2024

ANNUAL REPORT

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Seacon Shipping Group Holdings Limited

洲際船務集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2409

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CORPORATE INFORMATION

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

Independent Non-executive Directors
Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

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

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

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

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

Environmental, Social and Governance Committee
Mr. Guo Jinkui *(Chairperson)*
Mr. Zhao Yong
Mr. Zhuang Wei

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

Authorised Representatives
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Ms. Chan Sze Ting

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Bank of China
Mizuho Bank, Ltd.

Stock Code
2409

Company Website
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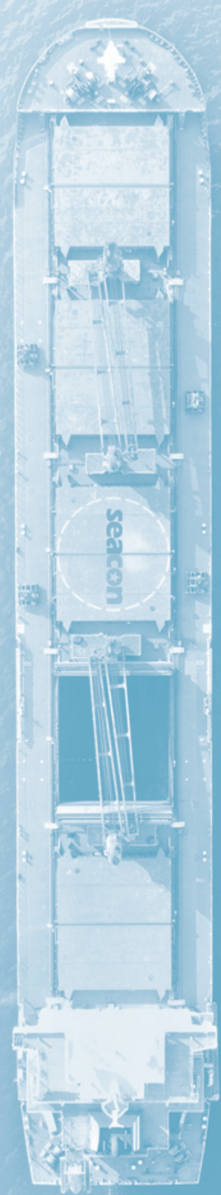

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board of Seacon Shipping Group Holdings Limited ("**Seacon Shipping**", together with its subsidiaries, the "**Group**"), I am pleased to present to shareholders the annual results for the year ended 31 December 2024 (the "**Year**").

As I write this statement, it is the second anniversary of the Group's listing on the Main Board of the Hong Kong Stock Exchange. Over the past two years, we have fully utilized the advantages of our listed company platform, and with our regular and highly transparent disclosure of information, we have successfully developed diversified financing channels, which have reduced the Group's cost of capital. At the same time, leveraging on our market-leading position and global business network, we have been able to establish solid business relationships with domestic and Japanese shipbuilders, international shipowners and finance leasing institutions, thereby building a solid foundation for the Group's fleet expansion strategy.

During the Year, even though the shipping market was affected by multiple factors such as macroeconomic fluctuations, structural adjustments in supply and demand, and geopolitics, we continued to promote our fleet expansion strategy, adding an additional 268,574 dwt of capacity through take over of 2 new vessels, bareboat chartering of 1 vessel and the investment in 5 vessels. Through the expansion of our controlled fleet size and the diversification of our vessel types, we significantly improved our operational resilience and gross profit levels during the Year. At the same time, we entered into new building orders for 13 dry bulk carriers and oil/chemical tankers, and new building orders for 2 chemical tankers under bareboat charter during the year. The joint ventures entered into new building orders for 13 vessels, for a total of 28 newly constructed vessels. The diversification of the fleet also helps to increase the conversion rate of customers and reduce the risk of volatility in the Group's single shipping segment, thus further supporting future performance growth.

In line with the accelerated pace of fleet expansion, we also opened a new chapter in our vessel replacement program to capitalize on the market opportunities arising from the vessel asset cycle. During the Year, we sold a total of 10 self-owned and investment vessels, realizing gain from the disposal of self-owned vessels (after tax and expenses) of approximately US$46.0 million. Subsequent to the end of the financial year, we also disposed of one cargo ship and one oil/chemical tanker in January and February 2025 respectively, which is expected to result in a gain on disposal of vessels (after tax and expenses) of approximately US$10.3 million. These initiatives not only demonstrate the team's ability to realize assets in a timely manner, but also reflect that the vessel replacement program has become an important part of our business strategy, and may even be a core initiative to optimize our capital structure and enhance operational efficiency. We will continue to work hard to create incremental contributions for our shareholders in the future.

We have also stepped up to another level in the development of our ship management business. As of 31 December 2024, the number of vessels under the Group's management has increased by 25% year-on-year. In terms of the number of vessels under management, we have been ranked as one of the Lloyd's List Global Top 10 Ship Management Enterprises and Managers for two consecutive years, making us the only listed company and Chinese-funded shipping management company, and our professional management capability has been recognized by international authorities. Except for the withdrawal of certain customers due to the need to sell their vessels, the Group's contract renewal rate for its management business exceeded 95% during the Year, which demonstrated the high recognition of our service capability by our customers. In view of the increase in market share, the revenue and gross profit performance of our management business also reached record highs.

CHAIRMAN'S STATEMENT

Overall, we once again delivered a good result for the Year, benefiting from our fleet optimization strategy and rate increases, as well as a record number of vessels under our management. In 2024, the Group's full-year revenue increase by 8.9% year-on-year to US$282.1 million, while gross profit rose by 60.5% year-on-year to US$64.4 million, and gross profit margin improved from 15.5% year-on-year to 22.8% during the Year, as a result of the increase in rate and the increase in the contribution of revenue from our controlled fleet. Together with the gain arising from the successful disposal of vessels, net profit attributable to the parent company surged by 231.6% year-on-year to US$70.3 million, with a net profit margin of 26.5%. Excluding the gain on disposal of assets and impairment loss on financial assets, profits before interest and taxes for the Year increased by approximately 93.8% to US$51.1 million from US$26.4 million in the same period last year, confirming the strong growth momentum of the inherent business.

Looking forward to 2025, the shipping market faces many uncertainties. The slowdown in global economic growth, the shift in China's infrastructure policy, the tightening of environmental regulations, and the expansion of steel production capacity in emerging markets such as India and Southeast Asia will continue to affect the supply and demand pattern of the global shipping market. In this regard, we will closely monitor market changes, flexibly adjust our business strategies, and continue to expand our fleet size and optimize our vessel mix to diversify market risks. At the same time, we will continue to implement the vessel replacement program to further enhance the operational efficiency of our fleet and ensure that we maintain our competitive edge amidst market changes.

In terms of operations, we will continue to improve our global presence and service capabilities. Following the establishment of an office in Germany, we plan to set up a new office in Houston, USA and Dubai, Middle East in 2025 to enhance market penetration in the region. We will also strengthen cost control by establishing new crew dispatch centers and material procurement centers to centralize procurement and integrate resources, further reducing management costs and enhancing economies of scale. In order to better capture the investment opportunities in vessel assets, we will also increase manpower resources to further enhance our ship management capabilities and asset realization efficiency.

Last but not least, I would like to extend my heartfelt gratitude to all shareholders, employees, partners, customers and investors for their support over the past year. We will continue to strive for better results and to create sustainable returns for our shareholders. We are confident that with your support and trust, Seacon Shipping will be able to rise to the challenge and achieve new milestones.

Mr. Guo Jinkui
Chairman of the Board

Hong Kong, 27 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

The Group is an integrated shipping services provider combining ship investment, operation and management. Its comprehensive services provided include (i) shipping services and (ii) ship management services, covering key processes along the value chain of the maritime shipping industry.

BUSINESS HIGHLIGHTS

Revenue: Revenue amounted to approximately US$282.1 million during the year ended 31 December 2024 (the "**Year**"), representing a year-on-year increase of 8.9% from approximately US$259.0 million in 2023.

Gross profit: Gross profit amounted to approximately US$64.4 million during the Year, representing a year-on-year increase of 60.5% from approximately US$40.1 million in 2023.

Net profit attributable to shareholders of the Company: Net profit attributable to shareholders of the Company amounted to approximately US$70.3 million during the Year, representing a year-on-year increase of 231.6% from approximately US$21.2 million in 2023.

	For the year ended 31 December	
	2024 US$ million	2023 US$ million
Revenue	**282.1**	259.0
Gross profit	**64.4**	40.1
Adjusted net profit	**74.8**	23.8
Earnings before interest and tax	**97.1**	31.8
Profit per share (US$ per share)	**0.141**	0.045

BUSINESS STRATEGY

One-stop service platform of ship asset covering investment, operation and management: With the extensive maritime knowledge of the Group's management, as well as the operational experience and market information accumulated through shipping services and ship management services, the Group is able to respond in advance to the shipping industry cycles. The Group acquires vessel assets at a lower price, and makes deployments in advance during the market downturn as well as generating revenue through its operation and management service when the market is sluggish. The Group may sell vessels at a premium to take advantage of the opportunities brought by the market cycle when the market is prosperous. During the Year, through its regular investment in marine assets and operating activities, the Group was able to generate additional financial income on the basis of stable businesses.

Allocation of light or heavy ship assets: Maintaining a well-balanced portfolio of vessel fleet assets is one of the keys to the robust development of the Group's shipping services. As the lease term of the chartered-in vessels is generally short (usually expiring within three months), this approach allows the Group to enjoy greater flexibility in vessel fleet operations while avoiding significant capital expenditure. On the other hand, controlled vessels generally enjoy a higher gross profit and could drive the financial performance. Therefore, the balanced vessel fleet assets will be conducive to the achievement of economies of scale and profit improvement of the Group, while maximizing operational flexibility.

Expanding vessel fleet: In view of the low vessel newbuilding cost in the past few years, the Group has engaged well-established shipyards located in the PRC and Japan to build new vessels for it. During the Year, the Group has a total of additional weight carrying capacity of 268,574 dwt through takeover of two new vessels, bareboat chartering of one vessel and the investment in five vessels. Five new bulk carriers, three new chemical tankers, 2 crew transport vessels are expected to be put into operation in 2025, together with seven purchased second-hand bulk carriers, three bareboat chartered vessels and six additional vessels to be put into operation by joint ventures, which contributes an additional weight carrying capacity of 662,651 dwt. As at 31 December 2024, the Group's self-owned and bareboat chartered vessels under construction amounted to 20 vessels and 18 vessels under construction held through joint ventures, totalling 38 vessels, including 16 bulk carriers, 16 chemical tankers and 6 MR product tankers. The additional weight carrying capacity covers a wide range of vessel types, including oil/chemical tankers, heavy multi-purpose vessels, bulk carriers and multi-purpose dry cargo vessels, which can effectively expand ship's carrying capacity while balancing asset investment and benefits.

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

Expanding business presence: To support its business development, the Group has further accelerated its global network deployment and built up a service network covering major routes around the world through the establishment of a number of additional strategic offices and service sites. The opening of the new office of the Group's German branch in October 2023 has significantly enhanced the Group's one-stop service capability in Germany and Europe. The Group plans to establish a Houston office in the United States and a Middle East office in Dubai in 2025 to further enhance the efficiency and capability of its services. By optimising the allocation of resources in each of the major intercontinental hubs, the Group will strive for a higher market share with better services.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Implementation of environmental, social and corporate governance strategy: In response to the green and low-carbon initiatives, the Group has set up milestones to achieve carbon neutrality. Due to environmental restrictions and the enhanced supervision on carbon emissions intensity of the global shipping industry by the International Maritime Organisation, the Group will gradually replace vessels with higher fuel consumption and carbon emissions with new vessels that have lower fuel consumption and carbon emissions. The Group will also adopt energy-saving operational measures and ensure that all new vessels comply with the new requirements through technological improvements and the use of low-emission fuels, thus seizing the huge opportunities brought about by green logistics.

CONTROLLED AND CHARTERED-IN VESSEL FLEETS

The Group offers shipping services for commodity owners, traders and shipping service companies via its controlled or chartered-in vessels. As of 31 December 2024, the Group has 20 controlled vessels and invested in 6 vessels through joint ventures, including 15 dry bulk cargo carriers and 11 oil/chemical tankers, with a combined weight carrying capacity of 1.23 million dwt, representing a decrease of 14.6% as compared to 1.41 million dwt as of 31 December 2023. The decrease of two vessels was mainly due to the elimination of the Group's old vessel capacity, with a total of ten self-owned and investment vessels sold during the Year, the takeover of two new vessels, bareboat chartering of one vessel and investment in five vessels.

In response to the upgrading of environmental protection policies in shipping, the Group has also accelerated the optimisation of its fleet structure, with the average age of vessels being further reduced from 7.0 years in 2023 to 6.0 years. The Group expects that its young fleet will demonstrate multiple advantages under the new EU environmental framework, not only will it lower operating costs through low fuel consumption and digital management, but also it will have a head start in terms of carbon tax, green shipping financing and EU port dues exemption.

Change in controlled fleet

	For the year ended 31 December	
	2024	2023
Dry bulk carriers	**15**	20
Oil/chemical tanker		
— Oil tanker	**3**	4
— Chemical tanker	**8**	4
Total	**26**	28

With its market position, flexible and efficient operating model, stable financial condition and performance, and transparent disclosure of information, the Group has established deep cooperative relationships with shipyards in the PRC and Japan for many years, which has rendered the Group shipbuilding opportunities at lower costs. As such, the Group has proactively seized the market trend of low vessel newbuilding cost and has separately engaged well established shipyards located in the PRC and Japan to build new vessels. In terms of new orders, the Group entered into new building orders for 13 dry bulk carriers and oil/chemical tankers, and new building orders for 2 chemical tankers under bareboat charter during the year. The joint ventures entered into new building orders for 13 vessels, for a total of 28 newly constructed vessels, of which 6 were bulk carriers and 22 were oil/chemical tankers. The above investments will result in an additional increase of total weight carrying capacity of 626,620 dwt, which accounts for 51.0% of the total weight carrying capacity as at 31 December 2024. By further diversifying its vessel fleet portfolio, the Group aims to enhance its competitiveness in the shipping industry.

Changes in chartered-in vessel fleet

The Group believes that maintaining a suitable proportion of chartered-in vessels to controlled vessels allows the Group to maintain a sizeable fleet of vessels whilst effectively reducing its capital commitments and maximizing flexibility in its business. The chartered-in vessel fleet conducts shipping business via chartered-in vessels on long term, short term and single voyage basis. During the Year, the Group entered into approximately 120 chartered-in vessel engagements with a combined weight carrying capacity of approximately 0.58 million dwt.

Due to the diversity of its chartered-in vessels, the Group is able to transport all major kinds of dry bulks and oil/chemicals for its customers such as iron ore, coal, grain, steel, logs, cement, fertilizer, nickel ore and bauxite, as well as bulk chemicals, fine chemicals and basic chemical raw materials.

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

GLOBAL NETWORK

The Group provides shipping services for customers under time charter and voyage charters, which cover major international dry bulk routes and oil/ chemicals routes, including, among others, South America-China, Australia-Far East, USA-Far East, Africa-Far East, Southeast Asia-Far East, India-China, West Africa-Northwest Europe, West Africa-Mediterranean and China-Southeast Asia.

In order to meet customers' increasing demand for shipping and vessel management services, the Group has set up subsidiaries in China, Singapore, Japan, Greece and Germany, covering Shanghai, Zhoushan, Qingdao, Ningbo, Fuzhou, Hong Kong, Singapore, Tokyo, Athens, Hamburg and other cities, with a commitment to providing services in major markets.

MANAGEMENT DISCUSSION AND ANALYSIS

CUSTOMER NETWORK

Leveraging on over ten years of experience in the industry, the Group has served ship owners, finance leasing companies, shipyards, dry bulk traders and shipping and logistics companies, including leading shipping charterers and global trading multinationals. The Group's customers base includes globally-recognised blue-chip multinationals, such as one of the world's leading dry bulk owners and vessel operators; large multinational conglomerates engaging in the trading of agricultural goods; the world's largest private metals trader; one of Japan's largest steel traders; the world's top four grain traders and global large traders; refining and chemical enterprises on the Fortune Global 500 list; the world's leading new-energy automobile manufacturers; and the major financial leasing companies in China.

INFORMATIZATION AND INTELLIGENT DEVELOPMENT

With the increasing competition in the shipping market, downstream participants continue to raise their demands on the operational capability and efficiency of shipping enterprises. Therefore, the construction of information systems of various shipping enterprises is also accelerating, and informatization and intelligence have become a booster to promote the development of the industry. Through the development of intelligent shipping and management software, the Group has established an integrated and comprehensive shipping management system, equipped with Seacon-AI, a unique big data platform and a big model of Seacon, which, through the centralization, integration and real-time interaction of information, is capable of implementing intelligent management and control as well as analysis of big data, realising all-round and refined management of shipping.

ESG STRATEGY AND TARGET

As the world promotes green energy resources and low carbon emissions, the shipping industry is undergoing a transformation. In recent years, the International Maritime Organization (IMO) and the European Union (EU) have enacted a number of regulations to monitor greenhouse gas emissions from ships. In particular, the Marine Environment Protection Committee (MEPC) of the International Maritime Organization , in its latest strategy, has explicitly called for the upgrading of the energy-efficient design of new vessels in order to reduce the carbon emission intensity. These include the need to reduce carbon emissions from ships on international shipping routes by 20% by 2030 and 70% by 2040 as compared with the levels in 2008, and to achieve net zero emissions by 2050 or thereafter. In addition, at least 5% of the energy resources used by ships on international routes by 2030 will need to come from technologies and fuels with zero (or near-zero) greenhouse gas emissions.

By 1 January 2025, the FuelEU Maritime Regulation of EU will officially come into effect, which, along with the directive to include the shipping industry in the EU Emissions Trading System (EU ETS), is part of the EU's "Fit for 55" package of legislation proposed for 2021, which aims to reduce EU greenhouse gas emissions by at least 55% by 2030. In terms of implementation, such regulations have clear key requirements, including reducing the greenhouse gas intensity of energy use on board, using onshore power supply (OPS) at major European ports, and encouraging the use of renewable and sustainable fuels on board. All of these regulations place more stringent performance requirements on the existing weight carrying capacity supply.

