve	FVOCI revaluation reserve	Translation reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025, as previously reported (Audited)	5,465,221	19,428,168	284,176	198,345	(784,474)	2,877,435	1,635	93,158	270,337	120,115	278,576	18,172,490	49,643,173
Adoption of merger accounting (Notes 2 and 34)	-	-	-	-	3,402,154	-	-	-	-	-	-	(1,823,591)	1,583,367
At 1 January 2026, as restated (Unaudited)	5,465,221	19,428,168	284,176	198,345	2,617,680	2,877,435	1,635	93,158	270,337	120,115	278,576	16,348,899	51,226,540
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	4,555,557	4,791,605
Currency translation differences	-	-	-	-	-	-	-	-	-	-	(560,632)	-	(560,632)
Net profit on cash flow hedges	-	-	-	-	-	-	-	-	50,806	-	-	-	50,806
Hedging profit reclassified to profit or loss	-	-	-	-	-	-	-	-	(5,103)	-	-	-	(5,103)
Changes in the fair value of equity investments at FVOCI	-	-	-	-	-	-	-	-	-	(27,513)	-	-	(27,513)
Share of other comprehensive income/(loss) of associates	-	-	-	-	-	-	-	-	1,426	450	(76,304)	-	204
Share of other comprehensive income/(loss) of joint ventures	-	-	-	-	-	-	-	-	3,069	-	(253,295)	-	(250,236)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	50,188	(27,063)	(890,231)	4,555,557	3,684,993
Accrual of safety fund reserve	-	-	-	-	-	-	106,121	-	-	-	-	(109,509)	3,388
Utilisation of safety fund reserve	-	-	-	-	-	-	(99,131)	-	-	-	-	101,407	(2,276)
Dividends distributed to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(2,079,059)	(2,079,059)
Dividends distributed or paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(278,814)
Effect of acquisition of subsidiaries under common control (Notes 2 and 34)	-	-	-	-	(1,585,067)	-	-	-	-	-	-	-	(1,585,067)
Effects of share options	-	-	-	-	-	-	-	-	-	-	-	-	-
- Share issue	5,986	64,917	-	-	-	-	-	-	-	-	-	-	70,903
Fair value of share options granted	-	-	-	26,269	-	-	-	-	-	-	-	-	26,269
Contribution from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	68,749
At 30 June 2026 (Unaudited)	5,471,207	19,493,085	284,176	224,614	1,032,613	2,877,435	8,625	93,158	320,525	93,052	(611,655)	18,817,295	51,334,514

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

For the six months ended 30 June 2026

	Attributable to equity holders of the company										Non-controlling interests	Total equity
	Share capital	Share premium	Revaluation reserve	Capital reserve	Merger reserve	Statutory surplus reserve	Safety fund reserve	General surplus reserve	FVOCI revaluation reserve	Translation reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024, as previously reported (Audited)	4,770,776	12,143,104	273,418	129,409	(186,184)	2,877,435	2,365	93,158	112,274	643,670	15,129,490	39,505,861
Adoption of merger accounting	-	-	-	-	2,828,554	-	-	-	-	-	(1,760,445)	1,076,518
At 1 January 2025, as restated (Unaudited)	4,770,776	12,143,104	273,418	129,409	2,642,370	2,877,435	2,365	93,158	112,274	643,670	13,369,045	40,582,379
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,893,562	2,092,624
Currency translation differences	-	-	-	-	-	-	-	-	-	(125,412)	-	(132,141)
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	-	-	-	(97,058)
Hedging profit reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	(25,738)
Changes in the fair value of equity investments at FVOCI	-	-	-	-	-	-	-	-	28,670	-	-	56,215
Share of other comprehensive income/(loss) of associates	-	-	-	-	-	-	-	-	(4,736)	(4,074)	-	13,175
Share of other comprehensive income/(loss) of joint ventures	-	-	-	-	-	-	-	-	-	(5,837)	-	53,017
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	23,934	(135,323)	1,893,562	1,960,094
Accrual of safety fund reserve	-	-	-	-	-	-	96,067	-	-	-	(99,450)	-
Utilisation of safety fund reserve	-	-	-	-	-	-	(73,194)	-	-	-	74,613	-
Dividends distributed to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	(1,001,863)	(1,001,863)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(180,796)
Fair value of share options granted	-	-	-	38,360	-	-	-	-	-	-	-	38,360
Others	-	-	-	-	(23,119)	-	-	-	-	-	-	(23,119)
At 30 June 2025, as restated (Unaudited)	4,770,776	12,143,104	273,418	167,769	2,619,251	2,877,435	25,238	93,158	136,208	508,347	14,235,907	41,375,055

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,961,636	3,046,197
INVESTING ACTIVITIES		
Interest received from loan receivables	34,891	39,822
Purchases of property, plant and equipment	(5,781,715)	(1,999,045)
Investments in associates	(77,811)	(56,577)
Investments in joint ventures	(1,010,716)	(100,496)
Proceeds from disposals of property, plant and equipment	280,479	227,629
Collection of loan receivables from associates	10,333	6,051
Collection of loan receivables from joint ventures	–	1,559
Dividends received from associates	226,328	235,476
Dividends received from joint ventures	120,270	–
Dividends received from financial assets at FVOCI	10,253	–
Increase in restricted bank deposits	(1)	(2)
NET CASH USED IN INVESTING ACTIVITIES	(6,187,689)	(1,645,583)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited and restated)
FINANCING ACTIVITIES		
Interest paid	(683,537)	(754,544)
Proceeds from derivative financial instruments	9,575	27,368
Dividends paid to non-controlling interests of subsidiaries	(254,814)	(180,796)
Repayment of other loans	(99,388)	(96,105)
Increase in interest-bearing bank and other borrowings	5,404,802	4,853,998
Repayment of interest-bearing bank and other borrowings	(4,558,553)	(3,261,015)
Proceeds on issue of bond	2,500,000	–
Principal elements of lease payments	(374,534)	(217,169)
Contribution from non-controlling interests of a subsidiary	68,749	–
Borrowings acquisition costs	–	(100)
Proceeds from issue of shares	73,147	–
Expenses on issue of shares	(1,995)	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	2,083,452	371,637
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,857,399	1,772,251
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	15,443,039	6,754,601
Effect of foreign exchange rate changes, net	(118,292)	(2,912)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	18,182,146	8,523,940

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

COSCO SHIPPING Energy Transportation Co., Ltd. (the “**Company**”) is a joint stock company with limited liability established in the People’s Republic of China (the “**PRC**”). The registered office of the Company is Room A-1015, No.188 Ye Sheng Road, China (Shanghai) Pilot Free Trade Zone, Lingang Special Area, the PRC and the principal place of business is 670 Dongdaming Road, Hongkou District, Shanghai, the PRC.

During the period, the Company and its subsidiaries (together referred to as the “**Group**”) were involved in the following principal activities:

- (1) investment holding;
- (2) oil shipment along the PRC coast and international shipment;
- (3) vessel chartering;
- (4) liquefied natural gas (“**LNG**”) shipping;
- (5) liquefied petroleum gas (“**LPG**”) transportation; and/or
- (6) chemical transportation.

The board of directors of the Company (“**Board**”) regards China COSCO SHIPPING Corporation Limited (“**COSCO SHIPPING**”), a state-owned enterprise established in the PRC, as being the Company’s ultimate parent company. The Board regards China Shipping Group Company Limited (“**China Shipping**”), a state-owned enterprise established in the PRC, as the immediate parent company.

The A Shares (“**A Shares**”) and H Shares (“**H Shares**”) of the Company are listed on the Main Board of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) respectively.

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 (the “**Interim Financial Information**”) is presented in Renminbi (“**RMB**”), which is the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

The Interim Financial Information was approved for issue by the Board on 28 August 2026.

The Interim Financial Information has not been audited.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF HALF-YEAR REPORT

The 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.

Merger accounting for business combination involving entities under common control

(a) Acquisition during the six months ended 30 June 2026

On 30 June 2026, the Group completed the acquisition from COSCO SHIPPING of 100% equity interests in COSCO SHIPPING Dalian Investment Co., Ltd.* (“中遠海運大連投資有限公司” or “**COSCO SHIPPING Investment Dalian**”) for consideration of approximately RMB1,584,718,000. The principle activity of COSCO SHIPPING Investment Dalian is LPG transportation.

As the COSCO SHIPPING Investment Dalian is ultimately controlled by COSCO SHIPPING, the aforesaid transaction was regarded as business combination under common control. The comparative information in these condensed consolidated financial statements has been restated accordingly under merger accounting.

The net assets of the COSCO SHIPPING Investment Dalian are consolidated using the existing book values from the controlling party’s perspective. No amount is recognised in respect of goodwill or excess of acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party’s interest. The adjustments to eliminate share/registered capital of the combining entity or business against the related investment costs have been made to merger reserve in the condensed consolidated statement of changes in equity. The details of the restated balances have been disclosed in note 34.

The condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the prior periods have been restated to include the operating results of the COSCO SHIPPING Investment Dalian as if those acquisitions had been completed on the date when the COSCO SHIPPING Investment Dalian were initially brought under the control of COSCO SHIPPING.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

2. BASIS OF PREPARATION OF HALF-YEAR REPORT AND ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION OF HALF-YEAR REPORT (Continued)

Merger accounting for business combination involving entities under common control (Continued)

(b) Acquisition during year ended 31 December 2025

On 28 October 2025 and as disclosed in the announcement of the Company published on the same date, the Board approved the acquisition of 100% equity interest in COSCO SHIPPING LPG Transportation (Shanghai) Co., Ltd.* (“上海中遠海運液化氣運輸有限公司” or “**Shanghai Liquefied Gas**”) held by COSCO SHIPPING Investment Dalian, which focus on LPG transportation, by a wholly-owned subsidiary of the Company, Dalian COSCO SHIPPING Energy Supply Chain Co., Ltd.* (“大連中遠海運能源供應鏈有限公司” or “**Dalian COSCO Energy**”), in order to achieve unified operation and development of the LPG transportation business.

The aggregate consideration for the acquisition of Shanghai Liquefied Gas is approximately RMB598,290,000.

The above-mentioned acquisition was completed on 31 December 2025. As COSCO SHIPPING Investment Dalian is ultimately controlled by COSCO SHIPPING, the acquisition of Shanghai Liquefied Gas was regarded as business combination under common control.

The net assets of Shanghai Liquefied Gas are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustments to eliminate share/registered capital of the combining entity or business against the related investment costs have been made to merger reserve in the condensed consolidated statement of changes in equity.

The restated condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 has been disclosed in Note 34, and the restated consolidated statements of financial position as at 31 December 2025 and 1 January 2025 have been disclosed in the 2025 annual report.

The condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the prior periods have been restated to include the operating results of Shanghai Liquefied Gas as if the acquisition had been completed on the date when Shanghai Liquefied Gas was initially brought under the control of COSCO SHIPPING.

* For identification purpose only.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT AND ACCOUNTING POLICIES (Continued)

2.2 ACCOUNTING POLICIES

The Interim Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) and investment property measured at fair value or revalued amount.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025 and any public announcements made by the Group during the interim reporting period.

The accounting policies used in the Interim Financial Information 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 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 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 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 the Interim Financial Information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

3. ACCOUNTING ESTIMATES

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

Management determines the estimated residual value for its vessels by reference to all relevant factors (including the use of the current scrap values of steels in an active market) at each measurement date. The depreciation expense will change where the useful lives or residual value of vessels are different from the previous estimate.

In addition to the above, in preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

4. FINANCIAL RISK MANAGEMENT

(1) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

There have been no changes in the major risk management policies since the last year end.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

4. FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, except that the amount for derivative financial instruments in the fair value.

	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years RMB'000	Total RMB'000
At 30 June 2026				
Trade payables	2,503,063	–	–	2,503,063
Other payables	4,503,428	–	–	4,503,428
Interest payable in relation to bank and other borrowings	99,322	9,502	–	108,824
Lease liabilities	624,864	232,852	253,716	1,111,432
Interest-bearing bank and other borrowings	10,747,145	6,565,379	22,581,836	39,894,360
Other loans	273,021	265,692	1,960,327	2,499,040
Bonds payable	51,500	51,500	2,907,708	3,010,708
Financial guarantee	–	–	1,531,461	1,531,461
	18,802,343	7,124,925	29,235,048	55,162,316

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

4. FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk (Continued)

	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years RMB'000	Total RMB'000
At 31 December 2025 (Restated)				
Trade payables	2,074,416	–	–	2,074,416
Other payables	1,748,595	–	–	1,748,595
Interest payable in relation to bank and other borrowings	138,330	15,521	–	153,851
Derivative financial instruments	–	–	16,524	16,524
Lease liabilities	500,838	209,307	11,487	721,632
Interest-bearing bank and other borrowings	11,165,930	6,581,373	21,964,884	39,712,187
Other loans	277,504	269,933	2,132,258	2,679,695
Financial guarantee	–	–	1,666,002	1,666,002
	<u>15,905,613</u>	<u>7,076,134</u>	<u>25,791,155</u>	<u>48,772,902</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

4. FINANCIAL RISK MANAGEMENT (Continued)

(3) Fair value measurement

(1) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value at the end of the reporting period by level of the fair value hierarchy:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2026				
Financial assets:				
Derivative financial instruments	–	144,571	–	144,571
Financial assets at FVOCI	<u>375,112</u>	<u>–</u>	<u>–</u>	<u>375,112</u>
At 31 December 2025				
Financial assets:				
Derivative financial instruments	–	81,038	–	81,038
Financial assets at FVOCI	<u>438,579</u>	<u>–</u>	<u>–</u>	<u>438,579</u>
Financial liabilities:				
Derivative financial instruments	<u>–</u>	<u>16,524</u>	<u>–</u>	<u>16,524</u>

Fair value hierarchy has been defined in the Group's consolidated financial statements disclosed in the Company's 2025 annual report. There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 in the current and prior periods.

The fair values of the listed equity investments are based on the current bid price.

The fair value of interest rate swap agreements as derivative financial instruments is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account the current interest rates and the current creditworthiness of the swap counterparties.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

4. FINANCIAL RISK MANAGEMENT (Continued)

(3) Fair value measurement (Continued)

(2) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at 30 June 2026 and 31 December 2025.

5. REVENUES AND SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's business segments are categorised as follows:

(1) Oil transportation

- oil shipment
- vessel chartering

(2) LNG shipping

(3) LPG transportation

(4) Chemical transportation

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

5. REVENUES AND SEGMENT INFORMATION (Continued)

Business segments

An analysis of the Group's revenues and contribution by principal activity and geographical area of operations for the period is set out as follows:

	Six months ended 30 June			
	2026		2025	
	Revenues RMB'000	Contribution RMB'000	Revenues RMB'000 (Restated)	Contribution RMB'000 (Restated)
By principal activity:				
Oil transportation				
– Oil shipment	12,012,747	4,871,829	9,034,034	1,630,651
– Vessel chartering	1,169,309	566,061	994,741	342,513
	13,182,056	5,437,890	10,028,775	1,973,164
LNG shipping	1,520,146	711,462	1,244,020	617,159
LPG transportation	178,552	55,156	142,909	34,312
Chemical transportation	198,680	31,860	159,914	42,689
	15,079,434	6,236,368	11,575,618	2,667,324
Other income and other gains, net		282,095		397,529
Marketing expenses		(42,992)		(36,140)
Administrative expenses		(554,770)		(508,037)
Provision for impairment losses on financial and contract assets		(8,363)		(5,549)
Other expenses		(53,913)		(41,383)
Share of profits of associates		305,058		266,678
Share of profits of joint ventures		387,551		365,843
Finance costs		(635,435)		(707,149)
Profit before tax		5,915,599		2,399,116

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

5. REVENUES AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

The Group's revenues for the period are recognised over time.

The Group's revenues are mainly with contract period of less than one year. So, the Group takes the expedient not to disclose the unsatisfied performance obligation under HKFRS 15.

Segment contribution represents gross profit incurred by each segment without allocation of administrative expenses (including emoluments of directors, and senior managements), marketing expenses, provision for impairment losses on financial and contract assets, other expenses, share of profits of associates, share of profits of joint ventures, other income and other gains, net and finance costs. This is the supporting information reported to the Group's chief operating decision makers for the purposes of resource allocation and performance assessment.

The Group's business segments are presented based on revenue and contribution after elimination. Inter-segment transactions are charged at prevailing market price.

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Total segment assets		
Oil transportation	57,128,763	52,022,691
LNG shipping	35,297,460	33,858,776
LPG transportation	2,938,852	2,566,298
Chemical transportation	1,111,891	1,103,360
Others	4,267,808	4,442,878
	<u>100,744,774</u>	<u>93,994,003</u>
Total segment liabilities		
Oil transportation	25,445,246	21,197,583
LNG shipping	18,178,816	17,945,949
LPG transportation	3,095,124	1,418,467
Chemical transportation	315,014	283,899
Others	2,376,060	1,921,565
	<u>49,410,260</u>	<u>42,767,463</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

5. REVENUES AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

As at 30 June 2026, the total net carrying amounts of the Group's oil tankers, LNG vessels, LPG tankers and chemical tankers were approximately RMB26,761,058,000 (31 December 2025: approximately RMB27,526,331,000), RMB20,573,564,000 (31 December 2025: approximately RMB19,768,572,000), RMB1,419,758,000 (31 December 2025: approximately RMB1,153,927,000) and RMB933,640,000 (31 December 2025: approximately RMB966,016,000) respectively.

Geographical segments

	Six months ended 30 June			
	2026		2025	
	Revenues	Contribution	Revenues	Contribution
	RMB'000	RMB'000	RMB'000	RMB'000
			(Restated)	(Restated)
By geographical area:				
Domestic	2,857,376	796,386	2,892,229	700,640
International	12,222,058	5,439,982	8,683,389	1,966,684
	<u>15,079,434</u>	<u>6,236,368</u>	<u>11,575,618</u>	<u>2,667,324</u>

Geographical segments information is not presented by country, as the Group's main business is shipping with routes all over the world, precluding a meaningful allocation of operating profit to specific country segments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

5. REVENUES AND SEGMENT INFORMATION (Continued)

Other information

	Oil transportation RMB'000	LNG shipping RMB'000	LPG transportation RMB'000	Chemical transportation RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2026						
Additions to non-current assets	1,956,979	1,169,547	652,225	35,048	6,420	3,820,219
Depreciation and amortisation	1,653,148	389,124	40,616	22,536	3,936	2,109,360
Gains/(losses) on disposal of property, plant and equipment, net	131,829	-	-	-	(6)	131,823
Interest income	70,393	12,762	2,274	586	6,994	93,009

Six months ended 30 June 2025 (Restated)

Additions to non-current assets	751,216	707,396	364,724	34,412	26,527	1,884,275
Depreciation and amortisation	1,611,233	297,901	27,849	14,910	4,596	1,956,489
Gains on disposal of property, plant and equipment, net	74,191	-	-	-	-	74,191
Interest income	71,529	8,536	2,128	703	5,274	88,170

The principal assets employed by the Group are located in the PRC and, accordingly, no geographical segment analysis of assets and expenditures has been prepared for the six months ended 30 June 2026 and 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

6. OTHER INCOME AND OTHER GAINS, NET

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000 (Restated)
Other income		
Interest income from loan receivables	34,090	40,935
Bank interest income	58,919	47,235
Dividends income from financial assets at FVOCI	10,253	–
Rental income from investment properties	6,020	2,692
Subsidies	126,600	176,606
Others	14,718	28,711
	<u>250,600</u>	<u>296,179</u>
Other gains, net		
Exchange (losses)/gains, net	(100,328)	26,471
Gains on disposal of property, plant and equipment, net	131,823	74,191
Others	–	688
	<u>31,495</u>	<u>101,350</u>
	<u><u>282,095</u></u>	<u><u>397,529</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
		(Restated)
Interest expenses on:		
– bank and other borrowings and other loans	621,794	715,537
– bonds	5,362	–
– interest rate swaps: cash flow hedges, reclassified from other comprehensive income	(8,145)	(25,738)
– lease liabilities	18,553	21,523
– exchange losses, net	14,756	25,072
	652,320	736,394
Less: interest capitalised	(16,885)	(29,245)
	635,435	707,149

During the period, the capitalisation rates applied to funds borrowed and utilised for the vessels under construction were at rates of 0.78% to 2.78% (six months ended 30 June 2025: 2.25% to 6.19%) per annum.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000 (Restated)
Bunker oil inventories consumed	2,239,494	2,657,120
Staff costs (a)	1,727,270	1,627,547
Depreciation of property, plant and equipment	1,837,813	1,741,596
Depreciation of right-of-use assets	271,547	214,893
Vessel operating lease rentals	1,806,932	1,760,531
Port fees	471,806	531,885
Repairs	309,242	223,296
Insurance expenses	114,765	112,716
Other expenses	661,959	582,887
Total operating costs, marketing expenses and administrative expenses	9,440,828	9,452,471

(a)

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Staff costs		
Wages, salaries, crew expenses and related expenses (including bonus and share-based payments)	1,701,120	1,602,436
Costs for defined benefit plan	2	150
Pension scheme contributions	26,148	24,961
	1,727,270	1,627,547

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

9. INCOME TAX EXPENSE

		Six months ended 30 June	
	Notes	2026 RMB'000	2025 RMB'000 (Restated)
Current income tax			
PRC			
– provision for the period	(i)	632,089	209,448
– adjustments for current tax of prior years		17,686	6,611
Hong Kong			
– provision for the period		1,750	595
Other districts			
– provision for the period	(ii)	1,735	481
		653,260	217,135
Deferred income tax			
Increase in deferred tax assets (Note 18)		(146,155)	(33,508)
Increase in deferred tax liabilities (Note 18)		616,889	122,865
		470,734	89,357
Total income tax expense		1,123,994	306,492

Notes:

(i) PRC Corporate Income Tax

Under the Law of the PRC on Corporate Income Tax Law (the “**CIT Law**”) and Implementation Regulation of the CIT Law, the tax rate of the entities within the Group established in the PRC is 25% (six months ended 30 June 2025: 25%) except for those entities with tax concession.

(ii) Taxes or profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or jurisdictions in which the entities within the Group operate.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

9. INCOME TAX EXPENSE (Continued)

The Group is subject to the global minimum top-up tax under the Global Anti-base Erosion Rules (the “**Pillar Two Rules**”). The Group has applied the temporary exception from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two Rules has become effective in the United Kingdom, Hong Kong and Singapore, where certain group entities are incorporated. The Group has assessed its exposure to Pillar Two income taxes and concluded that no top-up tax is expected to arise. The estimated effective tax rates in the jurisdictions in which the Group operates are generally above the 15 per cent minimum rate, while certain income, including qualifying international shipping income, is excluded from the scope of the GloBE Rules. Accordingly, the Board considers that the Group has no material exposure to top-up tax under the Pillar Two Rules.

10. EARNINGS PER SHARE

(1) Basic

	Six months ended 30 June	
	2026	2025 (Restated)
Profit attributable to equity holders of the Company (RMB'000)	4,555,557	1,893,562
Weighted average number of ordinary shares in issue (thousand)	5,466,171	4,770,776
Basic earnings per share (RMB cents/share)	83.34	39.69

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

10. EARNINGS PER SHARE (Continued)

(2) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised share options.

	Six months ended 30 June	
	2026	2025 (Restated)
Profit attributable to equity holders of the Company (RMB'000)	4,555,557	1,893,562
Weighted average number of ordinary shares in issue (thousand)	5,466,171	4,770,776
Effect of dilutive potential ordinary shares:		
– Share options (thousand)	7,876	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share (thousand)	5,474,047	4,770,776
Diluted earnings per share (RMB cents/share)	83.22	39.69

For the six months ended 30 June 2026, the share options granted by the Company had a dilutive effect on earnings per share. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption that all potential dilutive ordinary shares arising from the Company's share options have been converted into ordinary shares.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

11. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Ordinary shares		
Final dividend for 2025 – RMB0.38 per share		
(Final dividend for 2024 – RMB0.21 per share)	2,079,059	1,001,863

Final dividend of RMB0.38 per share in respect of the year ended 31 December 2025 was approved by shareholders at the annual general meeting held on 26 June 2026 and no payment was paid during the reporting period.

The Company has decided to proceed with an interim profit distribution of RMB0.28 per share (inclusive of applicable tax) for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements RMB'000	Vessels RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Buildings RMB'000	Construction in progress RMB'000	Total RMB'000
At 30 June 2026							
Cost							
At 1 January 2026 (Restated)	70,976	84,344,091	176,411	19,600	1,732,634	5,049,978	91,393,690
Additions	-	-	5,389	471	-	3,096,277	3,102,137
Transfer in/(out)	-	3,116,164	3,191	-	-	(3,119,355)	-
Others	-	(9,373)	-	-	-	-	(9,373)
Disposals	-	(214,599)	(321)	-	-	-	(214,920)
Currency translation differences	-	(1,535,034)	(106)	(20)	-	(87,332)	(1,622,492)
At 30 June 2026	70,976	85,701,249	184,564	20,051	1,732,634	4,939,568	92,649,042
Accumulated depreciation and impairment							
At 1 January 2026 (Restated)	51,844	34,929,245	118,215	16,271	456,759	-	35,572,334
Charge for the period	4,660	1,796,351	10,362	372	26,068	-	1,837,813
Disposals	-	(172,892)	(306)	-	-	-	(173,198)
Currency translation differences	-	(539,475)	(96)	(19)	-	-	(539,590)
At 30 June 2026	56,504	36,013,229	128,175	16,624	482,827	-	36,697,359
Net book amount							
At 30 June 2026	14,472	49,688,020	56,389	3,427	1,249,807	4,939,568	55,951,683
At 31 December 2025 (Restated)	19,132	49,414,846	58,196	3,329	1,275,875	5,049,978	55,821,356

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold improvements RMB'000	Vessels RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Buildings RMB'000	Construction in progress RMB'000	Total RMB'000
At 30 June 2025							
Cost							
At 1 January 2025 (Restated)	59,305	82,307,527	149,741	20,235	1,654,064	5,258,841	89,449,713
Additions	-	-	36	-	-	1,718,662	1,718,698
Transfer in/(out)	-	538,366	-	-	-	(538,366)	-
Transfer to investment properties	-	-	-	-	(12,666)	-	(12,666)
Disposals	-	(822,042)	(45)	-	-	-	(822,087)
Currency translation differences	(130)	(313,225)	(27)	(3)	-	(14,797)	(328,182)
At 30 June 2025 (Restated)	59,175	81,710,626	149,705	20,232	1,641,398	6,424,340	90,005,476
Accumulated depreciation and impairment							
At 1 January 2025 (Restated)	49,625	33,817,548	100,493	16,076	393,796	-	34,377,538
Charge for the period	2,301	1,703,157	9,097	413	26,628	-	1,741,596
Disposals	-	(671,837)	(43)	-	-	-	(671,880)
Transfer to investment properties	-	-	-	-	(3,892)	-	(3,892)
Currency translation differences	(26)	(124,801)	(25)	(3)	-	-	(124,855)
At 30 June 2025 (Restated)	51,900	34,724,067	109,522	16,486	416,532	-	35,318,507
Net book amount							
At 30 June 2025 (Restated)	<u>7,275</u>	<u>46,986,559</u>	<u>40,183</u>	<u>3,746</u>	<u>1,224,866</u>	<u>6,424,340</u>	<u>54,686,969</u>
At 31 December 2024 (Restated)	<u>9,680</u>	<u>48,489,979</u>	<u>49,248</u>	<u>4,159</u>	<u>1,260,268</u>	<u>5,258,841</u>	<u>55,072,175</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 30 June 2026, the Group's certain vessels are leased to other parties under operating leases. Further details of the vessels under operating lease arrangements are as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Cost	7,672,747	10,071,178
Accumulated depreciation and impairment	(3,315,377)	(4,959,701)
Net carrying amount	4,357,370	5,111,477

Further details of the Group's operating lease arrangements as lessor are disclosed in Note 32 to the Interim Financial Information.