To this end, the Group has formulated corresponding short, medium and long term targets. In the short term, the Group is committed to meeting the latest IMO standards for Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Index (CII) for all existing ships from 2023. In the medium term (against the 2008 baseline), the Group targets to achieve a 40% reduction in CO_2 emission intensity by 2030 and a 70% reduction in CO_2 emission intensity by 2050, with the ultimate goal of achieving carbon neutrality.

In specific practice, the Group participated in the 2024 Global Shipping Technology Conference held in Shanghai on 30 January 2024, which aims to further promote the decarbonization of the port and shipping industry, encourage technological innovation and business model innovation of enterprises, and select and grant the 2024 Green Decarbonization Innovation Application Award in the shipping industry. In particular, the "GREEN FUTURE Ship Greenhouse Gas Emission Management System", independently developed by the Group's Technology Development (Innovation) Centre, won the 2024 Green Decarbonization Innovation Application Award in the shipping industry. In November 2024, the Group, with its active exploration and outstanding performance in the field of energy conservation and carbon reduction, was awarded the "Best Energy Conservation and Carbon Reduction Action Award" and the "Best ESG Practice Case Award" in the "2024 Hong Kong International Finance Forum and Hong Kong International ESG Awards Ceremony" hosted by the Hong Kong Ta Kung Wen Wei Media Group, and co-organised by China Certification & Inspection Group, Institute for China Business of The University of Hong Kong, and the HSBC Business School of Peking University. In the same month, the Group was awarded the "Governance Excellence Award" at the Greater Bay Area Listed Companies ESG100 Green Development Awards at the First Guangdong-Hong Kong-Macao Greater Bay Area Listed Companies Summit, and was successfully selected as one of the "2024 Outstanding Development Listed Company" by the China Association for Public Companies, which affirmed its corporates' innovative exploration and outstanding achievements in ESG practices.

In addition, the Group also endeavours to meet the latest requirements of the FuelEU Maritime Regulation by phasing out and upgrading its vessel fleets, adopting energy-saving operational measures, promoting energy-saving technological improvements, and adopting low-emission fuels. Based on the Wind ESG rating updated in July 2024, the Company's ESG rating has been upgraded to Grade A after the release of 2023 ESG report, which reflects orderly improvement of the Group's ESG performance. As the European carbon tax policy is officially implemented, it is expected that the supply of dry bulk cargo and oil/chemical tanker carrying capacity of the Group will be adjusted. Moreover, the Group's young fleet will be better positioned in market share and operating costs in the future as the new vessels have better performance in terms of fuel consumption and carbon emissions.

INDUSTRY RECOGNITION

Relying on its rich industrial and operational experience, the Group's services are well acclaimed by the market. After successful entering the Lloyd's List 2023 Global Top 10 Ship Management Enterprises and Managers, the Group once again ranked ninth in the world in 2024. In addition, as the only listed company among the top ten ship management companies and the first Chinese-funded shipping company on the list, the ranking further reflects the Company's excellent service capability and outstanding market position. In addition, Mr. Guo Jinkui, chairman of the Company, has been listed on the "Top 100 Most Notable Chinese Individuals in Shipping Industry"* (最受航運界關注的100位中國人) for nine consecutive years, which demonstrates the Company management's contribution and outstanding performance in the PRC shipping industry.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

In 2024, the shipping freight market exhibited a fluctuating trend of initial strength followed by weakness. In the first half of the year, with the steady recovery in manufacturing and supply chain imbalances caused by geopolitical events, the global shipping market was generally entering into the recovery phase. However, the second half of the year saw a softening in shipping demand due to escalating geopolitical risks, gradual capacity expansion, and multiple uncertainties in the global trade outlook. Despite these challenges, freight rates remained robust in 2024. The Baltic Dry Index (BDI, being the main benchmark to reflect the volatile movements of the dry bulk carrier charter rates and of the market charter rates) increased by 27.3% year-on-year on average over the year, while the Baltic Clean Tanker Index (BCTI, being a major benchmark for oil tankers charter rates) increased by 2.1% year-on-year on average over the year.

While the average sea freight rate has increased, the Group has been actively optimising its fleet mix and renewing its fleet capacity by phasing out old vessels. At the same time, the Group has also been actively deploying the oil/chemical tanker market and successfully securing a higher charter rate with a diversified fleet. As a result of the above, the Group's total revenue increased by 8.9% on a year-on-year basis to US$282.1 million from US$259.0 million in 2023.

Gross profit margin increased from approximately 15.5% in 2023 to approximately 22.8% during the Year, driving a 60.5% year-on-year increase in gross profit to US$64.4 million (2023: US$40.1 million). Such increase was driven by the increase in average shipping rates, higher contribution from higher margin controlled fleet revenues and higher margin ship management services revenues, as well as greater scale effects from fixed operating costs such as depreciation and crew wages, which aligned with the revenue growth. In addition, as the Group closely monitored investment and trading opportunities for different types of vessels, it sold 10 vessels during the Year, generating a gain of approximately US$46.0 million of asset sales proceeds and share of profit of associates of approximately US$5.6 million. Taking into account the aforesaid factors, profit for the Year was US$74.8 million, a year-on-year increase by 239.7% compared to US$22.0 million in 2023. Profit for the Year attributable to the shareholders of the Company also increased from US$21.2 million in 2023 to approximately US$70.3 million, a year-on-year increase of 231.6%.

The adjusted net profit for the Year was approximately US$74.8 million, a year-on-year increased by 213.5% compared to US$23.8 million in 2023.

The Group also strives to maintain a strong financial condition in light of the fluctuations in the market condition. As of 31 December 2024, the Group's cash and cash equivalents amounted to approximately US$65.8 million, representing a year-on-year increase of 135.1% from approximately US$28.0 million as of 31 December 2023. Total assets increased by 21.7% year on year to approximately US$598.9 million (as of 31 December 2023: US$492.1 million), benefiting from the increase in vessel assets and business growth. Correspondingly, total borrowings increased by 24.5% year on year to approximately US$268.8 million (as of 31 December 2023: US$215.9 million). Gearing ratio, which is total liabilities dividing by total assets, fell to a sound level of approximately 61.4% (as of 31 December 2023: approximately 64.7%). Going forward, the Group will closely monitor its working capital liquidity position and adopt various cost control and efficiency enhancement measures to strengthen liquidity.

SHIP MANAGEMENT SERVICES SEGMENT

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

The Group manages a wide variety of vessel types such as dry bulk carriers, oil tankers, chemical tankers, cargo ships, container ships, automobile ships, operation support vessel for wind farms, pulp vessels, gas carriers and offshore engineering ships. During the Year, the Group benefited from its extensive management experience and successfully gained the trust of its customers by successfully taking over a super-large liquefied gas vessel with a capacity of 79,000 cubic metres in Doha, Qatar and 3 LNG duel-fuel automobile carriers. In terms of the number of vessels under our combined management by the end of 2024, the Group was once again successfully listed in Lloyd's List 2024 Global Top 10 Ship Management Enterprises and Managers, and also was the only listed company among the top 10 ship management companies, as well as the first Chinese-funded shipping company on the list.

Leveraging its increasingly extensive industry experience and broad customer base, the Group has further broadened its service offerings to provide shipbuilding supervision services in 2019. Such services generally cover the provision of initial feasibility analysis and review of vessel blueprints, professional consultations during the shipbuilding as well as technical evaluations and ongoing support services during the course of the shipbuilding process. Since the commencement of the service provision and up to 31 December 2024, the Group has been engaged to provide shipbuilding supervision services for more than 200 shipbuilding projects of various types, covering bulk carriers, container ships, multi-purpose vessels, oil tankers, chemical tankers and marine engineering vessels, automobile ships, LPG ships, very large gas carriers, fishing breeding vessel, wind power installation ships, liquefied natural gas bunkering vessels, passenger ships, etc. During the Year, the 77,000 dwt multi-purpose pulp vessel, which was supervised by the Group, was also successfully delivered on schedule and was put into operation.

In respect of financial performance, segment revenue increased by 50.4% year on year to US$76.8 million (2023: US$51.1 million) as a result of the increase in the number of vessels under management, particularly the increase in the number of vessels under management that charge management fees under lump-sum basis. Profit before income tax of the segment was US$9.4 million (2023: US$5.0 million), a year-on-year increase by 89.0%, as a result of higher profit associated with the increases in the vessels under management on lump-sum basis. Profit margin of the segment reached 12.3% for the Year (2023: approximately 9.8%).

MANAGEMENT DISCUSSION AND ANALYSIS

SHIPPING SERVICES SEGMENT

The Group's vessel fleet comprises mainly dry bulk carriers which are able to transport all major kinds of dry bulks, such as coal, grain, steel, logs, cement, fertilizer and iron ore. The Group also transports bunkers and petrochemical products through its oil and chemical tankers.

As at 31 December 2024, controlled fleet of the Group and joint ventures comprises 26 vessels, which has a combined weight carrying capacity of 1.23 million dwt, representing a year-on-year decrease by 14.6% from 1.41 million dwt as at 31 December 2023. As the fleet continued to be replaced, the average age of vessels further decreased to 6.0 years from approximately 7.0 years in 2023. Given its flexibility, chartered-in vessels occupy a portion of fleet of the Group. As at 31 December 2024, the Group entered into approximately 120 charter agreements with a combined weight carrying capacity of approximately 0.58 million dwt.

Maintaining a perfect and balanced asset mix of vessel fleet is crucial to the healthy development of the business. Controlled vessels are predominantly comprised of dry bulk carriers, oil tankers and chemical tankers which we solely own or jointly own with our business partners, or chartered on a long-term basis through bareboat charters or finance lease arrangements. On the other hand, chartered-in vessels are comprised of dry bulk carriers and chemical tankers chartered from vessel suppliers predominantly under term charters. The generally shorter lease term of chartered-in vessels, which is usually within three months, enables the Group to exert its flexibility in vessel fleet operation while avoiding significant capital expenditure. However, controlled vessels generally bring higher gross profits and can drive financial performance of the Group. Therefore, balanced vessel fleet assets will facilitate the Group to benefit from profit improvement and economics of scale and maximise operating flexibility.

Meanwhile, the Group generally charters its vessels to its customers under term charters. The Group also provides shipping services to its customers through voyage charters including the transport of iron ore from India and Australia to China, metallurgical coal from China to Japan, acrylonitrile from East China to Thailand and Malaysia, as well as phenol and acetone from East China to Thailand.

During the Year, due to a slight decrease in fleet size, the recovery in global trade volume and the year-on-year increase in the average BDI and BCTI, segment revenue decreased by 1.3% year on year to US$205.3 million from US$208.0 million in 2023. In particular, revenue from controlled vessels increased by 11.7% year on year to US$120.0 million from US$107.4 million in 2023, while revenue from chartered-in vessels decreased by 15.1% year on year to US$85.4 million from US$100.6 million in 2023.

In terms of gross profit, gross profit of shipping services was US$49.3 million (2023: US$30.4 million) during the Year, a year-on-year increase by 62.2%. In particular, gross profit of controlled vessels increased by 49.2% year on year to US$47.1 million from US$31.5 million in 2023, with a gross profit margin of approximately 39.2% (2023: 29.4%). Gross profit on chartered-in vessels was US$2.3 million (2023: gross loss of US$1.1 million), a year-on-year increase of 301.6%, with a gross profit margin of approximately 2.7% (2023: gross loss margin of approximately 1.1%). During the Year, profit before income tax of the segment increased by 292.1% year on year to US$68.1 million (2023: US$17.4 million), while profit margin of the segment reached approximately 33.2% (2023: 8.4%).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

In 2024, the global shipping market continued to grow against the dual pressures of geopolitical turmoil and deteriorating operating environment. In terms of demand, the dry bulk market as a whole continued to perform well. According to the data published by the National Bureau of Statistics, China's iron ore imports increased for the second consecutive year in 2024, hitting a record high with a year-on-year of 4.9%. Total coal imports for the year reached 542.7 million tons, a year-on-year increase of 12.58%. These increased commodities were mainly transported via large and medium-sized dry bulk carriers, especially Capesize, which brought stable orders. At the same time, the ongoing conflict between Russia and Ukraine, which continued to affect the shipping capacity of the Black Sea route, the tension in the Red Sea that has forced the average distance of the Asia-Europe route to be extended, and the detour of ships caused by the drought in the Panama Canal, have all led to a tightening of capacity supply and a further increase in transportation costs.

The Baltic Dry Index (BDI) for dry bulk carriers was an annual average of 1,755 points, with a year-on-year increase of 27.3%. Although the BDI fell below 1,000 points in the second half of the year due to port strikes and slowing trade growth, it remained its strong momentum throughout the year. In terms of petrochemicals, although the oil transportation market fluctuated downward in 2024, the annual average values of BDTI (Baltic Dirty Tanker Index) and BCTI were 1,094 points and 818 points, respectively.

There has also been a structural adjustment on the supply side of vessels. The leading shipyards in China, Japan and South Korea continued to shift their production capacity toward large-scale and green vessels, and the decreasing number of active shipyards has pushed up the construction threshold, which has limited short-term growth. The implementation of the IMO's new carbon emission regulations and the FuelEU Maritime Regulation of EU also accelerated the fleet renewal process, and the vessel age structure has entered a period of concentrated replacement.

Looking ahead to 2025, the global shipping market will be a complex game driven by both structural divergence and environmental transformation. Although the Baltic Capesize Index (BCI) saw a brief rebound at the beginning of the year due to restocking demand for Capesize vessels, the dry bulk market will remain under pressure in the first half of the year due to factors such as ongoing suppression of iron ore imports due to the contraction in China's real estate investment and the increasing operating costs from the EU carbon tax (ETS). With China's infrastructure policy shifting towards "dual uses in normal and emergency situations" and the push for new energy projects, coupled with the expansion of iron and steel production capacity in emerging markets such as India and Southeast Asia, the demand for iron ore and coal shipping is expected to take over in the second half of the year, pushing the BDI index closer to the levels in 2024. The Group will continue to monitor the impact of policy changes and geopolitical events on the international shipping market and seize market opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of ship management market, faced with frequent geopolitical events and increasing compliance requirements, shipowners in the market are gradually inclined to seek advice from professional third-party ship managers. As the world's ninth largest ship management services provider headquartered in the PRC, the Group has obvious advantages in brands, experience and scale, and will strive for a larger market share in the future.

PROSPECTS

Following its listing on the Main Board of the Hong Kong Stock Exchange, the Group has been actively harnessing the international capital to expand controlled vessel fleet and chartered-in vessel fleet with light and heavy assets. During the Year, the Group has took over of 2 new vessels, bareboat chartered 1 vessel and invested in 5 vessels, and its combined weight carrying capacity has reached 1.23 million dwt. Meanwhile, the Group is also actively expanding its fleet coverage. As at 31 December 2024, the Group's self-owned and bareboat chartered vessels under construction amounted to 20 vessels and 18 vessels under construction on order through joint ventures, totalling 38 vessels, including 16 bulk carriers, 16 chemical tankers and 6 MR product oil tankers, which are expected to be delivered from 2025 to 2027. In addition, the Company has acquired seven 3,800 dwt multi-purpose dry cargo vessels and bareboat chartered 1 bulk carrier and 2 chemical tankers in early 2025, by which time the combined weight carrying capacity will increase by an additional 1,215,251 dwt, accounting for 98.5% of the existing capacity, providing significant support for incremental revenue.

In addition, the operation of new vessels will bring more opportunities for replacing old vessels. The Group will be dedicated to capturing the cyclical nature of the industry and release capital values at market highs to lift its asset return. During the Year, the Group successfully sold a total of 10 self-owned and investment vessels, generating proceeds from the disposal of self-owned vessels (after taxes and expenses) of approximately US$46.0 million and share of profit of associates of approximately US$5.6 million. Subsequent to the reporting period, the Group also continued to implement its vessel replacement plan to optimise its fleet size and improve capital liquidity. In particular, the Group has sold one 13,500 dwt cargo vessel and one 34,834 dwt oil/chemical tankers in January and February 2025, respectively. Upon completion of the transactions, it is estimated that total sales proceeds (after tax and expenses) of approximately US$10.3 million will be realised. Through its regular vessel investment activities, the Group will be able to generate additional financial gains on the basis of stable businesses. As the Group eliminates and upgrades fleets in due course, the Group will capture larger market share with vessels that meet the updated international standard and have greater advantages in oil consumption and carbon tax expenses.

In terms of ship management business, the Group will continue to consolidate its market leadership by properly leveraging its roles as the world's top nine and China's largest third-party ship management service provider to utilize the business opportunities from future policies. Following the official opening of the new office in Germany in October 2023, the Group plans to set up offices in Houston, USA and Dubai, Middle East in 2025 to further enhance the efficiency and capability of its services, so as to strive for a higher market share with better services.

Leveraging on its multi-pronged development strategy, the Group will also keep pursuing higher operational efficiency and greater business scale and strive to create higher value for the Shareholders and other stakeholders.

FINANCIAL REVIEW

Revenue

Our revenue was principally derived from the provision of (i) shipping services; and (ii) ship management services. Our revenue increased by approximately US$23.1 million or 8.9% from approximately US$259.0 million for the year ended 31 December 2023 to approximately US$282.1 million for the Year.

Shipping services

Our revenue from shipping services decreased by approximately US$2.6 million or 1.3% from approximately US$208.0 million for the year ended 31 December 2023 to approximately US$205.3 million for the Year primarily due to (i) the recovery of global trade volumes despite a slight reduction in our controlled vessel fleet, which resulted in an 11.7% increase in the revenue from control vessels during the Year; and (ii) a reduction in the Group's chartered-in vessels, leading to a significant decrease in the revenue of chartered-in vessels. The above factors caused an overall decrease in the revenue from shipping services during the Year.

Ship management services

Our revenue from ship management services increased by approximately US$25.7 million or 50.4% from approximately US$51.1 million for the year ended 31 December 2023 to approximately US$76.8 million for the Year primarily due to the increase in the number of vessels under the Group's management where the Group charged management fees under lump-sum basis which generally commanded higher service fees.

Cost of sales

Our cost of sales decreased by approximately US$1.2 million or 0.5% from approximately US$218.9 million for the year ended 31 December 2023 to approximately US$217.8 million for the Year primarily due to a decrease in charter hire cost as a result of a decrease in chartered-in vessels engagements from vessel suppliers during the Year, which was partially offset by an increase in crew manning expenses due to the increase in number of vessels under the Group's management during the Year.

Gross profit and gross profit margin

Our gross profit increased by approximately US$24.3 million or 60.5% from approximately US$40.1 million for the year ended 31 December 2023 to approximately US$64.4 million for the Year. Our overall gross profit margin increased from approximately 15.5% for the year ended 31 December 2023 to approximately 22.8% for the Year. Such increase was primarily due to revenue contribution from the high gross margin-controlled fleet increased, and fixed operating costs such as depreciation and crew wages enjoyed a larger scale effect in line with the increase in revenue.

Selling, general and administrative expenses

Our selling, general and administrative expenses increased by approximately US$1.7 million or 10.8% from approximately US$15.5 million for the year ended 31 December 2023 to approximately US$17.1 million for the Year primarily due to the increase in employee benefit expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Other gains — net

We recorded other gains of approximately US$42.9 million for the Year as compared to approximately US$5.6 million for the year ended 31 December 2023 primarily due to the recognition of net gains of approximately US$46.2 million from the disposal of property, plant and equipment during the Year, which was partially offset by foreign exchange losses and bank charges during the Year.

Net finance costs

Our finance costs increased by approximately US$10.1 million or 109.6% from approximately US$9.2 million for the year ended 31 December 2023 to approximately US$19.4 million for the Year primarily due to an increase in external financing as a result of the addition of several controlled vessels during the Year.

Share of net profits of associates and joint ventures

We recorded share of net profit of approximately US$6.7 million for the Year as compared to approximately US$2.8 million for the year ended 31 December 2023 primarily due to the profit sharing resulting from the disposal of vessels by the Company's associates.

Profit for the Year

As a result of the foregoing, our profit increased by approximately US$52.8 million or 239.7% from approximately US$22.0 million for the year ended 31 December 2023 to approximately US$74.8 million for the Year. Our profit attributable to shareholders of the Company increased by approximately US$49.1 million or 231.6% from approximately US$21.2 million for the year ended 31 December 2023 to approximately US$70.3 million for the Year.

Indebtedness

As of 31 December 2024, our borrowings and lease liabilities amounted to approximately US$318.1 million in aggregate (as of 31 December 2023: US$282.5 million).

As of 31 December 2024, the amount guaranteed by the Group for joint ventures and associates amounted to approximately US$363.9 million (as of 31 December 2023: nil).

Borrowings

Our total borrowings increased from approximately US$215.9 million as at 31 December 2023 to approximately US$268.8 million as at 31 December 2024 primarily due to the finance leases the Group entered into in relation to certain vessels during the Year. Our borrowings are denominated in US$, RMB and JPY. As at 31 December 2024, approximately 0.02% (31 December 2023: 1.60%) of the Group's borrowings were on fixed interest rates.

Pledge of assets

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

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2024, property, plant and equipment and prepayment for vessels purchased with the carrying amount of approximately US$267.7 million and US$60.1 million, respectively, were pledged to secure borrowings (as at 31 December 2023: property, plant and equipment with the carrying amount of approximately US$266.9 million).

Lease liabilities

Our lease liabilities primarily represent the long-term bareboat charters with lease periods of one year or more. Our lease liabilities decreased from approximately US$66.6 million as at 31 December 2023 to approximately US$49.4 million as at 31 December 2024.

Contingent liabilities

As at 31 December 2024, we did not have any other material contingent liabilities as of 31 December 2024.

Capital structure

Our total assets increased from approximately US$492.1 million as of 31 December 2023 to approximately US$598.9 million as of 31 December 2024. Our total liabilities increased from approximately US$318.3 million as of 31 December 2023 to approximately US$367.5 million as of 31 December 2024.

Our net debt to equity ratio decreased from approximately 150.5% as of 31 December 2023 to approximately 110.8% as of 31 December 2024 due to the increase in cash and cash equivalents. Net debt to equity ratio is calculated as net debt divided by total equity as of relevant date. Net debt is calculated as total borrowings, lease liabilities, amounts due to related parties and amounts due to third parties less cash and cash equivalents. Total equity is shown in the consolidated balance sheet.

Capital commitments

The capital commitment as at 31 December 2024 was approximately US$333.7 million (as at 31 December 2023: US$278.5 million), which was mainly related to 17 vessels construction contracts under which the vessels were not yet delivered up to 31 December 2024. Among such 17 vessels, the expected delivery date of eight vessels is in 2025, five vessels is in 2026, and four vessels is in 2027.

Save as disclosed, we did not have any other material capital commitments as of 31 December 2023 and 31 December 2024.

Liquidity and financial resources

As at 31 December 2024, we recorded net current assets of approximately US$26.8 million compared to approximately US$776,000 as at 31 December 2023. Our current ratio (namely current assets as of relevant dates divided by current liabilities) increased from 1.0 as of 31 December 2023 to 1.3 as of 31 December 2024.

As at 31 December 2024, our cash and cash equivalents amounted to approximately US$65.8 million and our cash and cash equivalents amounted to approximately US$28.0 million as at 31 December 2023. Our cash and cash equivalents are denominated in US$, RMB, JPY, SG$, EUR and HK$. Gearing ratio, which is total liabilities dividing by total assets, also maintained at a sound level of approximately 61.4% (as of 31 December 2023: approximately 64.7%).

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICY

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and to maintain an optimal capital structure to enhance Shareholders' value in the long term. The Group has adopted a prudent financial management approach towards the treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of its assets, liabilities and other commitments can meet its funding requirements at all times.

FOREIGN EXCHANGE RISK

We are exposed to certain foreign exchange risks in respect of depreciation or appreciation amongst the currencies used in our business operations. Our revenue is denominated in US$ and the primary functional currencies used in our business operations include US$ and RMB. Our cost of sales, operating expenses and capital expenditures are predominantly incurred in US$ while some of our primary payment commitments and expenditures, including but not limited to payment obligations pursuant to shipbuilding contracts, are denominated in RMB or JPY. However, our reporting currency is in US$ and therefore our revenue, cost of sales and other accounting items are all translated into US$ on our consolidated financial statements. As a result, we may be exposed to foreign exchange risk from fluctuation in foreign exchange rate. Our assets and liabilities and transactions in its operations did not expose to material foreign exchange risk. We manage foreign exchange risk by closely monitoring fluctuations in exchange rates of foreign currency, and minimise foreign exchange risk via prudent measures. During the Year, apart from several foreign exchange forward contracts entered into by the Group that expired before March 2024, the Group did not use any financial instruments for hedging purposes.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

We did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group acquired 13 vessels and bareboat chartered two vessels in 2024. As of 31 December 2024, there were 20 vessels under construction for the Group. It is expected that nine, seven and four vessels will be respectively delivered in 2025, 2026 and 2027, respectively. Details of the 15 material ship acquisition and bareboat charter contracts entered into by the Group during the Year have been disclosed in the Company's announcements dated 18 February 2024, 15 March 2024, 15 April 2024, 22 July 2024 and 30 October 2024, respectively, and the Company's circulars dated 23 February 2024 and 24 May 2024.

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

ROUNDING

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

DIRECTORS AND SENIOR MANAGEMENT

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

DIRECTORS

Executive Directors

Mr. Guo Jinkui (郭金魁) ("**Mr. Guo**"), aged 51, is the Chairman of our Board, our executive Director and one of our controlling Shareholders. He is primarily responsible for the overall strategic planning, major decision making and management of our Group's business development and operations.

Mr. Guo has more than 29 years of experience in the maritime shipping industry. Prior to joining our Group, he was employed by Shandong Haifeng Ship Management Co., Ltd.* (山東省海豐船舶管理有限公司), a shipping logistics company.

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

Mr. Guo was nominated as one of the "Top 100 Most Notable Chinese Individuals in Shipping Industry"* (最受航運界關注的100位中國人) by the China Shipping 100 Organizing Committee* (中國航運百人組委會) for nine consecutive years between 2016 and 2024.

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

Mr. Chen Zekai (陳澤凱) ("**Mr. Chen**"), aged 61, is our executive Director, president and one of our substantial Shareholders. He is primarily responsible for the overall strategic planning and administration of our Group.

Mr. Chen has more than 34 years of experience in the maritime shipping industry. Prior to joining our Group, he was employed by Guangzhou Ocean Shipping Company Limited* (廣州遠洋運輸有限公司), a shipping logistics company and Shandong Haifeng Ship Management Company Limited* (山東省海豐船舶管理有限公司), a shipping logistics company and other companies, etc.

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

Mr. Chen has been appointed as an arbitrator by the Qingdao Arbitration Committee* (青島仲裁委員會) for a period of five years starting from December 2020.

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

DIRECTORS AND SENIOR MANAGEMENT

Mr. He Gang (賀罡) ("**Mr. He**"), aged 51, is our executive Director, our vice president and chief financial officer. Mr. He is responsible for overseeing our financial reporting, financial planning, treasury and financial control matters.

Mr. He has over 28 years of experience in the maritime shipping industry. Prior to joining our Group in May 2019, Mr. He was successively employed by Qingdao Ocean Transportation Company* (青島遠洋運輸公司), a shipping company, COSCO Shipping (Singapore) Pte. Ltd., a shipping company, with deputy general manager and manager of the finance department as his last positions held, and COSCO Shipping (Qingdao) Company Limited* (中遠海運(青島)有限公司), a shipping company, serving as the deputy general manager of the finance department.

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

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

Mr. Zhao Yong (趙勇) ("**Mr. Zhao**"), aged 58, is our executive Director, our vice president and president of ship management. Mr. Zhao is responsible for the day-to-day management of the ship management operations of our Group.

Mr. Zhao has over 24 years of experience in the maritime shipping industry. Prior to joining our Group in July 2013, he was employed by Qingdao Ocean Shipping Company* (青島遠洋運輸公司), a shipping company, as captain, Qingdao Ocean Hualin International Ships Management Company Limited* (青島遠洋華林國際船舶管理有限公司), a ship management company, as marine superintendent, and Qingdao Sea Star Ships Management Company Limited* (青島海之星船舶管理有限公司), a ship management company, with his last position as deputy general manager.

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

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

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

Independent Non-executive Directors

Mr. Fu Junyuan (傅俊元) ("**Mr. Fu**"), aged 63, joined our Group as an independent non-executive Director on 2 March 2023. Mr. Fu is responsible for providing independent advice to our Board.

Mr. Fu has more than 27 years of experience in accounting and management. Prior to joining our Group, he held a number of positions in the entities set out below:

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

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

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhang Xuemei (張雪梅) ("**Ms. Zhang**"), aged 54, joined our Group as an independent non-executive Director on 2 March 2023. Ms. Zhang is responsible for providing independent advice to our Board.

Ms. Zhang has over 24 years of experience in human resources. Since December 2000 up to present, she has been the vice president of operations and human resources at SOHU.com* (搜狐集團), a media and internet company, where she is responsible for overseeing the human resources department, administration department and enterprise information department, and other matters, such as, media content, real estate media and technology affairs department.

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

Mr. Zhuang Wei (莊煒) ("**Mr. Zhuang**"), aged 46, joined our Group as an independent non-executive Director on 2 March 2023. Mr. Zhuang is responsible for providing independent advice to our Board.

Mr. Zhuang has over 14 years of experience in the shipping industry. Since October 2010, he has been employed by BIMCO, an international shipping organization, and his current position is the General Manager of Asia, where he is responsible for BIMCO's Asia-Pacific affairs. From September 2001 to January 2010, he was employed as a lecturer at the Shanghai Maritime University (上海海事大學) (formerly known as Shanghai Maritime College* (上海海運學院)) in the PRC, an academic institution.

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

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

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

JOINT COMPANY SECRETARIES

Ms. Sun Yufeng (孫玉峰) (“**Ms. Sun**”) has more than 14 years of experience in the maritime shipping industry. Ms. Sun has been the manager of the general operations department of Seacon Ships Qingdao since April 2013 and the general manager of the operations management centre of our Group since March 2022. Prior to joining our Group, she was employed by Qingdao Sea Star Ships Management Company Limited* (青島海之星船舶管理有限公司), a ship management company, from March 2010 to December 2012, with her last position as assistant of the ships technology department.

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

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

Ms. Chan Sze Ting (陳詩婷) (“**Ms. Chan**”) has joined Tricor Services Limited since April 2006 and she currently serves as a director of the company secretarial services of Tricor Services Limited, a member of Vistra Group. Ms. Chan has over 19 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies.

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

REPORT OF DIRECTORS

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

COMPANY PROFILE

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

The Group is an integrated shipping services provider. Its comprehensive services provided include (i) shipping services and (ii) ship management services, covering key processes along the value chain of the maritime shipping industry. The principal activities of the principal subsidiaries, associates and joint ventures as at 31 December 2024 are set out in note 35 and note 15 to the consolidated financial statements, respectively.

RESULTS OF THE GROUP

The Group's results during the Year are set out in the audited consolidated financial statements on pages 61 to 177 of this annual report.

BUSINESS REVIEW

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

DIVIDENDS

The Board resolved not to recommend the payment of any dividend for the year ended 31 December 2024. As at the date of this report, there is no arrangement that a Shareholder has waived or agreed to waive any dividend.

DIVIDENDS POLICY

The Company has adopted a dividend policy and details of which are set out in the Corporate Governance Report on page 60 of this annual report.

FINANCIAL SUMMARY

The summary of the Group's consolidated results as well as assets and liabilities for the past five financial years is set out on page 178 of this annual report. The summary does not constitute a part of the audited consolidated financial statements.

MAJOR RISKS AND UNCERTAINTIES

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

- Charter rates for dry bulk carriers are volatile and the profitability of shipping services is sensitive to fluctuations in the BDI which is a main benchmark indicator of the market charter rates, which may adversely affect the Group's charter hire received from our customers, and accordingly, the Groups' profitability and cash flows.

- The Group faces risks associated with obtaining suitable shipping capacity such as failing to assess chartered-in vessels in a timely manner and purchasing defective vessels, which may materially and adversely affect the Group's shipping volume, results of operations and financial condition.

- An increase in bunker fuel prices may reduce the Group's profitability and adversely affect the Group's business operations.

- The Group may be unable to maintain or expand our relationships with existing customers or to obtain new customers on a profitable basis due to intense competition in the highly volatile maritime shipping industry. Any inability to retain or replace our major customers may have a material adverse effect on the Group's business, financial condition and results of operations.

- The Group outsources the procurement of crew members to crew manning agencies. In the event of fraud or misconduct by a crew manning agency, the Group could also be exposed to material liability and be held responsible for damages, fines, or penalties which in turn may adversely affect our business, results of operations, financial condition, and reputation.

- If the Group's business operations fail to comply with any environmental requirements applicable to us, the Group could be exposed to, among other things, significant environmental liability damages, administrative and civil penalties, criminal charges or sanctions, and even termination or suspension of our operations, which may lead to substantial harm to our results of operations and reputation.

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

REPORT OF DIRECTORS

MATERIAL LEGAL PROCEEDINGS

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

ENVIRONMENTAL POLICY AND PERFORMANCE

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

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

KEY RELATIONSHIPS WITH THE GROUP'S STAKEHOLDERS

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

SHAREHOLDERS

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

MAJOR CUSTOMERS AND SUPPLIERS

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

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

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

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

EMPLOYEES

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

REPORT OF DIRECTORS

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

SHARE CAPITAL AND SHARES IN ISSUE

The Company has a class of ordinary shares with a par value of HK$0.01 each. Details of the movements in the share capital of the Company and details of the issued shares of the Company during the Year are set out in note 23 to the consolidated financial statements.

DEBENTURES IN ISSUE

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

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in note 33 to the consolidated financial statements in this report, no contracts of significance were entered into between the Company or any of its subsidiaries and the controlling Shareholders (as defined in the Listing Rules) or any of their subsidiaries, whether for the provision of services or otherwise, during the Year.

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

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, including sales of treasury shares (the "**Treasury Shares**"), within the meaning under the Listing Rules. As at 31 December 2024, the Company did not hold any Treasury Shares.