13. LEASE

This note provides information for leases where the Group is a lessee.

(1) Amounts recognised in the condensed consolidated statement of financial position

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Right-of-use assets		
Vessels	960,745	527,743
Prepaid land lease payments	67,280	68,401
Properties	27,229	29,287
Vehicles	543	574
	1,055,797	626,005
Lease liabilities		
Current	592,506	483,079
Non-current	454,111	217,053
	1,046,617	700,132

Additions to the right-of-use assets during the period were approximately RMB718,082,000 (for the six months ended 30 June 2025: approximately RMB165,577,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

13. LEASE (Continued)

(2) Amounts recognised in the condensed consolidated statement of profit or loss

The condensed consolidated statement of profit or loss shows the following amounts relating to leases:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000 (Restated)
Depreciation charge of right-of-use assets		
Vessels	264,354	207,403
Prepaid land lease payments	1,119	1,120
Properties	5,915	6,202
Vehicles	159	168
	<u>271,547</u>	<u>214,893</u>
Interest expense (included in finance cost)	18,553	21,523
Expense relating to short-term leases (included in operating costs and administrative expenses)	<u>1,813,675</u>	<u>1,768,673</u>

The total cash outflow for leases during the period was approximately RMB2,007,785,000 (for the six months ended 30 June 2025: approximately RMB1,939,329,000).

14. INVESTMENTS IN ASSOCIATES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Share of net assets	5,231,505	5,289,188
Goodwill	<u>835,105</u>	<u>835,105</u>
	<u>6,066,610</u>	<u>6,124,293</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

14. INVESTMENTS IN ASSOCIATES (Continued)

As at 30 June 2026, the Group had investments in the following associates which are all unlisted corporate entities whose quoted market price is not available:

Name	Place of incorporation and operating/ legal status	Registered capital	Proportion of ownership interests held by the Group		Proportion of voting power held by the Group		Principal activities
			30 June 2026	31 December 2025	30 June 2026	31 December 2025	
Shanghai Beihai Shipping Company Limited ("Shanghai Beihai")	The PRC/Limited liability company	RMB763,750,000	40%	40%	29%	29%	Petroleum product transportation and vessel chartering
COSCO Shipping Finance Co., Ltd. ("COSCO SHIPPING Finance")	The PRC/Limited liability company	RMB19,500,000,000	11%	11%	10%	10%	Banking and related financial service
Aquarius LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	30%	30%	33%	33%	LNG vessel chartering
Aries LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	30%	30%	33%	33%	LNG vessel chartering
Capricorn LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	30%	30%	33%	33%	LNG vessel chartering
Gemini LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	30%	30%	33%	33%	LNG vessel chartering
TRADEGO PTE. LTD. ("TRADEGO")	Singapore/Limited liability company	USD15,000,010	11%	11%	10%	10%	Development of Other Software and Programming Activities N.E.C
Huaqiang LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	25%	25%	25%	25%	LNG vessel chartering
Huafu LNG Transport Pte. Limited	Singapore/Limited liability company	EUR51,000,000	25%	25%	25%	25%	LNG vessel chartering
Huawen LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	25%	25%	25%	25%	LNG vessel chartering
Huaming LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	25%	25%	25%	25%	LNG vessel chartering
Huahe LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	25%	25%	25%	25%	LNG vessel chartering

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

14. INVESTMENTS IN ASSOCIATES (Continued)

Name	Place of incorporation and operating/ legal status	Registered capital	Proportion of ownership interests held by the Group		Proportion of voting power held by the Group		Principal activities
			30 June 2026	31 December 2025	30 June 2026	31 December 2025	
Huaping LNG Transport Pte. Limited ("Huaping LNG") (Note)	Singapore/Limited liability company	EUR35,600,000	25%	25%	25%	25%	LNG vessel chartering
VEGA Ocean Transport Company	Liberia/Limited liability company	USD55,000,500	49%	49%	50%	50%	LNG vessel chartering
ALTAIR Ocean Transport Company	Liberia/Limited liability company	USD55,000,500	49%	49%	50%	50%	LNG vessel chartering
DENEb Ocean Transport Company ("DENEb") (Note)	Liberia/Limited liability company	USD55,000,500	49%	49%	50%	50%	LNG vessel chartering
Dalian Xizhong Island Zhonglian Port Company Limited	The PRC/Limited liability company	RMB75,000,000	15%	15%	20%	20%	Port and shipping facilities engineering construction

Note: During the period ended 30 June 2026, the Group made additional capital contributions to Deneb; however, Deneb has not completed the registration of changes to its registered capital. During year ended 31 December 2025, the Group made additional capital contributions to Huaping LNG; however, Huaping LNG has not completed the registration of changes to its registered capital.

All of the above associates are accounted for using the equity method in the Interim Financial Information.

The Group has significant influence even though it holds less than 20% of the voting rights of COSCO SHIPPING Finance and TRADEGO as the Group's holding seats in the boards of these companies and participation in the financial and operating activities of these companies.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

14. INVESTMENTS IN ASSOCIATES (Continued)

Summarised financial information of an associate that is material to the Group and reconciliation to the carrying amount of the Group's interest in the associates is disclosed as follows:

	Shanghai Beihai	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current assets	2,531,560	2,700,896
Current assets	1,239,113	1,059,707
Non-current liabilities	(614,284)	(686,711)
Current liabilities	(650,202)	(306,838)
Net assets	2,506,187	2,767,054
Proportion of the Group's ownership interest	40%	40%
The Group's share of net assets	1,002,475	1,106,822
Goodwill	835,105	835,105
Carrying amount of the Group's interest in the associate	1,837,580	1,941,927

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenues	1,333,493	1,248,658
Profit for the period	461,896	429,000
Other comprehensive loss	(21,463)	(2,671)
Total comprehensive income for the period	440,433	426,329
Dividends declared	280,520	298,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

14. INVESTMENTS IN ASSOCIATES (Continued)

The aggregate information of the Group's associates that are not individually material to the Group is disclosed as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Aggregate carrying amount of individually immaterial associates in the condensed consolidated financial statements	4,229,030	4,182,366

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Aggregate amounts of the Group's share of:		
Profit for the period	120,299	95,078
Other comprehensive (loss)/income	(65,639)	14,243
Total comprehensive income for the period	54,660	109,321

15. INVESTMENTS IN JOINT VENTURES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Share of net assets	8,725,000	7,697,239
Less: impairment losses on investment in joint ventures	(988,844)	(988,844)
Goodwill	477,105	477,105
	8,213,261	7,185,500

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

15. INVESTMENTS IN JOINT VENTURES (Continued)

As at 30 June 2026 and 31 December 2025, the Group had investments in the following joint ventures which are all unlisted corporate entities whose quoted market price is not available:

Name	Place of incorporation and operating/legal status	Registered capital	Proportion of ownership interest, voting power and profit sharing attributable to the Group		Principal activities
			30 June 2026	31 December 2025	
China LNG Shipping (Holdings) Limited ("CLNG") (Note ii)	Hong Kong/Limited liability company	USD710,059,824 (2025: USD687,419,346)	50%	50%	Investment holding
Arctic Blue LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	50%	50%	Vessel holding
Arctic Green LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	50%	50%	Vessel holding
Arctic Purple LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	50%	50%	Vessel holding
Arctic Red LNG Shipping Limited	Hong Kong/Limited liability company	EUR37,441,000 and USD1,000	50%	50%	Vessel holding
Arctic Orange LNG Shipping Limited	Hong Kong/Limited liability company	EUR37,861,000 and USD1,000	50%	50%	Vessel holding
Arctic Yellow LNG Shipping Limited	Hong Kong/Limited liability company	EUR37,701,000 and USD1,000	50%	50%	Vessel holding
Arctic Indigo LNG Shipping Limited	Hong Kong/Limited liability company	EUR37,940,000 and USD1,000	50%	50%	Vessel holding
Arctic Gold LNG Shipping Limited	Hong Kong/Limited liability company	USD93,075,962	50%	50%	Vessel holding
Arctic Silver LNG Shipping Limited	Hong Kong/Limited liability company	USD93,075,962	50%	50%	Vessel holding
Arctic Bronze LNG Shipping Limited	Hong Kong/Limited liability company	USD93,075,962	50%	50%	Vessel holding
ORYX LNG NO.1 Shipping Corporation	Liberia/Limited liability company	USD47,100,000	50%	50%	Vessel holding
ORYX LNG NO.2 Shipping Corporation	Liberia/Limited liability company	USD46,000,000	50%	50%	Vessel holding
ORYX LNG NO.3 Shipping Corporation	Liberia/Limited liability company	USD45,000,000	50%	50%	Vessel holding