RESERVES

During the Year, details of the movements in the reserves of the Group are set out in the consolidated statement of changes in equity and note 24 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Our distributable reserves include undistributed profits. As of 31 December 2024, the distributable reserves of the Company as calculated in accordance with the relevant provisions of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to US$47.0 million.

PROPERTY, PLANT AND EQUIPMENT

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

BANK LOANS AND OTHER BORROWINGS

Details of the Group's bank loans and other borrowings as at 31 December 2024 are set out in note 25 to the consolidated financial statements.

LOANS AND GUARANTEES

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

MANAGEMENT CONTRACTS

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

DONATIONS

During the Year, the Group made charitable donations and other contributions in the total amount of US$279,200.43 (2023: US$4,134.24).

REMUNERATION POLICIES AND EMPLOYMENT BENEFITS

As of 31 December 2024, the Group had 320 employees. The Group believes that its employees are valuable assets of the Group and are of great significance to the Group's business. Therefore, the Group recognises the importance of maintaining a good relationship with its employees. The Group's remuneration policies are based on the Group's profitability, prevailing industry practices, prevailing market levels, the qualifications of employees, the relevant work experience, positions and experience and the performance of each of the Group's subsidiaries and individual employees. These policies are reviewed on a regular basis. In addition to basic salaries, the Group provides employees with contributions and other fringe benefits under applicable laws, rules and regulations, including discretionary mid-year and year-end bonuses, paid annual leave, paid birthday leave and maternity allowance. etc. Total employee remuneration expenses including Directors' remuneration for the Year amounted to approximately US$20.7 million.

The Group only operate defined contribution pension plans. In accordance with applicable laws and regulations, the Group has participated in applicable defined contribution plans. The Company has made regular corresponding payments to the corresponding defined contribution plans in accordance with the applicable legal and regulatory requirements of the employees. For the Year, the Group did not forfeit contributions to the defined contribution plans. Other than the above contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. Details of the Group's employee benefits are set out in note 2.23 and note 9 to the consolidated financial statements.

REPORT OF DIRECTORS

PROFILE OF THE BOARD

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

Executive Directors

Mr. Guo Jinkui *(concurrently served as Chairman of the Board)*
Mr. Chen Zekai *(concurrently served as the president)*
Mr. He Gang
Mr. Zhao Yong

Independent Non-executive Directors

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

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

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

CHANGE IN DIRECTORS' INFORMATION

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

DIRECTORS' SERVICE CONTRACTS

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

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

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

None of the Directors nominated for re-election at the 2025 AGM has entered into a service contract with any member of the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

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

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

During the Year, the aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) for the Directors was approximately US$1.98 million (as set out in note 34 to the consolidated financial statements).

For details of the Directors and the five highest paid individuals during the Year, please refer to note 34 and note 9 to the consolidated financial statements.

PERMITTED INDEMNITY

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

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 34 (f) to the consolidated financial statements, there were no transactions, arrangements or contracts of significance to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party and in which the Directors or any entities connected with the Directors were materially interested, either directly or indirectly, subsisting during or at the end of the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

REPORT OF DIRECTORS

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

As at 31 December 2024, the Group had provided financial assistance to Golden Pegasus Shipping Company Limited ("**Golden Pegasus**") in the form of (1) the four charter guarantees dated 2 April 2024 executed by the Company, pursuant to which the Company's liability shall not exceed 50% of the principal sum, namely US$73.1 million, as well as other interests, obligations, liabilities and responsibilities in relation to the bareboat charters entered into by Golden Pegasus, and (2) a shareholder's loan of approximately US$4.2 million, resulting in an aggregate amount of advances of approximately US$77.3 million to Golden Pegasus, which exceeded 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). The financial assistance enabled Golden Pegasus to enter into finance lease arrangements to obtain additional working capital as well as financing for the acquisition of vessels.

As at 31 December 2024, Golden Pegasus was owned as to 50% by both Major Progress Limited, a wholly-owned subsidiary of CSSC (Hong Kong) Shipping Company Limited (stock code: 3877), and Seacon Shipinvest (HK) Limited ("**Seacon Shipinvest**"), an indirect wholly-owned subsidiary of the Company.

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

As at 31 December 2024, Continental Kapital MPP Holdings Limited (the "**Joint Venture**") entered into a sale and purchase agreement dated 23 October 2024 with Seacon Shipping Pte. Ltd (as the vendor), an indirect wholly-owned subsidiary of the Company, pursuant to which the Joint Venture has agreed to acquire and the vendor has agreed to sell the entire shareholdings of SEACON WUHU LTD., SEACON SUZHOU LTD., SEACON HEFEI LTD., SEACON GUANGZHOU LTD., SEACON NINGDE LTD. and SEACON SHENZHEN LTD. (the "**Target Companies**"). Immediately following the said disposal, the Group shall be considered as having provided financial assistance to the Target Companies, in the form of (1) the six guarantee agreements dated 18 December 2023 entered into by the Company in favor of the corresponding owners, pursuant to which the guaranteed amount in aggregate was up to approximately USD237 million, as well as other relevant expenses, liabilities and costs, and (2) a shareholder's loan of up to approximately USD5.6 million, which exceeded 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). The provision of the guarantees enables the Target Companies to enter into finance lease arrangements to obtain working capital as well as financing for the acquisition of vessels, ensuring the continuous and steady growth of the Target Companies.

As at 31 December 2024, the Targeted Companies were wholly owned by the Joint Venture, which was owned as to 50% by each of GH Kapital Holding Ltd, an indirect wholly-owned subsidiary of the Company, and SeaKapital Limited, an independent third party of the Company.

As at 31 December 2024, the details of the relevant advances are as follows:

Name of the companies	Loan to the companies (Note) (USD'000)	Guarantee for facilities granted to the companies (up to USD'000)	Aggregate amount of advances (USD'000)
SEACON WUHU LTD.	791	39,500	40,291
SEACON SUZHOU LTD.	773	39,500	40,273
SEACON HEFEI LTD.	624	39,500	40,124
SEACON GUANGZHOU LTD.	608	39,500	40,108
SEACON NINGDE LTD.	1,996	39,500	41,496
SEACON SHENZHEN LTD.	1,625	39,500	41,125
Total	6,417	237,000	243,417

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

For further details on the advances and guarantees granted to Continental Kapital Shipping Company Limited, the holding company of the Target Companies after 31 December 2024, please refer to the Company's announcement and circular dated 24 January 2025 and 28 February 2025, respectively.

In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following pro forma combined statement of financial position of the affiliated companies with financial assistance from the Group and the Group's attributable interests in these affiliated companies as of 31 December 2024:

	Combined statement of financial position US$'000	Group's attributable interests US$'000
Non-current assets	248,426	121,384
Current assets	6,554	3,146
Current liabilities	46,355	19,719
Non-current liabilities	199,794	99,381

REPORT OF DIRECTORS

The pro forma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 December 2024.

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

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

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

Certain related party transactions, as disclosed in note 33 to the consolidated financial statements in this report, also constituted connected transactions or continuing connected transactions of the Company but these transactions are fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to rules 14A.76, 14A.90 and 14A.95 of the Listing Rules.

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

As at 31 December 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

Directors' Interests in the Company

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

Notes:

(1) All interests stated are long positions.

(2) The percentage represents the number of shares interested divided by the total number of ordinary shares of the Company in issue as of the date of this report, i.e., 500,000,000.

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

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

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

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

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

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

(5) Ruigao Holding Ltd. is 100% beneficially owned by Mr. Zhao Yong. Accordingly, Mr. Zhao Yong is deemed to be interested in the 7,500,000 shares held by Ruigao Holding Ltd. under the SFO.

(6) Passion Wealth Ltd. is 100% beneficially owned by Mr. He Gang. Accordingly, Mr. He Gang is deemed to be interested in the 3,750,000 shares held by Passion Wealth Ltd. under the SFO.

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

REPORT OF DIRECTORS

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

As at 31 December 2024, so far as is known to our Directors, the following parties, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

(a) Substantial Shareholders' Interests in the Company

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

Notes:

(1) All interests stated are long positions.

(2) The percentage represents the number of shares interested divided by the total number of ordinary shares of the Company in issue as of the date of this report, i.e., 500,000,000.

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

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

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

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

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

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

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

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

Save as disclosed above, as at 31 December 2024, based on publicly available information, there were no other persons, not being a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was adopted pursuant to the written resolutions of the Shareholders and Directors of the Company passed on 2 March 2023. The principal terms of the Share Option Scheme are summarised as below:

1. Purpose of the Share Option Scheme

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

2. Who may join

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

(a) any Directors and employees of our Group (including persons who are granted options under the Share Option Scheme as an inducement to enter into employment contracts with any member of our Group);

(b) directors and employees of the holding companies, fellow subsidiaries or associated companies of our Company; and

(c) persons who provide services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group, which may include persons who work for the member of our Group as independent contractors where the continuity and frequency of his service is akin to those of employees (the "**Service Providers**"), but excluding any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

REPORT OF DIRECTORS

3. Maximum number of Shares

(a) The total number of shares which may be allotted and issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, being 50,000,000 Shares (the "**Scheme Mandate Limit**") unless the Company obtains an approval from our Shareholders. The options which are cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other schemes of our Company shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

(b) Without prejudice to (a) above, the total number of shares which may be allotted and issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of our Group to Service Providers shall be within the Scheme Mandate Limit and must not in aggregate exceed one per cent of the total number of Shares in issue immediately following completion of the Global Offering unless the Company obtains an approval from our Shareholders.

(c) The Company may update the Scheme Mandate Limit at any time with the prior approval of the Shareholders and subject to compliance with the requirements of the Listing Rules. The total number of shares which may be allotted and issued upon exercise of all options and awards to be granted under the Share Option Scheme and any other schemes of our Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the approval of the limit.

(d) Since the date of adoption of the Share Option Scheme and up to the date of this report, no option has been granted, exercised, expired or lapsed under the Share Option Scheme and no option has been outstanding. As of the date of this report, the total number of shares available for issue under the Share Option Scheme was 50,000,000 shares, representing 10% of the total number of shares in issue.

4. Maximum entitlement of each eligible participant

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

5. Time of acceptance and exercise of an option

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

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

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

6. Vesting Period

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

7. Exercise price for Shares

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

8. Remaining life of the Share Option Scheme

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

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Stock Exchange on 29 March 2023 and a global offering of the Company's ordinary shares was offered, comprising 12,500,000 shares under the Hong Kong public offering and 112,500,000 shares under international placing, both at an offer price of HK$3.27 per share (collectively, the "**Global Offering**"). The net proceeds from the Global Offering, after deduction of underwriting fees and related expenses, amounted to approximately HK$333.8 million (the "**Net Proceeds**").

REPORT OF DIRECTORS

The following table sets forth the status of the use of the Net Proceeds:

Purpose	% of total proceeds	Planned allocation of Net Proceeds (approximately) (HK$ in million)	Actual amount utilized during the year ended 31 December 2024 (approximately) (HK$ in million)	Utilised Net Proceeds as of the date of this report (approximately) (HK$ in million)	Unutilised Net Proceeds as of the date of this report (approximately) (HK$ in million)
• Expand and optimize the Company's vessel fleet.					
– Expand and optimize the Company's controlled vessel fleet	57.0	190.3	–	190.3	–
– Increase the scale of the Company's chartered-in vessel fleet by entering into 20 to 25 chartered-in engagements predominantly through time charters	20.0	66.8	–	66.8	–
• (i) Reinforce the Company's ship management capabilities by setting up new offices in strategic locations such as Shanghai, Greece, Philippines and Japan by renting office premises, and (ii) expand our current ship management operations in Qingdao, Ningbo and Fuzhou.	10.0	33.4	–	33.4	–
• Adopt digital technologies and implement advanced information technology in the Company's business operations	3.0	10.0	6.5	10.0	–
• General working capital and other general corporate purpose.	10.0	33.4	–	33.4	–
Total	100	333.8	6.5	333.8	–

There has been no change in the intended use of Net Proceeds as previously disclosed in the Company's prospectus dated 14 March 2023 (the "**Prospectus**"). As at the date of this report, the net proceeds from the Global Offering has been fully utilized according to the manner and proportions disclosed in the Prospectus. The Net Proceeds were fully utilized by the end of 2024.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

The Company is committed to maintaining high standard of corporate governance practices. The information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 46 to 60 of this annual report.

AUDIT COMMITTEE

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

AUDITOR

The Company were only listed on the Stock Exchange on the Listing Date and there has been no change in auditor in the preceding three years. The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, which is a certified public accountant and registered public interest entity auditor, and will retire at the forthcoming annual general meeting of the Company, and being eligible, offer itself for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint PricewaterhouseCoopers as the auditor of the Company.

SIGNIFICANT EVENTS AFTER THE YEAR

On 5 January 2025, Seacon Dubai Ltd (as the charterer) and Seacon Shipping Pte. Ltd. (as the seller), both of which are indirect wholly-owned subsidiaries of the Company, an owner, the Company and a guarantor entered into a finance lease arrangement (the "**Finance Lease Arrangement**"), pursuant to which (i) the seller agreed to sell a vessel to the owner for a consideration of US$31,380,000; (ii) the owner agreed to charter the vessel to the charterer; (iii) the Company entered into the first guarantee in favour of the owner; and (iv) the guarantor entered into the second guarantee in favour of the charterer and the seller. For details, please refer to the announcement of the Company dated 6 January 2025.

On 16 January 2025, Seacon Yokohama Ltd (as the seller), an indirect wholly-owned subsidiary of the Company, and Yuchen Logistics Pte. Ltd. (as the buyer) entered into a memorandum of agreement, pursuant to which the seller agreed to sell, and the buyer agreed to purchase, a vessel for a consideration of US$19,900,000. For details, please refer to the announcement of the Company dated 16 January 2025.

REPORT OF DIRECTORS

On 24 January 2025, a lender, a wholly-owned subsidiary of the Company, SeaKapital and a joint venture of the Group entered into a loan facility and guarantee agreement, pursuant to which each of the lender and SeaKapital shall (1) make available to the joint venture a maximum loan facility of US$50.0 million; and (2) provide or procure its affiliate(s) to provide guarantees for the joint venture in favour of external financing provider(s) in a maximum aggregate guaranteed amount of US$230.0 million (the "**Loan Facility and Guarantees**"). The provision of the Loan Facility and Guarantees constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company has obtained an irrevocable and unconditional written approval for the provision of the Loan Facility and Guarantee(s) from the closely allied group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the provision of the Loan Facility and Guarantees has been satisfied in lieu of a Shareholders' general meeting of the Company. For details, please refer to the announcement of the Company dated 24 January 2025 and the circular dated 28 February 2025.

On 27 January 2025, Seacon Marine Ltd. (as the buyer), an indirect wholly owned subsidiary of the Company, entered into seven memoranda of agreements with seven sellers for the acquisition of the respective vessels at an aggregate consideration of Euro 63.7 million (equivalent to approximately HKD521,100,000), each at a consideration of Euro 9.1 million (equivalent to approximately HKD74,400,000). For details, please refer to the announcement of the Company dated 27 January 2025.

On 5 February 2025, a buyer entered into a novation agreement with Fujian Southeast Shipbuilding Co., Ltd.* (as the seller) and Seacon Shipping Pte. Ltd. (as the original buyer), an indirect wholly-owned subsidiary of the Company, pursuant to which the original buyer agreed to novate to the buyer the original contracts dated 15 April 2024, which shall be superseded by the two shipbuilding contracts dated 5 February 2025 with substantially the same terms as the original contracts, in relation to the two vessels at an aggregate consideration of approximately US$19.8 million. For details, please refer to the announcement of the Company dated 5 February 2025.

On 7 February 2025, Golden Dahlia Limited (as the seller), an indirect wholly owned subsidiary of the Company, and a buyer entered into a memorandum of agreement, pursuant to which the seller agreed to sell, and the buyer agreed to purchase, a vessel for a consideration of US$32.9 million (the "**Disposal**"). The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Disposal from the closely allied group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the date of this announcement). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Disposal has been satisfied in lieu of a Shareholders' general meeting of the Company. For details, please refer to the announcement of the Company dated 7 February 2025 and the circular dated 28 February 2025.

On 26 February 2025, Seacon Seattle Ltd (as the charterer) and Seacon Shipping Pte. Ltd. (as the seller), both of which are indirect wholly-owned subsidiaries of the Company, two owners, the Company and a guarantor entered into a finance lease arrangement, pursuant to which (i) the seller agreed to sell a vessel to the owners for a consideration of US$34 million; (ii) the owners agreed to charter the vessel to the charterer; (iii) the Company entered into the first guarantee in favour of the owners; and (iv) the guarantor entered into the second guarantee in favour of the charterer and the seller. For details, please refer to the announcement of the Company dated 26 February 2025.

Save as disclosed in this report, there was no other significant event since 31 December 2024 and up to the date of this report that could have a material impact on the Company's operations and financial performance.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, 26 June 2025. The notice of 2025 AGM will be published and made available to the Shareholders in due course in the manner prescribed by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the 2025 AGM or any adjournment thereof, the register of members of the Company will be closed from Monday, 23 June 2025 to Thursday, 26 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the 2025 AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 20 June 2025.

By order of the Board
Mr. Guo Jinkui
Chairman of the Board

Hong Kong, 27 March 2025

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders the corporate governance of the Company for the year ended 31 December 2024.

CORPORATE GOVERNANCE CULTURE AND VALUE

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

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

— satisfactory and sustainable returns to Shareholders;

— that the interests of those who deal with the Company are safeguarded;

— that overall business risk is understood and managed appropriately;

— the delivery of high-quality products and services to the satisfaction of customers; and

— that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

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

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

During the year ended 31 December 2024, the Company has complied with all applicable code provisions of the CG Code, except for the deviation as follows:

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2024.

BOARD OF DIRECTORS

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

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

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

COMPOSITION OF THE BOARD

The Board currently consists of the following 7 Directors.

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

Independent Non-executive Directors
Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

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

CORPORATE GOVERNANCE REPORT

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

BOARD MEETINGS

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

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

The Company held 21 Board meetings during the year ended 31 December 2024.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

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

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

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

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

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing no less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

BOARD INDEPENDENCE EVALUATION

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

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

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

During the year ended 31 December 2024, all Directors has completed the independence evaluation individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

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

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

According to code provision C.1.4, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2024, all Directors have participated in continuous professional development, and the summary of training received by the Directors are as follows:

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

Note:

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

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

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

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

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

During the year ended 31 December 2024, the Audit Committee held two meetings to review, among other things, the annual report for the year ended 31 December 2023, the interim financial results and report for the six months ended 30 June 2024, major audit findings, significant issues on the financial reporting and compliance procedures, the effectiveness of risk management and internal audit function, appointment of external auditors and connected transactions.

REMUNERATION COMMITTEE

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

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

During the year ended 31 December 2024, the Remuneration Committee held two meetings to review the Company's policy and structure for the remuneration of all Directors and senior management, assess the performance of the executive Directors and the senior management, review the remuneration package of the executive Directors and the senior management and make recommendation to the Board on their remuneration.

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

RISK MANAGEMENT COMMITTEE

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

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

During the year ended 31 December 2024, the Risk Management Committee held two meetings to review the Group's risk management and internal control systems, and the effectiveness of the Group's internal audit function.

CORPORATE GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

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

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

During the year ended 31 December 2024, the Environmental, Social and Governance Committee held two meetings to review the Company's environment, social and governance strategies, policies and practices, including 2023 Environmental, Social and Governance report.

NOMINATION COMMITTEE

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

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

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

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

During the year ended 31 December 2024, the Nomination Committee held two meetings to review the size and composition of the Board, assess the independence of the independent non-executive Directors and make recommendation on the re-election of retiring Directors.

BOARD DIVERSITY POLICY

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

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

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

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

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

Gender
Male: 6 directors
Female: 1 director

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

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

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

Nationality
PRC: 7 directors

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

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

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

GENDER DIVERSITY

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

	Female	Male
Board	14.29% (1)	85.71% (6)
Senior management	0% (0)	100% (4)
Other employees	39.87% (126)	60.13% (190)
All staff	39.38% (126)	60.62% (194)

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

DIRECTOR NOMINATION POLICY

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

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

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

NOMINATION PROCEDURES

(i) The Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

(ii) For the appointment of any candidate for directorship, the Nomination Committee shall undertake adequate due diligence in respect of such candidate and make recommendations to the Board for its consideration.

(iii) For the re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration.

(iv) For the procedures for nomination of any candidate for directorship by the Shareholders, please refer to the "Procedures for Nomination of Candidates for Directorship of the Company by the Shareholders", which is available on the Company's website.

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

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

- Integrity and reputation;
- Educational background, professional qualifications and work experience (including part-time jobs);
- Whether or not they possess the necessary knowledge, skills and experience;
- Whether or not they will devote sufficient time and attention to the affairs of the Company;
- Whether or not they will promote the diversity of the Board in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and term of office;
- Whether or not the candidates for independent Directors meet the requirements for independence under Rule 3.13 of the Listing Rules; and
- Any other relevant factors as determined by the Nomination Committee or the Board from time to time.

The Board composition remained unchanged as of the date of this annual report.

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

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

ATTENDANCE RECORDS OF DIRECTORS

During the year ended 31 December 2024, 21 board meetings and 1 general meeting were held. The attendance record of each Director at the Board and Board Committee meetings and the annual general meeting of the Company held during the year is set out in the table below:

	Number of Meetings Attended/Number of Meetings held for the year						
Name of Director	**Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Risk Management Committee Meeting**	**Environmental, Social and Governance Committee Meeting**	**Annual General Meeting**
Executive Directors							
Mr. Guo Jinkui	21/21	N/A	N/A	1/1	2/2	2/2	1/1
Mr. Chen Zekai	20/21	N/A	2/2	1/1	N/A	N/A	1/1
Mr. He Gang	20/21	N/A	N/A	N/A	2/2	N/A	1/1
Mr. Zhao Yong	20/21	N/A	N/A	N/A	N/A	2/2	1/1
Independent Non-executive Directors							
Mr. Fu Junyuan	21/21	2/2	N/A	1/1	2/2	N/A	1/1
Ms. Zhang Xuemei	21/21	2/2	2/2	1/1	2/2	N/A	1/1
Mr. Zhuang Wei	21/21	2/2	2/2	1/1	2/2	2/2	1/1

Apart from regular Board meetings, the Chairman of the Board also held a meeting with the independent non-executive Directors without the presence of executive Directors during the year ended 31 December 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

The Company has an internal audit function to monitor daily operation of the Group. The Directors, through the Audit Committee and the Risk Management Committee, review the adequacy and effectiveness of the risk management and internal control systems of the Group, at least annually, and remedy defects or weaknesses identified (if any). Upon such review, the Board considered that the Company's risk management and internal control system were adequate and effective for the year ended 31 December 2024.

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

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

For the year ended 31 December 2024, the Company held 6 training and briefings on anti-corruption for all employees. The Company did not have any non-compliance incidents relating to bribery and corruption.

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

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's financial statements have been prepared on a going concern basis, and the Directors believe that the financial statements give a true and fair view of the financial condition, results and cash flows of the Group for the year ended 31 December 2024, and that the disclosure and reporting of other financial information have complied with relevant laws.

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

AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services (mainly comprised of the listing compliance matters which required non-audit accounting services) for the year ended 31 December 2024 are set forth below.

Type of services	**Remuneration paid/payable** US$'000
Audit services	381
Non-audit services	64
Total	445

COMPANY SECRETARIES

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

During the year ended 31 December 2024, the joint company secretaries of the Company have received no less than 15 hours of relevant professional training annually pursuant to the requirements of Rule 3.29 of the Listing Rules.

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

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

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

Submitting Proposal at a General Meeting

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

Making Enquiries to the Board

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

Contract Details

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

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

(Attention: Board/Chief Investor Relations Officer)

Tel: +852 6062 7315

Fax: +852 3152 2223

Email: office@seacon.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

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

SHAREHOLDERS' COMMUNICATION POLICY

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

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

Shareholders' Enquiries

- Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

- Shareholders may have access to the contact persons, email addresses and enquiry lines designated by the Company in order to enable them to make any query in respect of the Company.

Corporate Communications

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

- Shareholders are encouraged to provide, among others, their email addresses to the Company to facilitate timely and effective communication.

CORPORATE GOVERNANCE REPORT

Company Website

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

Shareholders' Meetings

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

AMENDMENTS TO THE CONSTITUTIONAL DOCUMENTS

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

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends. The Company does not have any predetermined dividend payout ratio. Depending on the financial conditions of the Company and the Group, current economic environment and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year, and any final dividend for a financial year will be subject to the Shareholders' approval.

INDEPENDENT AUDITOR'S REPORT

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

OPINION

What we have audited

The consolidated financial statements of Seacon Shipping Group Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 66 to 177, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition from shipping business	
Refer to notes 2.23 and 5 to the consolidated financial statements. For the year ended 31 December 2024, the Group recognised revenue of US$282.1 million, out of which US$205.3 million was related to shipping business. Revenue from shipping business is recognised over time no matter the contract contains a lease or not, and is based on daily hire or freight rate with reference to the voyage details such as cargo quantity, port loading and discharging information. We considered this is a key audit matter due to the magnitude of revenue recognised from shipping business and significant audit effort on auditing revenue recognition.	Our procedures in relation to revenue recognition from shipping business included: • We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • We understood and evaluated process and tested the key controls over revenue recognition from shipping business; • We assessed the appropriateness of the accounting policy on revenue recognition from shipping business; • For charter arrangement recognised based on daily hire, we tested the daily hire and charter period, on a sample basis, by comparing with supporting documents such as customer contracts, delivery note, redelivery note and settlement documents. We checked the calculations of revenue and reconciled to the accounting records on a sample basis and checked the cash settlement and reconciled to the bank receipts; • For charter arrangement recognised based on freight rate per quantity, we tested the freight rate and cargo quantity on a sample basis by comparing with supporting documents such as customer contracts, statement of facts and invoices. We checked the calculations of revenue and reconciled to the accounting records on a sample basis and checked the cash settlement and reconciled to the bank receipts; • We tested the revenue of shipping business in respect of the vessel voyages in progress at year end, on a sample basis, by checking the vessel departure and arrival information (i.e. time and date) maintained by the Group against supporting documents such as customer contracts, statement of facts and invoices. Based on the audit procedures performed, we found revenue from shipping business was supported by available evidence.

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tong, Benny Ho Bong.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 US$'000	2023 US$'000
Revenue	5	282,136	259,034
Cost of sales	8	(217,760)	(218,931)
Gross profit		64,376	40,103
Selling, general and administrative expenses	8	(17,144)	(15,477)
Net impairment losses on financial assets	3.1b(iv)	(213)	(1,510)
Other income	6	143	20
Other gains/(losses) — net	7	42,941	5,639
Operating profit		90,103	28,775
Finance income	10	306	145
Finance costs	10	(19,678)	(9,389)
Finance costs, net	10	(19,372)	(9,244)
Share of net profit of associates and joint ventures accounted for using the equity method	15	6,691	2,848
Profit before income tax		77,422	22,379
Income tax expenses	11	(2,637)	(361)
Profit for the year		74,785	22,018
Profit attributable to:			
— Shareholders of the Company		70,340	21,211
— Non-controlling interests		4,445	807
		74,785	22,018
Earnings per share attributable to shareholders of the Company for the year			
Basic earnings per share (expressed in US$ per share)	12	0.141	0.045
Diluted earnings per share (expressed in US$ per share)	12	0.141	0.045

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Profit for the year	**74,785**	22,018
Other comprehensive income:		
Items that may be reclassified to profit or loss		
— Exchange differences on translation of foreign operations	**(172)**	(8)
Other comprehensive income for the year, net of tax	**(172)**	(8)
Total comprehensive income for the year	**74,613**	22,010
Total comprehensive income attributable to:		
— Shareholders of the Company	**70,171**	21,203
— Non-controlling interests	**4,442**	807
	74,613	22,010

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

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	As at 31 December 2024 US$'000	2023 US$'000
Assets			
Non-current assets			
Property, plant and equipment	13	269,370	269,186
Right-of-use assets	14	52,320	70,348
Intangible assets		194	97
Interests in associates and joint ventures	15	18,818	10,694
Deferred tax assets	26	1	—
Loans to associates and joint ventures	33(j)	25,100	—
Other non-current assets	16	122,092	68,619
		487,895	418,944
Current assets			
Financial assets at fair value through profit or loss	17	1,500	—
Inventories	18	7,918	6,427
Prepayments and other current assets	19	3,095	3,344
Trade and other receivables	20	27,612	25,530
Restricted bank deposits	21	164	2,820
Cash and cash equivalents	21	65,822	27,996
		106,111	66,117
Assets classified as held for sale	22	4,890	6,996
		111,001	73,113
Total assets		598,896	492,057
Equity			
Share capital	23	637	637
Share premium	24	46,959	46,959
Reserves	24	8,497	8,636
Retained earnings		169,507	116,100
Equity attributable to shareholders of the Company		225,600	172,332
Non-controlling interests		5,780	1,398
Total equity		231,380	173,730

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	As at 31 December 2024 US$'000	2023 US$'000
Liabilities			
Non-current liabilities			
Borrowings	25	238,211	194,512
Lease liabilities	14	34,954	50,838
Contract liabilities	27	663	—
Deferred income tax liabilities	26	3,152	—
Guarantee contract liabilities	33(h)	6,319	—
Other non-current liabilities		—	640
		283,299	245,990
Current liabilities			
Advances and contract liabilities	27	3,288	3,030
Trade and other payables	28	35,193	30,550
Current tax liabilities		792	1,541
Borrowings	25	30,545	21,341
Lease liabilities	14	14,399	15,774
Derivative liabilities		—	101
		84,217	72,337
Total liabilities		367,516	318,327
Total equity and liabilities		598,896	492,057

—* The amount which is less than US$1,000 is presented as "—*" for the whole report.

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

The consolidated financial statements on page 66 to page 177 were approved and authorised for issue by the Board of Directors of the Company on 27 March 2025 and were signed on its behalf by

Executive Director: Chen Zekai

Executive Director: He Gang

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributable to shareholders of the Company						
	Note	Share capital US$'000	Share Premium US$'000	Reserves US$'000	Retained earnings US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2023		–	–	9,692	94,914	104,606	4,404	109,010
Comprehensive income								
Profit for the year		–	–	–	21,211	21,211	807	22,018
Other comprehensive income	24	–	–	(8)	–	(8)	–	(8)
Total comprehensive income		–	–	(8)	21,211	21,203	807	22,010
Transactions with shareholders in their capacity as shareholders								
Profit appropriation to statutory reserves		–	–	25	(25)	–	–	–
Dividends declared to non-controlling interests in subsidiaries	29	–	–	–	–	–	(4,156)	(4,156)
Capitalisation of share premium	23	478	(478)	–	–	–	–	–
Issue of new shares upon listing	23	159	51,916	–	–	52,075	–	52,075
Share issue expenses	23	–	(4,479)	–	–	(4,479)	–	(4,479)
Equity transaction with non-controlling interests	24	–	–	(1,073)	–	(1,073)	343	(730)
		637	46,959	(1,048)	(25)	46,523	(3,813)	42,710
Balance at 31 December 2023		637	46,959	8,636	116,100	172,332	1,398	173,730

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Attributable to shareholders of the Company						
		Share capital US$'000	Share Premium US$'000	Reserves US$'000	Retained earnings US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 January 2024		637	46,959	8,636	116,100	172,332	1,398	173,730
Comprehensive income								
Profit for the year		–	–	–	70,340	70,340	4,445	74,785
Other comprehensive income	24	–	–	(169)	–	(169)	(3)	(172)
Total comprehensive income		–	–	(169)	70,340	70,171	4,442	74,613
Transactions with shareholders in their capacity as shareholders								
Profit appropriation to statutory reserves		–	–	–	–	–	–	–
Dividends declared to non-controlling interests in a subsidiary	29	–	–	–	–	–	(63)	(63)
Dividends declared to ordinary shares	29	–	–	–	(16,933)	(16,933)	–	(16,933)
Capital contribution from non-controlling shareholders		–	–	–	–	–	66	66
Equity transaction with non-controlling interests	24	–	–	30	–	30	(63)	(33)
		–	–	30	(16,933)	(16,903)	(60)	(16,963)
Balance at 31 December 2024		637	46,959	8,497	169,507	225,600	5,780	231,380

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 US$'000	2023 US$'000
Cash flows from operating activities			
Cash generated from operations	30(a)	71,130	47,662
Interest received		17	145
Income tax paid		(243)	(409)
Net cash inflow from operating activities		70,904	47,398
Cash flows from investing activities			
Repayments from related parties	33(d), (e)	13,547	2,270
Proceeds from disposal of property, plant and equipment	30(b)	113,369	6,971
Dividends from associates		4,215	3,104
Proceeds from deposit of forward freight agreement		3,733	–
Proceeds from disposal of financial assets at fair value through profit or loss		(7)	971
Return of capital from associates		7,534	–
Payments for property, plant and equipment and other non-current assets		(113,280)	(130,681)
Payment for deposit of forward freight agreement		(3,940)	(2,100)
Payment for investments in joint ventures and associates		(9,072)	–
Payments for financial assets at fair value through profit or loss		(1,500)	–
Advances to related parties	33(d)	(7,920)	(1,991)
Loan to related parties	33(e)	(18,906)	–
Outflows from disposal of subsidiaries	35(e)	(68)	–
Decrease/(increase) in restricted bank deposits		2,656	(2,788)
Net cash outflow from investing activities		(9,639)	(124,244)
Cash flows from financing activities			
Proceeds from borrowings		61,169	80,175
Proceeds from the issue of new shares upon listing	23(d)	–	52,075
Capital contribution from non-controlling shareholders		66	–
Advances from related parties	33(f)	5,845	8,933
Repayments to related parties	33(f)	(7,400)	(3,263)
Repayments of borrowings		(26,278)	(14,610)
Dividends paid to non-controlling interests in subsidiaries	29	(63)	(4,156)
Dividends paid to owners	29	(17,009)	–
Repayments of principal and interest of lease liabilities and payment of deposits for right-of-use assets		(16,835)	(18,655)
Interests paid of borrowings		(22,794)	(10,706)
Payment for purchase of additional interests of a subsidiary from a non-controlling shareholder		(33)	(730)
Payments for listing fees		–	(3,941)
Net cash (outflow)/inflow from financing activities		(23,332)	85,122

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year ended 31 December 2024 US$'000	2023 US$'000
Net increase in cash and cash equivalents		**37,933**	8,276
Cash and cash equivalents at the beginning of year		**27,996**	20,170
Effects of exchange rate changes on cash and cash equivalents		**(107)**	(450)
Cash and cash equivalents at end of the year		**65,822**	27,996

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

1.1 General information

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

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

A reorganisation (the "Reorganisation") in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited was completed on 28 February 2022.