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

15. INVESTMENTS IN JOINT VENTURES (Continued)

Name	Place of incorporation and operating/legal status	Registered capital	Proportion of ownership interest, voting power and profit sharing attributable to the Group		Principal activities
			30 June 2026	31 December 2025	
ORYX LNG NO.4 Shipping Corporation	Liberia/Limited liability company	USD45,500,000	50%	50%	Vessel holding
ORYX LNG NO.5 Shipping Corporation	Liberia/Limited liability company	USD47,000,000	50%	50%	Vessel holding
ORYX LNG NO.6 Shipping Corporation	Liberia/Limited liability company	USD47,000,000	50%	50%	Vessel holding
ORYX LNG NO.7 Shipping Corporation ("ORYX LNG NO.7") (Note ii)	Liberia/Limited liability company	USD25,000,000	50%	50%	Vessel holding
ORYX LNG NO.8 Shipping Corporation ("ORYX LNG NO.8") (Notes i and ii)	Liberia/Limited liability company	USD1,000	50%	–	Vessel holding
ORYX LNG NO.9 Shipping Corporation ("ORYX LNG NO.9") (Notes i and ii)	Liberia/Limited liability company	USD1,000	50%	–	Vessel holding
ORYX LNG NO.10 Shipping Corporation ("ORYX LNG NO.10") (Notes i and ii)	Liberia/Limited liability company	USD1,000	50%	–	Vessel holding
ORYX LNG NO.11 Shipping Corporation ("ORYX LNG NO.11") (Notes i and ii)	Liberia/Limited liability company	USD1,000	50%	–	Vessel holding
ORYX LNG NO.12 Shipping Corporation ("ORYX LNG NO.12") (Notes i and ii)	Liberia/Limited liability company	USD1,000	50%	–	Vessel holding
ORYX LNG NO.13 Shipping Corporation ("ORYX LNG NO.13") (Notes i and ii)	Liberia/Limited liability company	USD1,000	50%	–	Vessel holding

Notes:

- (i) Acquired during the six months ended 30 June 2026.
- (ii) During the period ended 30 June 2026, the Company made additional capital contributions to CLNG and ORYX LNG No. 7 through No.13. As of the reporting date, the corresponding amendments to the registered capital of these entities had not yet been completed.

All of the above joint ventures are accounted for using the equity method in the Interim Financial Information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

15. INVESTMENTS IN JOINT VENTURES (Continued)

Summarised financial information of a joint venture that is material to the Group and reconciliation to the carrying amount of the Group's interest in the joint venture is disclosed as follows:

	CLNG	
	30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current assets	10,962,820	10,920,490
Current assets	969,125	1,027,831
Cash and bank	953,224	1,000,810
Other current assets	15,901	27,021
Non-current liabilities	(1,262,345)	(1,194,538)
Current liabilities	(580,574)	(697,174)
Net assets	10,089,026	10,056,609
Non-controlling interests	(1,194,308)	(1,261,400)
	8,894,718	8,795,209
Proportion of the Group's ownership interest	50%	50%
The Group's share of net assets	4,447,359	4,397,605
Goodwill	477,105	477,105
Carrying amount of the Group's interest in the joint venture	4,924,464	4,874,710

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenues	530,468	574,508
Profit for the period	476,559	501,586
Other comprehensive loss	(277,011)	(91,076)
Total comprehensive income for the period	199,548	410,510
Dividends declared	120,270	—

For the six months ended 30 June 2026

Aggregate carrying amount of individually immaterial joint ventures in the condensed consolidated financial statements

Aggregate amounts of the Group's share of:

Profit for the period

Other comprehensive (loss)/income

Total comprehensive income for the period

Loans to associates

Loans to joint ventures

Less: current portion

Non-current portion

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

16. LOAN RECEIVABLES (Continued)

Notes:

- (i) As at 30 June 2026 and 31 December 2025, loans to associates are at a weighted average rate of SOFR plus 2.26% and fixed rate of 6.70% per annum and a weighted average rate of SOFR plus 2.26% and fixed rate 6.50% per annum. The Group receives repayments on these loans on a quarterly basis and expects to receive the full amounts by 2030 and 2031.
- (ii) As at 30 June 2026 and 31 December 2025, loans to joint ventures are SOFR plus 1.56% per annum, interest-bearing at 3-month LIBOR plus 0.80% per annum and Euro Interbank Offered Rate plus 0.50% per annum. The Group receives interest generated from these loans on a quarterly basis. Principal repayments are scheduled to commence on a quarterly basis in 2033 and 2034, respectively, with full recovery of the outstanding amounts projected by 2038 and 2039.

As at 30 June 2026 and 31 December 2025, all loan receivables are denominated in USD.

17. FINANCIAL ASSETS AT FVOCI

- (1) Equity investments at FVOCI:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Listed equity investments in the PRC	375,112	438,579

- (2) During the period, the following loss or profit was recognised in other comprehensive income:

	Six months ended 30 June 2026 RMB'000	2025 RMB'000
(Loss)/profit recognised in other comprehensive income	(63,467)	66,135

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

18. DEFERRED TAX ASSETS AND LIABILITIES

- (1) An analysis of the deferred tax balances for the condensed consolidated statement of financial position is disclosed as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Deferred tax assets	34,386	35,354
Deferred tax liabilities	(2,347,089)	(1,884,598)
	<u>(2,312,703)</u>	<u>(1,849,244)</u>

- (2) Components of deferred tax assets (prior to offsetting balances within the same taxation jurisdiction) recognised in the condensed consolidated statement of financial position and the movements during the period are as follows:

	Lease liabilities RMB'000	Impairment loss on financial and contract assets RMB'000	Revaluation of investment properties RMB'000	Accrued expenses but not yet paid RMB'000	Accelerated tax depreciation RMB'000	Others RMB'000	Total RMB'000
At 1 January 2025 (Restated)	17,403	901	727	26,114	33,220	27	78,392
(Charge)/credit to profit or loss	(2,117)	8,233	(727)	44,191	(2,389)	(27)	47,164
At 31 December 2025 and 1 January 2026	15,286	9,134	-	70,305	30,831	-	125,556
Credit/(charge) to profit or loss	152,734	620	-	(6,005)	(1,194)	-	146,155
Others	-	-	-	(2,244)	-	-	(2,244)
Exchange realignment	(1)	-	-	-	-	-	(1)
At 30 June 2026	<u>168,019</u>	<u>9,754</u>	<u>-</u>	<u>62,056</u>	<u>29,637</u>	<u>-</u>	<u>269,466</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

18. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

- (3) Components of deferred tax liabilities (prior to offsetting balances within the same taxation jurisdiction) recognised in the condensed consolidated statement of financial position and the movements during the period are as follows:

	Right-of-use assets RMB'000	Revaluation of investment properties RMB'000	Fair value change on FVOCI RMB'000	Accelerated tax depreciation RMB'000	Unremitted earnings RMB'000	Others RMB'000	Total RMB'000
At 1 January 2025	17,128	–	57,233	162,571	1,430,636	3,772	1,671,340
(Credit)/charge to profit or loss	(2,262)	1,150	–	(6,229)	303,439	(329)	295,769
Charge to other comprehensive income	–	3,723	3,968	–	–	–	7,691
At 31 December 2025 and 1 January 2026	14,866	4,873	61,201	156,342	1,734,075	3,443	1,974,800
Charge/(credit) to profit or loss	152,089	426	–	(4,214)	468,668	(80)	616,889
Credit to other comprehensive income	–	–	(9,520)	–	–	–	(9,520)
At 30 June 2026	166,955	5,299	51,681	152,128	2,202,743	3,363	2,582,169

19. INVENTORIES

	30 June 2026 RMB'000	31 December 2025 RMB'000
Bunker oil inventories	1,024,507	737,660
Ship stores and spare parts	236,600	240,458
	1,261,107	978,118

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

20. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Trade and bills receivables from third parties	1,498,670	673,988
Trade receivables from fellow subsidiaries	87	127
Trade receivables from an associate	8,502	—
Trade receivables from related companies (Note)	160,745	2,828
	1,668,004	676,943
Less: allowance	(22,375)	(12,598)
	1,645,629	664,345
Contract assets	1,870,652	1,960,468
Less: allowance	(12,203)	(12,890)
Total contract assets	1,858,449	1,947,578

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

Trade receivables from fellow subsidiaries, an associate and related companies are unsecured, non-interest-bearing and under normal credit terms as other trade receivables.

An ageing analysis of trade and bills receivables at the end of the period, based on the invoice date and net of allowance, is as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Within 1 year	1,627,826	650,821
1–2 years	9,088	6,697
Over 2 years	8,715	6,827
	1,645,629	664,345

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

21. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER NON-CURRENT ASSETS

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Current portion		
Prepayments	45,383	177,025
Deposits and other receivables	821,440	595,742
Due from fellow subsidiaries	252,002	307,710
Due from associates	146,701	–
Due from joint ventures	203,814	202,998
Due from related companies (Note)	37,186	52,786
	1,506,526	1,336,261
Less: allowance for other receivables	(245,911)	(246,905)
	1,260,615	1,089,356
Non-current portion		
Prepayment for vessels construction	1,140,884	1,017,342
Prepayment to fellow subsidiaries for vessels construction	2,089,168	888,956
	3,230,052	1,906,298

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

22. RESTRICTED BANK DEPOSITS AND CASH AND BANK

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Restricted bank deposits	938	937
Balances placed with COSCO SHIPPING Finance (Note)	8,690,336	6,035,518
Unrestricted bank balances and cash	9,491,810	9,407,521
Cash and cash equivalents	18,182,146	15,443,039
Interest receivable	8,779	11,333
Total restricted bank deposits and cash and bank	18,191,863	15,455,309

Note: COSCO SHIPPING Finance is an associate of the Company and a related party of COSCO SHIPPING, and balances placed bear interest of prevailing market rates.

23. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2026, the Group had interest rate swap agreements with total notional principal amount of approximately USD613,828,000 (equivalent to approximately RMB4,180,721,000) (31 December 2025: approximately USD632,678,000 (equivalent to approximately RMB4,446,967,000)) which will mature in 2031, 2032, 2033, 2034 and 2035 (31 December 2025: 2031, 2032, 2033, 2034 and 2035). These interest rate swap agreements are designated as cash flow hedges in respect of the Group's certain portion of bank borrowings with floating interest rates.

During the period, the floating interest rates of the bank borrowings were 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45% (31 December 2025: 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45%).

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

23. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

As at 30 June 2026 and 31 December 2025, the Group has the following derivative financial instruments:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Non-current assets		
Interest rate swaps – cash flow hedges	144,571	81,038
Total derivative financial instrument assets	144,571	81,038
Non-current liabilities		
Interest rate swaps – cash flow hedges	–	16,524
Total derivative financial instrument liabilities	–	16,524

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

24. ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31 December 2025, as the Board signed the sales and purchases agreement to dispose the Group's vessel, the vessel was classified as held for sale. As the vessel was disposed prior to 30 June 2026, it is no longer included in the condensed consolidated statement of financial position.

The carrying amount of the vessel at the date of disposal is as follows.

	RMB'000
Vessel	139,516
Net assets disposed of	139,516
Consideration received	262,209
Gain on disposal of the vessel	
Consideration received	262,209
Net assets disposed of	(139,516)
Gain on disposal	122,693
Net cash inflow arising on disposal:	
Cash consideration	262,209

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 30 June 2026 and 31 December 2025, details of the interest-bearing bank and other borrowings are as follows:

	Maturity	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Current liabilities			
(i) Bank borrowings			
Secured	2026 to 2027	2,517,673	2,354,573
Unsecured	2026 to 2027	4,437,567	4,905,984
		6,955,240	7,260,557
(ii) Other borrowings			
Secured	2026 to 2027	127,829	114,877
Unsecured	2026 to 2027	2,679,470	2,788,583
		2,807,299	2,903,460
Interest-bearing bank and other borrowings – current portion		9,762,539	10,164,017
Non-current liabilities			
(i) Bank borrowings			
Secured	2027 to 2040	15,223,960	15,698,914
Unsecured	2027 to 2036	2,719,999	1,440,770
		17,943,959	17,139,684
(ii) Other borrowings			
Secured	2040 to 2042	3,297,897	2,265,844
Unsecured	2027 to 2032	2,019,872	3,224,292
		5,317,769	5,490,136
Interest-bearing bank and other borrowings – non-current portion		23,261,728	22,629,820

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

As at 30 June 2026, the Group's interest-bearing bank borrowings were secured by pledges of the Group's 40 (31 December 2025: 39) vessels and 2 (31 December 2025: 3) vessels under construction with total net carrying amount of approximately RMB28,483,679,000 (31 December 2025: approximately RMB28,136,648,000) and approximately RMB1,608,513,000 (31 December 2025: approximately RMB2,233,780,000) respectively.

As at 30 June 2026, secured bank borrowings of approximately RMB16,176,287,000 (31 December 2025: approximately RMB16,423,381,000), unsecured bank borrowings of nil (31 December 2025: approximately RMB1,955,412,000), secured other borrowings of approximately RMB793,402,000 (31 December 2025: approximately RMB491,271,000) are denominated in USD.

26. OTHER LOANS

	Notes	30 June 2026 RMB'000	31 December 2025 RMB'000
Kantons International Investment Limited ("Kantons International")	(i)	540,504	571,571
Mitsui O.S.K. Lines, Ltd. ("MOL")	(ii)	293,313	308,284
PetroChina International Co., Limited ("PetroChina International")	(iii)	7,078	8,050
Jianxin Jin 138 Leasing (Tianjin) Co., Ltd * ("建信津一百三十八租賃(天津)有限公司") ("Jianxin Jin 138")	(iv)	1,276,519	1,352,588
		2,117,414	2,240,493
Less: current portion		(216,396)	(215,079)
Non-current portion		1,901,018	2,025,414

* For identification purpose only

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

26. OTHER LOANS (Continued)

Notes:

- (i) As at 30 June 2026, other loans amounted to approximately RMB20,585,000 (31 December 2025: approximately RMB23,502,000) was borrowed by East China LNG Shipping Investment Co., Limited (“**ELNG**”), a non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Kantons International, to finance certain vessels construction projects being carried out by the associates held by ELNG. As at 30 June 2026, the loans are interest-bearing at a weighted average of SOFR plus 2.26% and fixed rate of 6.70% (31 December 2025: weighted average of SOFR plus 2.26% and fixed rate of 6.70%) per annum, unsecured, and repayable within 20 years after the aforementioned vessels construction projects are completed.

As at 30 June 2026, other loans amounted to approximately RMB519,919,000 (31 December 2025: approximately RMB548,069,000) was borrowed by China Energy Shipping Investment Co., Limited (“**China Energy**”), an indirect and non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Kantons International, to finance certain vessels construction projects being carried out by the subsidiaries of China Energy. As at 30 June 2026, the loans are interest-bearing at a weighted average of SOFR plus 2.45% and fixed rate of 4.80% (31 December 2025: weighted average of SOFR plus 2.45% and fixed rate of 4.80%) per annum, unsecured, and repayable within 15 years after the aforementioned vessels construction projects are completed.

- (ii) As at 30 June 2026, other loans were borrowed by the subsidiaries of China Energy from their non-controlling shareholder, MOL, to finance certain vessels construction projects being carried out by them. As at 30 June 2026, the loans are interest-bearing at a weighted average of SOFR plus 2.45% and fixed rate of 4.80% (31 December 2025: weighted average of SOFR plus 2.45% and fixed rate of 4.80%) per annum, unsecured, and repayable within 15 years after the aforementioned vessels construction projects are completed.
- (iii) As at 30 June 2026, other loans were borrowed by North China LNG Shipping Investment Co., Limited (“**NLNG**”), a non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, PetroChina International, to finance certain vessels construction projects being carried out by the associates held by NLNG. As at 30 June 2026, the loans are interest-bearing at a weighted average of SOFR plus 2.26% and fixed rate of 6.50% (31 December 2025: weighted average of SOFR plus 2.26% and fixed rate of 6.50%) per annum, unsecured, and repayable within 20 years after the aforementioned vessels construction projects are completed.
- (iv) As at 30 June 2026, the Company borrowed approximately RMB1,275,000,000 (31 December 2025: RMB1,350,000,000) in other loans from an independent third party Jianxin Jin 138. This loan was secured by five (31 December 2025: five) vessels owned by the Group with an aggregate net book value of approximately RMB1,005,875,000 (31 December 2025: approximately RMB1,039,033,000), and is repayable over a period of 10 years. As at 30 June 2026, the loans are interest-bearing at above five-year Loan Prime Rate applicable on the charter date minus 1.55% (31 December 2025: above five-year Loan Prime Rate applicable on the charter date minus 1.55%) per annum.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

27. BOND PAYABLE

	30 June 2026 RMB'000	31 December 2025 RMB'000
At the beginning of the period	–	–
Bond issued	2,500,000	–
Interest charge	5,362	–
	<u>2,505,362</u>	<u>–</u>
Less: current portion	(5,362)	–
	<u>2,500,000</u>	<u>–</u>
Non-current portion	<u>2,500,000</u>	<u>–</u>

Details of the balances of corporate bond are as follows:

Issue date	Term of the bond	Total principal value RMB'000	Book value of bond at initial recognition RMB'000	At 31 December 2025 RMB'000	Bond issued RMB'000	Interest charge RMB'000	At 30 June 2026 RMB'000
27 May 2026	10 years	<u>2,500,000</u>	<u>2,500,000</u>	<u>–</u>	<u>2,500,000</u>	<u>5,362</u>	<u>2,505,362</u>

The Company issued a ten-year corporate bond with a principal value of RMB2.5 billion on 27 May 2026. The bond carries an annual fixed rate of 2.06%, subject to a coupon rate adjustment mechanism, and matures on 28 May 2036. The issuing price was 100% of principal value, resulting in no discount on the issue. Interest on the bond is paid annually.

The coupon rate adjustment mechanism linked to sustainability performance. The coupon rate adjustment mechanism is as follows: if the Company fails to achieve both sustainability performance targets (SPTs), a coupon step-up will be triggered. Specifically, the coupon rate for the fourth interest accrual year (2029 to 2030) will increase by 15 basis points from the rate applicable to the third interest accrual year (2028 to 2029). Beginning in the fifth interest accrual year (2030 to 2031), the coupon rate will revert to the initial coupon rate. If the Company achieves either one of the SPTs, the bond will continue to bear interest and be repaid in accordance with the original terms without any coupon adjustment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

28. TRADE PAYABLES

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Trade payables to third parties	1,526,748	1,193,417
Trade payables to fellow subsidiaries	938,283	866,058
Trade payables to an associate	20,738	1,825
Trade payables to related companies (Note)	17,294	13,116
	2,503,063	2,074,416

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

Trade payables due to fellow subsidiaries, an associate and related companies are unsecured, non-interest-bearing and under normal credit terms as other trade payables.