The Company had its primary listing on The Stock Exchange of Hong Kong Limited on 29 March 2023.

These consolidated financial statements are presented in United States dollar ("US$") and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

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

The consolidated financial statements of the Group has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS comprise the following authoritative literature:

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

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(ii) Historical cost convention

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

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

(iii) Amended standards adopted by the group

The Group has applied the following standards, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease liability in sale and leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The amendments and interpretation listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(iv) Amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

	Amendments	**Effective for accounting periods beginning on or after**
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Volume 11	Annual Improvements to HKFRS Accounting Standards	1 January 2026
HKFRS 18 and HK Interpretation 5	Presentation and Disclosure in Financial Statements and Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

HKFRS 18 will not impact the recognition or measurement of items in the financial statements and will impact the presentation and disclosure related to the statement of financial performance and providing management-defined performance measures within the financial statements.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(iv) Amended standards and interpretations not yet adopted (Continued)

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

- Although the adoption of HKFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

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

2.2 Principles of consolidation

2.2.1 Subsidiaries

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Principles of consolidation *(Continued)*

2.2.1 Subsidiaries (Continued)

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

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

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

2.2.2 Changes in ownership interests

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Principles of consolidation *(Continued)*

2.2.2 Changes in ownership interests (Continued)

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

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

2.2.3 Associates and Joint arrangements

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in associates and joint ventures are accounted for using the equity method of accounting (see Note 2.2.4), after initially being recognised at cost.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Principles of consolidation *(Continued)*

2.2.4 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interests in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interests in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.9.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Segment reporting

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

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

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

The functional currency of the Company and its major subsidiaries located in Hong Kong, Singapore, Japan and other countries, except for the People's Republic of China ("PRC"), is US$, while the functional currency of the subsidiaries in the PRC is Renminbi ("RMB"). The consolidated financial statements is presented in US$, which is the Group's presentation currency.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the first day of the month of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss within "finance costs, net". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "Other gains/(losses), net".

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

2.5.3 Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

For the year ended 31 December 2024, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2.6 Property, plant and equipment

2.6.1 Vessels

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

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

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment *(Continued)*

2.6.1 Vessels (Continued)

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

• Vessels	25 years
• Dry-docking	2.5 years

2.6.2 Other property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses), net" in the consolidated statement of profit or loss.

2.7 Intangible Assets

Intangible assets are mainly acquired software, which are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives of 10 years.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Leases

The Group as a lessee

The Group leases vessels, as well as certain office buildings in the PRC, Hong Kong, Japan and Singapore.

Lease is recognised as a right-of-use assets and a corresponding lease liability at the date while the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

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

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

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

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Leases *(Continued)*

The Group as a lessee (Continued)

To determine the IBR, the Group:

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Leases *(Continued)*

The Group as a lessor

The Group leases out self-owned vessels under various charter arrangements.

The Group identifies that a charter arrangement does not contain a lease if the customer does not have the right to control the use of the ship because it does not have the right to direct its use, otherwise, it may contain a lease.

For charter arrangement which contains a lease, except the vessels, the Group also provides technical management services and crew manning services, thus the arrangement contains both a lease (i.e. bareboat charter) and non-lease components (i.e. shipping services including technical management services and crew manning services).

Consideration of the lease component and non-lease component is allocated with reference to the stand-alone market prices which are benchmarked against market data available, and accordingly recognised as rental income and service income.

A lessor shall classify each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant lease. Initial direct costs with more than a significant amount are capitalised when incurred, and are recognised in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the year in which they are incurred.

The lease receivables under lease arrangements are included as “trade receivables” in the consolidated balance sheets. Please refer to Note 2.16.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Leases *(Continued)*

The Group as a sublease lessor

Sub-lease is a transaction for which an underlying asset is re-leased by a lessee ("sublease lessor") to a third party, and the lease ("head lease") between the head lessor and lessee remains in effect. The Group leased in certain vessels and then leased them out under various charter arrangements. The Group identifies whether the sublease arrangement contains a lease based on whether customer has the right to control the use of the ship. For sublease arrangement which contains a lease, consideration of the lease component and non-lease component of a charter is allocated with reference to the stand-alone market prices which are benchmarked against market data available, and accordingly recognised as rental income and service income.

In classifying a sublease, a sublease lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the entity, as a lessee, has accounted for the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, the sublease shall be classified as an operating lease.

(b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease as finance lease or operating lease.

2.9 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each year.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet and are not depreciated or amortised.

2.11 Investments and other financial assets

2.11.1 Classification

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

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

As at 31 December 2024, the Group has financial assets in the category of financial assets at amortised cost and at fair value through profit and loss.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Investments and other financial assets *(Continued)*

2.11.2 Recognition and derecognition

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

2.11.3 Measurement

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

Debt instruments

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

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.11 Investments and other financial assets *(Continued)*

2.11.3 Measurement (Continued)

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

2.11.4 Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 20 for details.

2.12 Financial guarantee contracts

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

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

The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm's length transaction.

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Derivative financial instruments

Derivative instruments that do not qualify for hedge accounting are accounted for as financial assets and liabilities at fair value through profit or loss. Changes in the fair value of these derivative instruments are recognised immediately in the statement of profit or loss.

Forward freight agreements and forward foreign exchange contracts do not qualify for hedge accounting mainly because the contract periods, which are in calendar months, do not coincide with the periods of the physical contracts.

2.14 Offsetting financial instruments

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

2.15 Inventories

Inventories mainly comprise of bunkers. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. Net realizable value of bunkers is the expected amount to be realized from use as estimated by the directors/management. All costs that relate directly to the contract — both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts are recognised within inventory in the consolidated balance sheet.

2.16 Trade and other receivables

Trade receivables include freight receivables, charter-hire receivables, and ship management receivables from customers for services performed.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 20 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group's entity purchases the Group's equity share capital, for example as the result of a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Group's equity owners. Where such shares are subsequently sold or reissued, the cost of the shares held for employee share scheme is reversed from the treasury share account and the realised gain or loss on sales or reissue, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in the share premium of the Company.

2.19 Trade and other payables

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

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

2.20 Borrowings

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

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.20 Borrowings *(Continued)*

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

2.21 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

2.22 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2.22.1 Current income tax

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.22 Current and deferred income tax *(Continued)*

2.22.2 Deferred income tax

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

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.23 Employee benefits

2.23.1 Wages and salaries

Liabilities for wages, salaries and annual leave that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.23 Employee benefits *(Continued)*

2.23.2 Other employee benefit obligations

In accordance with the rules and regulations in the PRC, the Group has arranged for its PRC employees to join defined contribution plans, including pension, medical, housing and other welfare benefits, set up and administered by the PRC government. According to the relevant regulations, the monthly contributions that should be borne by the PRC subsidiaries of the Company are calculated based on percentages of the total salary of employees, subject to a certain ceiling. The assets of these plans are held separately from those of the Group in independent funds managed by the PRC government.

As at 31 December 2024, regarding the defined contribution plans, the Group had no forfeited contributions (by employers on behalf of employees who leave the defined contribution plan prior to vesting in such contributions) to reduce the existing level and future level of contributions.

The subsidiaries in Hong Kong operate the Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee administered funds. Under the MPF scheme, the employer and its employees are each required to make regular mandatory contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK$30,000. The Group’s contributions to the scheme are expensed as incurred. When employees leave the scheme prior to the full vesting of the employer’s voluntary contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The subsidiaries in Singapore contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the government of Singapore, which applies to the majority of the employees who are either Singapore citizens or permanent residents.

The subsidiaries in Japan contributes to the defined contribution plan regulated and managed by the government of Japan.

The Group has no further payment obligations once the above contributions have been paid. The Group’s contributions to these plans are charged in the consolidated statement of profit or loss as incurred.

2.23.3 Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.23 Employee benefits *(Continued)*

2.23.4 Share-based compensation

Share-based compensation benefits are provided to employees via employee share scheme. Mr. Guo transferred 2% and 1% of shareholding interests in the Company to Mr. Zhao and Mr. He in November 2021 without any consideration or service restriction, which lead to share-based compensation. Mr. Guo also transferred 8% of shareholding interests in the Company to Jovial Alliance Limited for future post-IPO employee Share Award Plan in 2022, however, the Share Award Plan is cancelled in 2023.

The fair value of the services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted as at grant date.

2.24 Revenue recognition

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

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer, and it should be presented separately. Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as contract assets and subsequently amortised when the related revenue is recognised. A contract asset becomes a receivable when receipt of the consideration is conditional only on the passage of time. Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

Contract liabilities (included in advances and contract liabilities) are recognised for expected volume discounts to customers in relation to sales made until the end of the year.

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

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

Revenue from ship management business

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

Rental and service income from shipping business

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

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

For charter arrangement which contains a lease, the Group separately accounts for the rental income from lease components and shipping services income from non-lease components for the charter contracts. Please refer to Note 2.8 for details.

2.25 Provisions

Provisions for legal claims and service warranties are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.26 Earnings per share

2.26.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares:
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2.26.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders, where appropriate.

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in "other income" over the period necessary to match them with the costs that they are intended to compensate. Government grants that compensate the Group for the cost of an asset are included in non-current liabilities as deferred income and are credited to the "other income" on a straight-line basis over the expected useful lives of the related assets.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.29 Interest income

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

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Market risk

(i) Market freight rate risk

The freight rate of the Group's shipping business are very sensitive to economic fluctuations. The Group's revenue from operations of shipping business may be impacted if freight rates will have any significant changes. Had the freight rates been decreased/increased by 10% for the year ended 31 December 2024 with all other variables held constant, the revenue would have been US$7,603,000 (2023: US$9,729,000), lower or higher.

(ii) Foreign exchange risk

The Group operates internationally with most of the transactions settled in US$. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk, other than certain trade and other receivables, cash and cash equivalents, borrowings, lease liabilities, trade and other payables denominated in RMB, EUR, JPY and SG$, details of which have been disclosed in Note 20, Note 21, Note 25 and Note 28, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

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

Assets	As at 31 December 2024				As at 31 December 2023			
	RMB US$'000	EUR US$'000	JPY US$'000	Others US$'000	RMB US$'000	EUR US$'000	JPY US$'000	Others US$'000
Trade and other receivables	348	3,735	–	230	346	4,919	95	103
Cash and cash equivalents	68	1,298	10,649	740	–	405	11,079	843
	416	5,033	10,649	970	346	5,324	11,174	946

Liabilities	As at 31 December 2024				As at 31 December 2023			
	RMB US$'000	EUR US$'000	JPY US$'000	Others US$'000	RMB US$'000	EUR US$'000	JPY US$'000	Others US$'000
Trade and other payables	361	365	47	113	355	57	12	121
Borrowings	–	–	56	–	–	–	73	–
Lease liabilities	–	–	64	566	–	–	190	293
	361	365	167	679	355	57	275	414

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

	Year ended 31 December	
	2024 US$'000	2023 US$'000
US$/EUR exchange rate — increase	(233)	(263)
US$/EUR exchange rate — decrease	233	263
US$/JPY exchange rate — increase	(524)	(545)
US$/JPY exchange rate — decrease	524	545

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

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

During the year ended 31 December 2023, the Group has entered into several foreign exchange forward contracts with a financial institution to buy JPY at a predetermined exchange rate (against USD). Management has assessed the fair value of the forward foreign exchange contracts based on valuation techniques and observable market data and concluded that the fair value of the outstanding forward foreign exchange contracts should be an asset of approximately US$90,000 as at 31 December 2023. These contracts were expired before March 2024.

(iii) Cash flow and fair value interest rate risk

The fair value interest rate risk relates primarily to the Group's fixed-rate borrowings and lease liabilities and other financial assets at amortised cost. The cash flow interest rate risks of the Group relate primarily to floating-rate borrowings. The management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. For the years ended 31 December 2024 and 2023, there were no hedging activities. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short-term. For the years ended 31 December 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in US$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

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

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Financial instruments with floating rate		
Borrowings	**268,700**	212,407
Lease liabilities	**9,869**	11,907
	278,569	224,314
Financial instruments with fixed rate		
Borrowings	**56**	3,446
Lease liabilities	**39,484**	54,705
	39,540	58,151
Interest-free financial instruments		
Loan to associates and joint ventures	**25,100**	–
Advance from related parties	**3,997**	7,035

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

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Impact on post-tax profit at 50 basis point higher	**(1,393)**	(1,122)
Impact on post-tax profit at 50 basis point lower	**1,393**	1,122

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

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

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

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

There is no significant concentration of the Group's credit losses. During the year ended 31 December 2024, no revenue from a single customer accounted for more than 10% of the Group's total revenue (31 December 2023: 10%).

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

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(i) Trade receivables

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

The provision of trade receivable with a customer as at 31 December 2024 was made on individual basis with loss rate of 100% after taking into consideration of its long-aging status (31 December 2023: on individual basis with loss rate of 100%). The remaining trade receivables have been grouped to measure the expected credit losses based on shared credit risk characteristics. The average loss rate applied for trade receivables from ship management business as at 31 December 2024 were 1.54% (31 December 2023: 1.41%). The average loss rate applied for trade receivables from shipping business on collective basis as at 31 December 2024 were 0.42% (31 December 2023: 0.45%). The expected credit losses have incorporated forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(ii) Other receivables

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

In view of the history of cooperation with the debtors and collection from them, the management of the Group believes that all of the Group's other receivables are classified in Stage 1 as at 31 December 2024. The average loss rate applied for other receivables as at 31 December 2024 were 1.30% (31 December 2023: 0.80%).

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(iii) Financial guarantees

The Group provide guarantees to related parties, further details of which are disclosed in Notes 33(h) to the consolidated financial statements. The management of the Group makes periodic collective assessments as well as individual assessment on the recoverability of liabilities of related parties based on default of the counterparty. As at 31 December 2024, the expected credit loss is less than the financial guarantees amount initially recognised less the cumulative amount of income. Therefore, no expected credit loss is recognised in the financial statements.

(iv) Loss allowance provision movement

The movement of loss allowance provision of trade receivables, other receivables, prepayment for ships management deposit and financial guarantees for the years ended 2024 and 2023 is as follow:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Loss allowance provision:		
At beginning of the year	**1,786**	276
Provision	**213**	1,510
At the end of the year	**1,999**	1,786

(c) Liquidity risk

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) *Liquidity risk (Continued)*

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

	Less than 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000
As at 31 December 2024					
Borrowings	48,644	40,409	113,572	165,540	368,165
Lease liabilities**	15,848	13,007	22,487	1,650	52,992
Trade and other payables*	29,141	–	–	–	29,141
	93,633	53,416	136,059	167,190	450,298
As at 31 December 2023					
Borrowings	36,170	32,575	84,712	151,519	304,976
Lease liabilities**	17,432	13,966	33,839	6,769	72,006
Trade and other payables*	25,915	–	–	–	25,915
	79,517	46,541	118,551	158,288	402,897

* Trade and other payables exclude salaries and staff welfare payable, taxes payable and provision for legal proceedings.

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

(a) Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Group and to maintain an optimal capital structure to enhance shareholders' value in the long term.

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

As at 31 December 2024, the net debt to total equity ratios were as follows:

	As at 31 December	
	2024	2023
	US$'000	US$'000
Total borrowings	**268,756**	215,853
Lease liabilities	**49,353**	66,612
Advance from related parties	**3,997**	7,035
Less: cash and cash equivalents (Note 21)	**(65,822)**	(27,996)
Net debt	**256,284**	261,504
Total equity	**231,380**	173,730
Gearing ratio (%)	**111**	151

(b) Loan covenants

Under the terms of the major other borrowings, which has a carrying amount of US$258,682,000 (31 December 2023:US$215,328,000), the group is required to comply with the following financial covenants at the end of each annual reporting period:

- the cash and cash equivalents must be not less than US$200,000, and
- the total consolidated liabilities to its total consolidated assets must be not more than 75%.

The group has complied with these covenants throughout the reporting period. As at 31 December 2024, the cash and cash equivalents amounts to US$65,822,000 (As at 31 December 2023: US$27,996,000) and the ratio of total consolidated liabilities to its total consolidated assets was 61% (As at 31 December 2023:65%).

There are no indications that the Group would have difficulties complying with the covenants when they will be next tested as at the 30 June 2025 interim reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. The following table presents the Group's financial assets that are measured at fair value as at 31 December 2024 and 31 December 2023:

Recurring fair value measurements	**Level 1 US$'000**	**Level 2 US$'000**	**Level 3 US$'000**
At 31 December 2024			
Financial assets			
Loan to associates and joint ventures	**–**	**–**	**25,100**
Interests in an unlisted equity security	**–**	**–**	**1,500**

Recurring fair value measurements	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000
At 31 December 2023			
Derivative financial instruments			
Foreign exchange forward contracts	–	90	–
Forward freight agreements	–	(191)	–

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the year. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for forward currency forwards — the present value of future cash flows based on forward exchange rates at the reporting date
- for other financial instruments — discounted cash flow analysis.

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

There were no transfers among different categories for the year ended 31 December 2024.

The Group has used income approach to estimate the fair value of the Identified Financial Assets. The following table presents the changes of the fair value of the Identified Financial Assets for the year ended 31 December 2024:

	Loans to associates and joint ventures US$'000	**Interests in an unlisted equity security** US$'000	**Right of gain/ loss sharing from vessel disposal** US$'000
Opening balance as at 1 January 2023	—	—	1,232
Change in fair value through profit or loss	—	—	447
Disposals	—	—	(1,679)
Closing balance 31 December 2023	—	—	—
Additions	25,100	1,500	—
Change in fair value through profit or loss	—	—	—
Closing balance 31 December 2024	**25,100**	**1,500**	**—**

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(iv) Valuation inputs

The significant unobservable input used in level 3 fair value measurements on loans to associates and joint ventures is discount rate, which is the average borrowings rates of the associates and joint ventures.

The significant unobservable inputs used in level 3 fair value measurements on interests in an unlisted equity security are estimated market price for similar types of companies and discount for lack of marketability.

As at 31 December 2024, the carrying amounts of loans to associates and joint ventures and interests in an unlisted equity security approximate their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events thus may have a financial impact on the equity that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated useful lives and residual value of vessels

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

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.

Had the useful lives been extended/shortened by 10% from management's estimates as at 31 December 2024, with all other variables held constant, the estimated depreciation expenses of vessels for the year would have been decreased US$1,077,000 or increased by US$1,316,000 for the year ended 31 December 2024 (31 December 2023: decreased US$639,000 or increased by US$745,000).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(a) Estimated useful lives and residual value of vessels *(Continued)*

Had the residual values been increased/decreased by 10% from management's estimates as at 31 December 2024, with all other variables held constant, the estimated depreciation expenses of vessels for the year would have been decreased or increased by US$183,000 respectively for the year ended 31 December 2024 (31 December 2023: decreased or increased by US$193,000).

(b) Determination of the lease term

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Leases — Estimating the IBR

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

(d) Impairment of vessels

The Group's major operating assets represent vessels in property, plants and equipment and right-of-use assets. Management performs review for impairment of the vessels whenever events or changes in circumstances indicate that the carrying amounts of the vessels may not be recoverable. In assessing the indicators of potential impairment, internal and external sources of information such as reported sale and purchase prices, market demand and general market conditions are considered.

Vessels that are interchangeable are grouped together into one cash-generating unit ("CGU"). An impairment is recognised when the carrying value exceeds the recoverable amount, where the recoverable amount is the higher of value-in-use and fair value less costs of disposal. The recoverable amounts of vessels based on value-in-use calculations which involve significant management judgements and assumptions in particular forecast utilisation, daily time-charter equivalent ("TCE") rates and cost inflation rates applied to the future cash flows forecasts of the CGU.

Impairment of individual vessels that are classified as assets held for sale is recognised when their carrying values exceed their fair values less costs of disposal.

Management assessed the recoverable amount of the CGU, and determined that there was no impairment for vessels as at 31 December 2024.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(e) Provision for impairment of trade receivables

The Group's management determines the provision for impairment of trade receivables on a forward-looking basis and the expected lifetime losses are recognised from initial recognition of the assets. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant changes in business and customers' financial position including, among others, the region in which customers operate. At every balance sheet date, historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management, see Note 3.1(b).

(f) Estimation of the fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 3.3(i).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5 REVENUE AND SEGMENT INFORMATION

The Company's executive directors are the Group's CODM. The Group's CODM mainly examines the Group's performance from a business perspective, and has identified two reporting segments of its business as follows:

- Shipping business
- Ship management business

(a) Segment information of the Group

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

For the year ended 31 December 2024

	Shipping business US$'000	Ship management business US$'000	Elimination US$'000	Total US$'000
Total reportable segment revenue				
Revenue from external customers	205,340	76,796	–	282,136
Inter-segment revenue	–	8,801	(8,801)	–
Total reportable segment revenue	205,340	85,597	(8,801)	282,136
Cost of sales	(156,010)	(61,750)	–	(217,760)
Gross profit	49,330	15,046	–	64,376
Segment results				
Profit before income tax	68,147	9,445	(170)	77,422
Segment results included:				
Other gains/(losses) — net	43,310	(369)		42,941
Finance income	14	292		306
Finance costs	(19,611)	(67)		(19,678)
Depreciation and amortisation	(27,841)	(856)		(28,697)
Net impairment losses on financial assets	(90)	(123)		(213)
Share of profit of associates and joint ventures	6,543	148		6,691
Additions to non-current assets	178,720	13,323		192,043

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

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

	For the year ended 31 December 2023			
	Shipping business US$'000	Ship management business US$'000	Elimination US$'000	Total US$'000
Total reportable segment revenue				
Revenue from external customers	207,957	51,077	—	259,034
Inter-segment revenue	—	5,076	(5,076)	—
Total reportable segment revenue	207,957	56,153	(5,076)	259,034
Cost of sales	(177,545)	(41,386)	—	(218,931)
Gross profit	30,412	9,691	—	40,103
Segment results				
Profit before income tax	17,381	4,998	—	22,379
Segment results included:				
Other gains/(losses) — net	5,693	(54)		5,639
Finance income	143	2		145
Finance costs	(9,335)	(54)		(9,389)
Depreciation and amortisation	(26,924)	(1,007)		(27,931)
Net impairment losses on financial assets	(1,475)	(35)		(1,510)
Share of profit of associates and joint ventures	2,838	10		2,848
Additions to non-current assets	259,829	5,695		265,524

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

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

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

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

	As at 31 December 2023			
	Shipping business US$'000	Ship management business US$'000	Elimination US$'000	Total US$'000
Segment assets	470,933	31,016	(9,892)	492,057
Segment liabilities	312,717	15,502	(9,892)	318,327

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Analysis of revenue

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

The Group's revenues for the year ended 31 December 2024 are recognised over-time.

(i) The revenue is listed as below:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Revenue from shipping business		
Shipping service income — over time	**128,427**	161,411
Rental income	**76,913**	46,546
	205,340	207,957
Revenue from ship management business		
Ship management income — over time	**76,796**	51,077

(ii) Information about major customers

For the year ended 31 December 2024, there were no sales to any single customer which contributed 10% or more of the Group's revenue (2023: Nil).

5 REVENUE AND SEGMENT INFORMATION *(Continued)*

(c) Non-current assets

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

The vessels (included in property, plant and equipment and right-of-use assets) are primarily utilized across geographical markets for shipping business throughout the world. Accordingly, it is impractical to present the locations of the vessels by geographical areas and thus the vessels and vessels under construction are presented as unallocated non-current assets.

In respect of the remaining Geographical Non-Current Assets, they are presented based on the geographical locations in which the business operations/assets are located.

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Unallocated	**421,782**	398,229
Remaining assets		
— China	**18,034**	4,301
— Hong Kong	**9,938**	10,851
— Others	**1,713**	604

(d) Unsatisfied performance obligations

There is no significant long-term unsatisfied performance obligations for the year ended 31 December 2024 (2023: Nil). For the above contracts with customers, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

6 OTHER INCOME

	Year ended 31 December	
	2024 US$'000	2023 US$'000
Government grants	143	20

7 OTHER GAINS/(LOSSES) — NET

	Year ended 31 December	
	2024 US$'000	2023 US$'000
Foreign exchange losses, net	(1,472)	(219)
Bank charges	(1,079)	(533)
Provision for legal proceedings (i)	(182)	(552)
Insurance compensation	1,114	1,346
Net gains on disposals of property, plant and equipment (ii)	46,166	6,891
Net fair value losses on derivative financial instruments	—	(1,851)
Net fair value gains on financial assets at fair value through profit or loss	(229)	447
Others	(1,377)	110
	42,941	5,639

(i) Provision for legal proceedings represents the provision made for on-going legal proceedings in connection with disputes, please refer to Note 31.

(ii) During the year ended 31 December 2024, the Group disposed of eight vessels (2023: two) to third parties.

8 EXPENSES BY NATURE

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Crew manning expenses (ii)	**73,008**	48,679
Charter hire costs (i)	**42,766**	63,677
Depreciation and amortisation (iii), (iv)	**28,697**	27,931
Bunker consumed	**27,460**	33,944
Employee benefit expenses (Note 9)	**20,705**	14,234
Insurance	**7,410**	4,791
Lubricating oil and spare parts costs	**6,930**	5,623
Port charges	**6,656**	11,512
Vessel take over fees	**4,127**	4,293
Vessel certificate and inspection related costs	**2,715**	2,101
Shipbuilding supervision outsourcing fees	**2,216**	3,203
Brokerage	**2,012**	2,204
Business development and entertainment expenses	**1,329**	1,031
Auditor's remuneration	**381**	391
Repair expenses	**447**	977
Listing expenses	**—**	1,835
Others	**8,045**	7,982
Total cost of sales, selling, general and administrative expenses	**234,904**	234,408

(i) Charter hire costs mainly comprise the cost of short-term charters with a term of 12 months or less.

(ii) Crew manning expenses represent the wages of the crew members charged by the crew manning agencies.

(iii) Depreciation charged to profit or loss is analysed as follows:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Depreciation for the year		
— Property, plant and equipment (Note 13)	**12,034**	7,770
— Right-of-use assets (Note 14)	**14,992**	18,702
Amount charged to profit or loss	**27,026**	26,472
Charged to:		
— Cost of sales	**25,724**	25,551
— Selling, general and administrative expenses	**1,302**	921
	27,026	26,472

8 EXPENSES BY NATURE *(Continued)*

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Amortisation for the year		
— Dry-docking or decoration of right-of-use assets	**1,616**	1,441
— Intangible assets	**55**	18
Amount charged to profit or loss	**1,671**	1,459
Charged to:		
— Cost of sales	**1,493**	1,317
— Selling, general and administrative expenses	**178**	142
	1,671	1,459

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Wages, salaries, bonuses and allowances	**17,829**	13,153
Social benefits	**1,436**	470
Contributions to pension schemes	**896**	360
Other welfare expenses	**544**	251
	20,705	14,234

(i) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 are as follows:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Directors (Note 34)	**1,886**	810
Non-directors	**351**	592
	2,237	1,402

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FOR THE YEAR ENDED 31 DECEMBER 2024

9 EMPLOYEE BENEFIT EXPENSES *(Continued)*

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

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 includes four directors whose emoluments are reflected in the analysis presented in Note 34 (2023: three). The emoluments payables to the remaining one (2023: two) individual during the year ended 31 December 2024 are as follows:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Wages and salaries	**269**	452
Bonus	**67**	116
Social benefits	**10**	17
Contributions to pension schemes	**3**	3
Other welfare expenses	**2**	4
	351	592

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

	Year ended 31 December	
	2024	2023
Emolument bands (in HK$)		
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,500,001 to HK$3,000,000	**1**	1

10 FINANCE COSTS, NET

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Finance income		
— cash and cash equivalents	**17**	145
— ships management deposit	**289**	—
	306	145
Finance costs:		
— borrowings	**(23,943)**	(11,942)
— lease liabilities	**(1,858)**	(1,512)
	(25,801)	(13,454)
Less: amounts capitalised on prepayment for vessels purchased (i)	**6,123**	4,065
Finance costs expensed	**(19,678)**	(9,389)
Finance costs, net	**(19,372)**	(9,244)

(i) Capitalised borrowing costs

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year of 7.98% (2023: 8.37%).

11 INCOME TAX EXPENSES

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Current income tax		
— Hong Kong profits tax	**57**	112
— PRC enterprise income tax	**89**	12
— Japan income tax	**611**	47
— Singapore income tax	**76**	153
Deferred income tax (Note 26)	**1,804**	37
	2,637	361

For the years ended 31 December 2024 and 2023, taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates.

11 INCOME TAX EXPENSES *(Continued)*

(i) Cayman Islands Income Tax

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

(ii) British Virgin Islands ("BVI") Income Tax

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

(iii) Marshall Islands Income Tax

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

(iv) Liberia Income Tax

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

(v) Singapore Income Tax

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

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

(vi) Hong Kong Profits Tax

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

11 INCOME TAX EXPENSES *(Continued)*

(vi) Hong Kong Profits Tax *(Continued)*

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

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

(vii) Japan Corporate Income Tax

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

(viii) PRC Enterprise Income Tax ("EIT")

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

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2024

11 INCOME TAX EXPENSES *(Continued)*

(ix) Greece Income Tax

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

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Profit before income tax	**77,422**	22,379
Tax calculated at applicable tax rates	**12,471**	3,354
Net exempted gains (i)	**(9,910)**	(3,242)
Tax effect of share of profits of associates and joint ventures	**(1,113)**	(484)
Expenses not deductible for taxation purposes	**520**	733
Utilisation of previously unrecognised tax losses	**(1,673)**	–
Tax losses for which no deferred income tax asset has been recognised	**570**	–
Utilisation of previously unrecognised temporary difference	**1,772**	–
Income tax expense	**2,637**	361

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

11 INCOME TAX EXPENSES *(Continued)*

(ix) Greece Income Tax *(Continued)*

(b) Tax losses

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Unused tax losses for which no deferred tax asset has been recognised	**8,037**	7,396
Potential tax benefit	**1,538**	1,875

12 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the respective years. The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the capitalisation issue of 374,990,000 shares on 29 March 2023 which are deemed to have been in issue since 1 January 2021.

	Year ended 31 December	
	2024	2023
Profit attributable to the owners of the Company (US$'000)	**70,340**	21,211
Weighted average number of ordinary shares in issue	**500,000,000**	468,750,000
Basic earnings per share (expressed in US$ per share)	**0.141**	0.045

As the Company has no dilutive instruments for the year ended 31 December 2024 (2023: Nil), the Group's diluted earnings per share equals to its basic earnings per share.

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FOR THE YEAR ENDED 31 DECEMBER 2024

13 PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2024	Vessels US$'000	Buildings US$'000	Transportation equipment US$'000	Office equipment and other equipment US$'000	Total US$'000
Cost					
Opening balance	284,021	1,454	330	283	286,088
Additions	107,004	–	158	205	107,367
Disposal	(98,429)	–	–	(51)	(98,480)
Assets classified as held for sale (Note 22)	(7,329)	–	–	–	(7,329)
Currency translation differences	–	(21)	(4)	(2)	(27)
Closing balance	285,267	1,433	484	435	287,619
Accumulated depreciation					
Opening balance	(16,319)	(243)	(190)	(150)	(16,902)
Depreciation charge (i)	(11,847)	(60)	(54)	(73)	(12,034)
Disposal	8,190	–	–	50	8,240
Assets classified as held for sale (Note 22)	2,439	–	–	–	2,439
Currency translation differences	–	4	3	1	8
Closing balance	(17,537)	(299)	(241)	(172)	(18,249)
Net book amount					
As at 31 December 2023	267,702	1,211	140	133	269,186
As at 31 December 2024	267,730	1,134	243	263	269,370

13 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Year ended 31 December 2023	Vessels US$'000	Buildings US$'000	Transportation equipment US$'000	Office equipment and other equipment US$'000	Total US$'000
Cost					
Opening balance	98,246	1,479	390	231	100,346
Additions	219,129	–	97	55	219,281
Disposal	(27,194)	–	(153)	–	(27,347)
Assets classified as held for sale (Note 22)	(6,160)	–	–	–	(6,160)
Currency translation differences	–	(25)	(4)	(3)	(32)
Closing balance	284,021	1,454	330	283	286,088
Accumulated depreciation					
Opening balance	(8,730)	(185)	(196)	(100)	(9,211)
Depreciation charge (i)	(7,589)	(61)	(69)	(51)	(7,770)
Disposal	–	–	73	–	73
Currency translation differences	–	3	2	1	6
Closing balance	(16,319)	(243)	(190)	(150)	(16,902)
Net book amount					
As at 31 December 2022	89,516	1,294	194	131	91,135
As at 31 December 2023	267,702	1,211	140	133	269,186

(i) Depreciation expenses

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

	Year ended 31 December **2024** **US$'000**	2023 US$'000
Cost of sales	**11,847**	7,589
Selling, general and administrative expenses	**187**	181
	12,034	7,770

As at 31 December 2024, property, plant and equipment with the carrying amounts of US$267,730,000 (2023: US$266,913,000) were pledged to secure borrowings (Note 25).

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Right-of-use assets		
Vessels	**48,898**	68,925
Building	**3,422**	1,423
	52,320	70,348
Lease liabilities		
Current	**14,399**	15,774
Non-current	**34,954**	50,838
	49,353	66,612

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Right-of-use assets		
Cost		
Opening balance	**104,565**	119,355
Additions (i)	**9,533**	12,555
Expiration of lease	**(1,007)**	(19,059)
Change of lease term (ii)	**(26,033)**	(8,286)
Closing balance	**87,058**	104,565
Accumulated depreciation		
Opening balance	**(34,217)**	(41,207)
Depreciation charge	**(14,992)**	(18,702)
Expiration of lease	**1,007**	19,059
Change of lease term (ii)	**13,464**	6,633
Closing balance	**(34,738)**	(34,217)
Net book amount	**52,320**	70,348

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

(i) Additions to the right-of-use assets were mainly attributable to the new lease agreements entered into for a vessel and buildings.