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

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Within 1 year	2,241,830	1,887,760
1–2 years	117,545	124,716
Over 2 years	143,688	61,940
	2,503,063	2,074,416

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

29. OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Accruals	758,363	687,439
Deposits received from disposal of a vessel	–	40,064
Other payables	1,634,384	1,190,885
Due to fellow subsidiaries	2,813,580	494,846
Due to other related companies (Note)	55,941	63,951
	<u>5,262,268</u>	<u>2,477,185</u>

Note: Related companies are entities that the fellow subsidiaries of the Company either have joint control or significant influence.

The amounts due to fellow subsidiaries and other related companies are unsecured, non-interest-bearing and repayable on demand.

30. SHARE CAPITAL

	30 June 2026		31 December 2025	
	Number of shares (thousand)	Nominal value RMB'000	Number of shares (thousand)	Nominal value RMB'000
Registered, issued and fully paid:				
Listed H-Shares of RMB1 each	1,296,000	1,296,000	1,296,000	1,296,000
Listed A Shares of RMB1 each	4,175,207	4,175,207	4,169,221	4,169,221
Total	<u>5,471,207</u>	<u>5,471,207</u>	<u>5,465,221</u>	<u>5,465,221</u>

On 30 June 2026, the Company's share capital increased by 5,985,814 A Shares due to the exercise of share options.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

31. CONTINGENT LIABILITIES AND GUARANTEE

- (1) Four associates of ELNG and NLNG, two non-wholly-owned subsidiaries of the Company, entered into a ship building contract for one LNG vessel each. After the completion of their LNG vessels, the four associates would lease the vessels to the lessees in accordance with the signed leasing contracts. In July 2011, the Company provided guarantees to the four associates for their obligations under the leasing contracts, with the guarantee amount not exceeding USD8,200,000 (equivalent to approximately RMB55,849,000). The guarantee period is limited to the lease period.
- (2) The joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company, signed several ship building contracts and leasing contracts with certain third parties. According to those contracts, the Company would provide guarantees to the joint ventures for their obligations under those contracts based on the subsidiary's percentage of shareholdings in the joint ventures from 2014 to 2021. As at 30 June 2026, the amount of the guarantees provided to the shipbuilders was approximately USD276,120,000 (equivalent to approximately RMB1,880,626,000) and the aggregate amount of the guarantees provided to the lessees was USD6,400,000 (equivalent to approximately RMB43,590,000) and EUR4,500,000 (equivalent to approximately RMB34,952,000). The guarantee periods are limited to the lease periods.
- (3) In June 2017, the Company provided financial guarantees to three joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company to the extent of the contract amount of USD377,500,000 (equivalent to approximately RMB2,571,115,000) in respect of the bank borrowings provided by two banks. The guarantee period is limited to 12 years after the vessel construction project of each of the joint ventures is completed. As at 30 June 2026, the balance of the guarantees was approximately USD224,854,000 (equivalent to approximately RMB1,531,461,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

32. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its vessels under operating lease arrangements, with leases negotiated for an initial year of one to seven (31 December 2025: one to seven) years.

As at 30 June 2026, the Group had total future minimum lease rental receivables under non-cancellable operating leases falling due as follows:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Within one year	851,661	832,075
In the second to fifth years, inclusive	135,842	542,786
	987,503	1,374,861

33. CAPITAL COMMITMENTS

	Notes	30 June 2026 RMB'000	31 December 2025 RMB'000 (Restated)
Authorised and contracted but not provided for:			
Construction and purchases of vessels	(i)	29,670,386	18,537,065
Construction of park property	(ii)	12,463	18,796
		29,682,849	18,555,861

Notes:

- (i) According to the construction and purchase agreements entered into by the Group, these capital commitments will fall due in 2026 to 2030.
- (ii) Included in capital commitments for park property construction payables are commitments for contracted construction projects.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

34. BUSINESS COMBINATION UNDER COMMON CONTROL

On 30 June 2026, the Group completed the acquisition from COSCO SHIPPING of 100% equity interests in COSCO SHIPPING Investment Dalian for consideration of approximately RMB1,584,718,000. The principle activity of COSCO SHIPPING Investment Dalian is LPG transportation.

The Group adopts merger accounting for common control combination in respect of the COSCO SHIPPING Investment Dalian during the six months ended 30 June 2026 and Shanghai Liquefied Gas during the year ended 31 December 2025 as mentioned in note 2.

As at 31 December 2025, Shanghai Liquefied Gas is a subsidiary of COSCO SHIPPING Investment Dalian.

As the COSCO SHIPPING Investment Dalian and Shanghai Liquefied Gas are ultimately controlled by COSCO SHIPPING, the aforesaid transactions were regarded as business combination under common control. The comparative information in these condensed consolidated financial statements has been restated accordingly under merger accounting.

The summarised results of operations for the six months ended 30 June 2025 and the financial position as at 31 December 2025 and 1 January 2025 are set out below:

	As previously reported RMB'000	COSCO SHIPPING Investment Dalian and Shanghai Liquefied Gas RMB'000	Notes	Adjustments RMB'000	Total RMB'000
Six months ended 30 June 2025					
Revenues	11,573,025	17,242	(i)	(14,649)	11,575,618
Profit before tax	2,409,328	(32,563)		22,351	2,399,116
Income tax expense	313,650	(7,158)		–	306,492
Profit for the year	2,095,678	(25,405)		22,351	2,092,624
Equity holders of the Company	1,793,588	(23,068)		123,042	1,893,562
Non-controlling interests	169,560	(2,354)		31,856	199,062

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

34. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

	As previously reported RMB'000	COSCO SHIPPING Investment Dalian RMB'000	Notes	Adjustments RMB'000	Total RMB'000
As at 31 December 2025					
ASSETS					
Non-current assets	72,776,031	886,895	(iii)	(12,443)	73,650,483
Current assets	19,302,549	1,050,810	(iii)	(9,839)	20,343,520
Total assets	<u>92,078,580</u>	<u>1,937,705</u>		<u>(22,282)</u>	<u>93,994,003</u>
EQUITY					
Capital and reserves					
Share capital	5,465,221	2,737,200	(ii)	(2,737,200)	5,465,221
Reserves	40,939,961	(1,162,195)	(ii)	2,740,758	42,518,524
Non-controlling interests	3,237,991	4,804		–	3,242,795
Total equity	<u>49,643,173</u>	<u>1,579,809</u>		<u>3,558</u>	<u>51,226,540</u>
LIABILITIES					
Non-current liabilities	26,672,650	319,354	(iii)	(12,654)	26,979,350
Current liabilities	15,762,757	38,542	(iii)	(13,186)	15,788,113
Total liabilities	<u>42,435,407</u>	<u>357,896</u>		<u>(25,840)</u>	<u>42,767,463</u>
Total equity and liabilities	<u>92,078,580</u>	<u>1,937,705</u>		<u>(22,282)</u>	<u>93,994,003</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

34. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

	As previously reported RMB'000	COSCO SHIPPING Investment Dalian RMB'000	Notes	Adjustments RMB'000	Total RMB'000
As at 1 January 2025					
ASSETS					
Non-current assets	71,950,911	329,760		–	72,280,671
Current assets	9,861,512	806,102		–	10,667,614
Total assets	<u>81,812,423</u>	<u>1,135,862</u>		<u>–</u>	<u>82,948,285</u>
EQUITY					
Capital and reserves					
Share capital	4,770,776	2,737,200	(ii)	(2,737,200)	4,770,776
Reserves	31,616,837	(1,669,091)	(ii)	2,737,200	32,684,946
Non-controlling interests	3,118,248	8,409		–	3,126,657
Total equity	<u>39,505,861</u>	<u>1,076,518</u>		<u>–</u>	<u>40,582,379</u>
LIABILITIES					
Non-current liabilities	32,053,754	3,232		–	32,056,986
Current liabilities	10,252,808	56,112		–	10,308,920
Total liabilities	<u>42,306,562</u>	<u>59,344</u>		<u>–</u>	<u>42,365,906</u>
Total equity and liabilities	<u>81,812,423</u>	<u>1,135,862</u>		<u>–</u>	<u>82,948,285</u>

Notes:

- (i) Adjustments to eliminate the inter-group transactions for the six months ended 30 June 2026.
- (ii) Adjustments to eliminate the investment costs and share capital of the COSCO SHIPPING Investment Dalian against reserves.
- (iii) Adjustments to eliminate the inter-group balance as at 1 January 2025 and 31 December 2025.

No other significant adjustments were made to the profit of any entity as a result of the common control combination to achieve consistency of accounting policies.

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Company is controlled by China Shipping and COSCO SHIPPING, the immediate parent company and the ultimate parent company, both of which are government-related enterprise established in the PRC. The PRC government indirectly controls COSCO SHIPPING and its subsidiaries. In accordance with HKAS 24 (Revised), "Related Party Disclosure", issued by the HKICPA, government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significant influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING and its subsidiaries (other than the Group), other government related entities and their subsidiaries, other entities and corporations in which the Group is able to exercise significant influence and key management personnel of the Company and as well as their close family members. The disclosure in relation to related party transactions and outstanding balances with other government-related entities and their subsidiaries is exempted. The Group's significant transactions and balances with the PRC government and other entities controlled, jointly controlled or significantly influenced by the PRC government mainly include sales or purchases of assets, goods and services, bank deposits and bank borrowings and related trade and other receivables, trade and other payables, borrowings, restricted bank deposits, cash and bank and guarantee. The detailed disclosure in relation to these transactions and outstanding balances is exempted.

In addition to the related party information and transactions disclosed elsewhere in the Interim Financial Information, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties during the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

		Six months ended 30 June	
	Notes	2026 RMB'000	2025 RMB'000 (Restated)
Transactions with fellow subsidiaries and the related entities of COSCO SHIPPING			
Revenues			
Shipping services and ship charter services	(i)	1,612	6,384
Rental income, including surcharge	(i)	90	90
Interest income from COSCO SHIPPING Finance	(i)	28,021	31,899
Ship construction supervision income	(i)	3,000	—
Expenses			
Supply of marine lubricant, fuel, material, painting, spare part and ship equipment etc.	(i)	2,465,226	2,259,202
Electrical, telecommunication, ship repair and technical improvements services etc.	(i)	507,505	559,428
Ship and related business insurance and insurance brokerage services	(i)	29,141	13,752
Ship and shipping agency services	(i)	54,301	67,520
Management services of sea crew	(i)	1,049,011	1,066,215
Rental expenses	(i)	2,355	360
Miscellaneous services	(i)	14,321	12,244
Interest expense from COSCO SHIPPING Finance	(i)	55,706	63,139
Construction of vessels		989,239	501,221

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
			(Restated)
Notes			
Transactions with joint ventures of the Group			
Revenues			
Interest income from joint ventures		25,132	29,284
Transactions with associates of the Group			
Revenues			
Interest income from associates		8,958	11,652
Vessel chartering income	(ii)	98,982	82,307
Expenses			
Vessel chartering expense	(ii)	30,762	–
Key management compensation			
Salaries, bonuses and other allowances		6,719	5,793
Share options		2,409	2,826

Notes:

- (i) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules and have complied with the disclosure requirements of Chapter 14A of the Listing Rules.
- (ii) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules in accordance with the provisions such as Rule 14A.76 of the listing Rules.
- (iii) These transactions were conducted either based on terms as governed by the master agreements and subsisting agreements entered into the Group and COSCO SHIPPING Group or based on terms as set out in the underlying agreements, statutory rates or market prices or actual cost incurred, or as mutually agreed between the Group and the parties in concern.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

In June 2024, Bank of China Limited provided a non-financing guarantee for Hainan COSCO Shipping Energy Transportation Co., Ltd.* (“海南中遠海運能源運輸有限公司”), a wholly owned subsidiary of the Company. The guaranteed amount was approximately RMB105,533,000, with the guarantee term until May 2031. COSCO SHIPPING Finance provided a counter-guarantee for this guarantee. As at 30 June 2026, the actual guaranteed amount under the above guarantee was approximately RMB74,963,000.

In January 2025, COSCO SHIPPING Finance provided a non-financing guarantee for Dalian COSCO Energy, a wholly owned subsidiary of the Company. The guaranteed amount was approximately RMB95,990,000, with the guarantee term extending until January 2030. As at 30 June 2026, the actual guaranteed amount under the above guarantee was approximately RMB95,990,000.

As at 30 June 2026 and 31 December 2025, except for the deposits placed in COSCO SHIPPING Finance listed in note 22, the majority of the Group’s bank balances and bank borrowings are with state-owned banks.

* For identification purpose only.

36. SHARE OPTIONS SCHEME

2023 Share Option Incentive Scheme adopted on 10 May 2024 (the “Incentive Scheme”)

The Company’s Incentive Scheme was adopted pursuant to a resolution passed on 10 May 2024 for the primary purpose of providing incentives to directors and eligible employees. Under the Incentive Scheme, the Board may grant options to eligible employees, including directors of the Company and management of its subsidiaries, to subscribe for shares in the Company.

No consideration is payable on the grant of an option. The exercise price is determined by the Directors, and will not be less than the higher of (i) the closing price of the Company’s shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share.

On 10 May 2024, the Group granted 22,309,600 shares of Share Options to certain employees and directors of the Group under the Incentive Scheme (the “**Initial Grant**”). The estimated fair values of the options granted at RMB8.53.

On 30 December 2024, the Group granted 4,635,800 shares of Share Options to certain employees and directors of the Group under the Incentive Scheme (the “**Reserved Grant**”). The estimated fair values of the options granted at RMB4.92.

36. SHARE OPTIONS SCHEME (Continued)

As at 30 June 2026, the number of shares in respect of which options had been granted and remained outstanding under the Incentive Scheme was 19,162,206 shares (31 December 2025: 25,276,100 shares), representing 0.350% (31 December 2025: 0.462%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Incentive Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Details of specific categories of share options are as follows:

Exercise period	Exercise time
First exercise period	Commencing on the first trading day after expiry of 24 months (after the second full year) from the date of grant and ending on the last trading day of the 36 months from the date of grant.
Second exercise period	Commencing on the first trading day after expiry of 36 months (after the third full year) from the date of grant and ending on the last trading day of the 48 months from the date of grant.
Third exercise period	Commencing on the first trading day after expiry of 48 months (after the fourth full year) from the date of grant and ending on the last trading day of the 84 months from the date of grant.

The performance targets for each effective year have been disclosed in the Company's announcements dated 10 May 2024 and 30 December 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

36. SHARE OPTIONS SCHEME (Continued)

The following table discloses movements of the Company's share options held by employees and directors during the period:

Grantees	Number of persons at 1/1/2026	Outstanding at 1/1/2026	Exercised during the period	Lapsed during the period	Number of persons at 30/6/2026	Outstanding at 30/6/2026
Directors, senior management	9	2,190,800	153,456	88,869	8	1,948,475
Core management at the headquarters	57	11,004,400	3,473,498	22,889	58	7,508,013
Core management of subsidiaries	36	7,832,800	2,358,860	16,322	36	5,457,618
Core management at the headquarters	11	2,167,300	–	–	11	2,167,300
Core management of subsidiaries	11	2,080,800	–	–	11	2,080,800
Total	<u>124</u>	<u>25,276,100</u>	<u>5,985,814</u>	<u>128,080</u>	<u>124</u>	<u>19,162,206</u>
Exercisable at the end of the period						<u>749,512</u>
Weighted average exercise price						<u>12.14</u>

The above changes represent the best estimates based on information available at the reporting date.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

36. SHARE OPTIONS SCHEME (Continued)

Grantees	Number of persons at 1/1/2025	Outstanding at 1/1/2025	Reallocation during the period	Number of persons at 30/6/2025	Outstanding at 30/6/2025
Directors, senior management	8	1,840,700	20,000	8	1,840,700
Core management at the headquarters	61	12,167,200	209,800	62	12,167,200
Core management of subsidiaries	38	8,301,700	–	38	8,301,700
Core management at the headquarters	12	2,325,200	–	12	2,325,200
Core management of subsidiaries	12	2,310,600	(229,800)	11	2,310,600
Total	131	26,945,400	–	131	26,945,400
Exercisable at the end of the period					Nil
Weighted average exercise price					12.84

In respect of the share options exercised during the period, the weighted average share price at the dates of exercise is RMB22.11 (30 June 2025: Nil).

The Company has selected the internationally adopted Black-Scholes Option Pricing Model to measure the fair value of the Share Options granted on 10 May 2024 and 30 December 2024, being the date of grant. The values of all parameters of the valuation model and descriptions are as follows:

	10 May 2024	30 December 2024
Weighted average share price	17.15	11.95
Exercise price	13.00	12.09
Expected volatility	51.77%	53.76%
Expected life	3.83	3.83

For the share options granted on 10 May 2024 and 30 December 2024, expected volatility was determined by using the historical volatility of the Company's share price over the previous 3.83 years.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 June 2026

36. SHARE OPTIONS SCHEME (Continued)

A board resolution was passed on 15 April 2026, the exercise price for the Initial Grant was adjusted from RMB13.00 to RMB12.22 per share, and the exercise price for the Reserved Grant was adjusted from RMB12.09 to RMB11.88 per share as a result of implementation of interim profit distribution plans for 2023 and 2024 and the final profit distribution plan for 2024 of the Company, pursuant to the 2023 Share Option Incentive Scheme.

A further board resolution was passed on 26 June 2026, the exercise price for the Initial Grant was adjusted from RMB12.22 to RMB11.84 per share, and the exercise price for the Reserved Grant was adjusted from RMB11.88 to RMB11.50 per share as a result of implementation of final profit distribution plan for 2025 of the Company, pursuant to the 2023 Share Option Incentive Scheme.

A further board resolution was passed on 28 August 2026, the exercise price for the Initial Grant was adjusted from RMB11.84 to RMB11.56 per share, and the exercise price for the Reserved Grant was adjusted from RMB11.50 to RMB11.22 per share as a result of implementation of interim profit distribution for 2026 of the Company, pursuant to the 2023 Share Option Incentive Scheme. Such adjustments shall take effect from the day immediately following the day of the completion of the distribution of cash dividends for A Shares in respect of the Company's 2026 interim profit distribution.

The Group recognised the total expense of approximately RMB26,269,000 (for the six months ended 30 June 2025: approximately RMB38,360,000) during the period in relation to share options granted by the Company.

37. COMPARATIVE FIGURES

Certain comparative figures have been re-presented as a result of the application of merger accounting due to the business combination involving entity under common control.