(ii) Change of lease term in 2024 were mainly caused by exercise of purchase options as stipulated on the lease contracts before the termination of the lease contracts.

(iii) The statement of profit or loss shows the following amounts relating to leases:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Depreciation charge of right-of-use assets		
Vessels	**13,876**	17,847
Buildings	**1,116**	855
	14,992	18,702
Interest expense (included in finance cost)	**1,858**	1,512
Expense relating to short-term leases		
— Cost of sales	**42,766**	63,677
— Administrative expenses and selling expenses	**235**	223

The total cash outflow for leases for the year ended 31 December 2024 was US$60,454,000 (2023: US$85,191,000).

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Guarantor:		
The Company/Seacon Shipping Pte., Ltd.*	**28,634**	46,532
The Company	**11,072**	15,645
The Company/Seacon Ships Management Co., Limited (Qingdao)*	**702**	3,093
	40,408	65,270

* These companies are the subsidiaries of the Group.

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

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

The Group leases in various vessels and certain offices. Rental contracts are typically made for fixed periods of one year to ten years but may have extension options and purchase options as described in (vii) below.

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

(vi) Variable lease payments

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

(vii) Extension and purchase options

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

15 INTERESTS IN ASSOCIATES AND JOINT VENTURES

Set out below are the joint ventures and associates of the Group as at 31 December 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held indirectly by the Company. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of Incorporation/ establishment and operations	Principal activities	% of ownership interest		Nature of relationship	Measurement method	Carrying amount		Note
			31 December 2024	31 December 2023			31 December 2024 US$'000	31 December 2023 US$'000	
Msm Ship Management Pte. Ltd.	Singapore	Ship management	50.0%	50%	Joint venture	Equity method	87	84	(1)
Hongkong Xinyihai 55 Co., Limited	Hong Kong	Vessel holding and chartering services	35.0%	35%	Associate	Equity method	12	15	(1)
Seacon 6 Limited ("Seacon 6")	Hong Kong	Vessel holding and chartering services	Nil	49.5%	Associate	Equity method	–	3,238	(1)
Seacon 7 Limited ("Seacon 7")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	1,472	2,242	(1)
Seacon 8 Limited ("Seacon 8")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	500	1,479	(1)
Seacon 9 Limited ("Seacon 9")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	1,522	3,636	(1)
Union Merchant Limited	Hong Kong	Vessel holding and chartering services	20.0%	20.0%	Associate	Equity method	–	–	(1)
Zhejiang Xinghu Shipping Co., LTD	China	Vessel holding and chartering services	48.0%	48.0%	Joint venture	Equity method	6,900	–	(1)
Continental Kapital Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50.0%	N/A	Joint venture	Equity method	5,208	N/A	(1)
Golden Pegasus Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50.0%	N/A	Joint venture	Equity method	694	N/A	(1)
Horizon Sea Ships Pte. Ltd.	Singapore	Vessel holding and chartering services	50.0%	N/A	Joint venture	Equity method	50	N/A	(1)
GHC Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50.0%	N/A	Joint venture	Equity method	–	N/A	(1)
Seacon International Trading Limited	Hong Kong	Ship management	50.0%	N/A	Joint venture	Equity method	–	N/A	(1)
Tianjin Tianhui Shipping Co., Ltd.	China	Vessel holding and chartering services	45.0%	N/A	Joint venture	Equity method	2,300	N/A	(1)
Shanghai Seacon Ocean Ships Management Co., Ltd.	China	Ship management	49.0%	N/A	Joint venture	Equity method	73	N/A	(1)
							18,818	10,694	

(1) The above associates and joint ventures are all private entities with no quoted price available. There are no commitments or contingent liabilities in respect of associates and joint ventures.

The Company had no directly owned associates or joint ventures as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

(1) *(Continued)*

There is no associate or joint venture that is individually material to the Group as at 31 December 2024. The financial information below, after making necessary adjustments to conform to the Group's material accounting policies, represents the Group's respective interests in the associates and joint ventures:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Aggregate carrying amount of individually immaterial associates and joint ventures	**18,818**	10,694
Aggregate amounts of the Group's share of:		
Net profit	**6,691**	2,848
Total comprehensive income	**6,691**	2,848
Dividend received (i)	**(4,215)**	(3,104)

(i) Dividend amounted to US$3,104,000 declared by Hongkong Xinyihai 55 Co., Limited in 2022 and has been received in April 2023. Dividend amounted to US$4,215,000 declared and fully paid by Seacon 6, Seacon 7 and Seacon 8 in 2024.

(ii) Seacon 6 has been dissolved during the year ended 31 December 2024.

16 OTHER NON-CURRENT ASSETS

	As at 31 December	
	2024	2023
	US$'000	US$'000
Prepayment for vessels purchased (i)	**101,887**	58,104
Prepayment for buildings purchased	**4,790**	1,693
Prepayment for bareboat charters	**2,042**	2,108
Prepayment for dry-docking and equipment purchased	**1,225**	1,390
Others	**821**	365
	110,765	63,660
Ships management deposit	**6,060**	5,000
Deferred assets	**5,412**	—
Less: provision for impairment	**(145)**	(41)
	122,092	68,619

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

As at 31 December 2024, prepayment for vessels purchased with the carrying amounts of US$60,140,000 (2023: Nil) were pledged to secure borrowings (Note 25).

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	US$'000	US$'000
Equity investment, unlisted	**1,500**	—

FVPL represents the Group's investment in 1% equity interest in Intercont (Cayman) Limited ("Intercont") which the Group has not elected to recognise fair value gains and losses through other comprehensive income. Intercont is a company applying for listing, and its shares are not quoted in an active market as at 31 December 2024. The fair value of this investment is measured using a valuation technique with a combination of observable and unobservable inputs and hence classified as Level 3 of the fair value hierarchy.

Management has assessed the fair value of the equity investment based on valuation techniques and observable market data and concluded that the fair value change of the equity investment was immaterial.

18 INVENTORIES

	As at 31 December	
	2024	2023
	US$'000	US$'000
Lubricating oil and spare parts	**4,236**	2,659
Fuels	**3,682**	2,547
Contract performance cost	**—**	1,221
	7,918	6,427
Less: provision for impairment	**—**	—
	7,918	6,427

The cost of inventories recognised as cost of sales amounted to approximately US$34,390,000 for the year ended 31 December 2024 (2023: US$39,567,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19 PREPAYMENTS AND OTHER CURRENT ASSETS

	As at 31 December	
	2024	2023
	US$'000	US$'000
Prepayments for:		
— insurance expenses	**1,960**	1,488
— vessels under short term charter basis and office rental	**851**	1,770
— spare parts purchase	**219**	15
— others	**65**	71
	3,095	3,344

20 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	US$'000	US$'000
Trade receivables — ship management business		
— third parties	**5,515**	4,698
— related parties (Note 33(j))	**276**	268
Less: provision for impairment	**(89)**	(70)
Trade receivables — net	**5,702**	4,896
Trade receivables — shipping business		
— third parties	**5,949**	6,397
— related parties (Note 33(j))	**1,793**	478
Less: provision for impairment	**(1,554)**	(1,552)
Trade receivables — net	**6,188**	5,323
Other receivables		
— advance to related parties (Note 33(j))	**3,147**	—
— deposits	**6,051**	10,208
— others	**6,735**	5,226
	15,933	15,434
Less: provision for impairment of other receivables	**(211)**	(123)
Other receivables — net	**15,722**	15,311
	27,612	25,530

20 TRADE AND OTHER RECEIVABLES *(Continued)*

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Trade receivables — ship management business		
Within 3 months	**5,568**	4,703
3–6 months	**92**	150
6–12 months	**45**	45
1–2 years	**24**	63
2–3 years	**62**	5
	5,791	4,966
Less: provision for impairment	**(89)**	(70)
	5,702	4,896

	As at 31 December	
	2024	2023
	US$'000	US$'000
Trade receivables — shipping business		
Within 3 months	**5,946**	5,081
3–6 months	**244**	—
6–12 months	**—**	244
More than 1 year	**1,552**	1,550
	7,742	6,875
Less: provision for impairment	**(1,554)**	(1,552)
	6,188	5,323

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

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

20 TRADE AND OTHER RECEIVABLES *(Continued)*

(a) *(Continued)*

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Trade receivables — ship management business		
At beginning of the year	**(70)**	(21)
Provision	**(19)**	(49)
At the end of the year	**(89)**	(70)

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Trade receivables — shipping business		
At beginning of the year	**(1,552)**	(155)
Provision	**(2)**	(1,397)
At the end of the year	**(1,554)**	(1,552)

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
US$	**11,048**	9,179
RMB	**782**	694
EUR	**53**	—
SGD	**7**	—
HKD	**—**	346
	11,890	10,219

All carrying amounts of trade receivables approximate their fair values.

20 TRADE AND OTHER RECEIVABLES *(Continued)*

(b) *(Continued)*

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
US$	**9,207**	9,817
EUR	**3,682**	4,919
RMB	**2,821**	498
SGD	**146**	83
HKD	**73**	21
JPY	**—**	96
Others	**4**	—
	15,933	15,434

21 CASH AND BANK BALANCES

(a) Restricted bank deposits

	As at 31 December	
	2024	2023
	US$'000	US$'000
Restricted bank deposits — current		
— Security deposits for letter of guarantee	**164**	126
— Deposit in transit	**—**	2,440
— Security deposits for forward foreign exchange	**—**	254
	164	2,820

(b) Cash and cash equivalents

	As at 31 December	
	2024	2023
	US$'000	US$'000
Cash in hand	**16**	4
Cash at banks	**65,806**	27,992
	65,822	27,996

21 CASH AND BANK BALANCES *(Continued)*

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
US$	**51,108**	16,676
RMB	**2,157**	1,813
SG$	**378**	376
EUR	**1,298**	405
JPY	**10,649**	11,079
HK$	**396**	467
	65,986	30,816

The deposits remittance out of the PRC are subject to certain PRC rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 December 2024, the RMB cash at bank held by the PRC subsidiaries amounted to US$2,330,000 (2023: US$2,132,000).

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

22 ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale

	As at 31 December	
	2024	2023
	US$'000	US$'000
Property, plant and equipment — vessels	**4,890**	6,160
Prepayment for dry-docking for the vessel held for sale	**—**	836
	4,890	6,996

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

23 SHARE CAPITAL

	The Company	
	Number of shares	Nominal value
		HKD
Authorised		
700,000,000 ordinary shares of HKD0.01 each as at 31 December 2023 and 2024 (note b)	700,000,000	7,000,000

	The Company		
	Number of shares	Nominal value	Share capital
		HKD	USD
Issued:			
As at 1 January 2023 (note a, b)	10,000	100.00	—
Capitalisation of share premium (note c)	374,990,000	3,749,900	478,000
Issue of new shares upon listing (note d)	125,000,000	1,250,000	159,000
As at 31 December 2023	500,000,000	5,000,000	637,000
As at 31 December 2024	**500,000,000**	**5,000,000**	**637,000**

(a) On 22 October 2021, the Company was incorporated in the Cayman Islands with an authorised capital of HKD380,000 divided into 38,000,000 ordinary shares of HKD0.01 each.

Upon incorporation, one share of the Company was allotted and issued at par value to an initial subscriber, and was subsequently transferred to Jin Chun Holding. On the same day, 7 shares and 2 shares of the Company, were allotted and issued at par value to Jin Chun Holding and CZK Holding, respectively.

(b) On 25 November 2021, the Company allotted and issued 7,992 and 1,998 shares to Jin Chun Holding and CZK Holding respectively.

On 30 November 2021, Jin Chun transferred 200 and 100 Shares to Ruigao Holding and Passion Wealth, respectively. On 20 December 2021, Jin Chun transferred 6,600 Shares to Jin Qiu and CZK Holding transferred 1,900 Shares to Kaimei Holding. On 22 February 2022, Jin Chun transferred 800 Shares, for nil consideration, to Jovial Alliance.

After such transfers of Shares, Jin Qiu, Jin Chun, Kaimei Holding, CZK Holding, Jovial Alliance, Ruigao Holding and Passion Wealth owned 6,600, 300, 1,900, 100, 800, 200 and 100 Shares, representing 66%, 3%, 19%, 1%, 8%, 2% and 1% of the issued share capital of the Company, respectively.

On 2 March 2023, the authorised share capital of the Company was increased from HKD380,000 to HKD7,000,000 by the creation of additional 662,000,000 shares, such that following such increase, the authorised share capital of the Company was HKD7,000,000 divided into 700,000,000 shares of HKD0.01 each.

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23 SHARE CAPITAL *(Continued)*

(c) On 29 March 2023, the Company allotted and issued 374,990,000 shares with a nominal value of HKD0.01 each to the shareholders whose names appear on the register of members of the Company on 2 March 2023 by the capitalisation of the share premium accounts. The nominal value of capitalization issue amounted to approximately HKD3,749,900 (equivalent to approximately US$478,000).

(d) On 29 March 2023, the Company issued 125,000,000 new shares with a nominal value of HKD0.01 each for its international public offering and public offer at the offer price of HKD3.27 (equivalent to approximately US$0.42) each. Gross proceeds from the initial public offering amounted to HKD408,750,000 (equivalent to US$52,075,000). Share premium (net of share issuance expenses of US$4,479,000 and share capital of US$159,000) was credited in the amount of US$47,437,000.

Immediately after the listing and as at 31 December 2024, the Company had a total of 500,000,000 issued ordinary shares with a nominal value of HKD0.01 each.

24 SHARE PREMIUM AND RESERVES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 SHARE PREMIUM AND RESERVES *(Continued)*

	Share premium US$'000	Other reserves US$'000	Statutory reserve US$'000	Share-based compensation US$'000	Exchange differences on translation of foreign operations US$'000	Total US$'000
Balance at 1 January 2023	—	4,018	115	5,635	(76)	9,692
Exchange differences on translation of foreign operations	—	—	—	—	(8)	(8)
Profit appropriation to statutory reserves	—	—	25	—	—	25
Issue of shares (Note 23(d))	51,916	—	—	—	—	51,916
Share issue expenses (Note 23(d))	(4,479)	—	—	—	—	(4,479)
Capitalization of share premium (Note 23(c))	(478)	—	—	—	—	(478)
Equity transaction with non-controlling interests (i)	—	(1,073)	—	—	—	(1,073)
Balance at 31 December 2023	46,959	2,945	140	5,635	(84)	55,595

(i) In 2024, the Group and Bright Future Marine Ltd.("Bright Future Marine") entered into an agreement, pursuant which Bright Future Marine transferred 25% shareholding interests of Seacon Energy Carrier Limited (former name: Seacon Shipping (Hong Kong) Co., Limited) with net assets amounted to US$27,000 to the Group for zero consideration. The total gain of US$27,000 is accounted for as a transaction with non-controlling interests.

In 2024, the Group and Bright Future Marine entered into an agreement, pursuant which the Group transferred 15% shareholding interests of Seacon Drybulk (Singapore) Pte. Ltd. (former name: Seacon Enterprise Pte., Ltd.) with net assets amounted to zero to Bright Future Marine for zero consideration, and no gain or loss was recorded for this transaction with non-controlling interests.

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

In 2023, the Group and Wealth & Glory entered into an agreement, pursuant which Wealth & Glory transferred 40% shareholding interests of Seacon Drybulk (Singapore) Pte. Ltd. with net liabilities amounted to US$343,000 to the Group for the consideration of US$730,000. The total loss of US$1,073,000 is accounted for as a transaction with non-controlling interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

25 BORROWINGS

	As at 31 December	
	2024	2023
	US$'000	US$'000
Non-current		
Bank loans		
— secured (i)	**–**	2,502
— unsecured	**46**	62
Other borrowings (ii)		
— secured (i)	**238,165**	191,948
	238,211	194,512
Current		
Bank loans		
— secured (i)	**–**	2,336
— unsecured	**10,028**	11
Other borrowings (ii)		
— secured (i)	**20,517**	18,994
	30,545	21,341

The increase in long-term borrowings as at 31 December 2024 were mainly due to secured borrowings for the purpose of vessel purchase.

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

		As at 31 December	
		2024	2023
		US$'000	US$'000
Guarantor:	**Pledge:**		
The Company/Seacon Shipping Pte. Ltd.*	N/A/Shares	**258,682**	191,125
The Company	N/A	**–**	19,816
Seacon Osaka Ltd*	Vessels	**–**	1,620
Seacon Kobe Ltd*	Vessels	**–**	1,463
Seacon Victory Ltd*	Vessels	**–**	1,304
Seacon Ships Management Co., Limited (Qingdao)*	Buildings	**–**	452
		258,682	215,780

* These companies are the subsidiaries of the Group.

25 BORROWINGS *(Continued)*

(ii) The Group's other borrowings were related to 12 (2023: 12) owned vessels with total net book value amounting to US$267,730,000 (2023: US$253,015,000) and 6 (2023: Nil) vessels under construction with carrying amount of prepayment for vessels purchased amounting to US$60,140,000 (2023: Nil), which were sold and simultaneously leased back by the Group on a bareboat charter basis. Under the terms of the leases, the Group has options to purchase these vessels at pre-determined times during the lease period and is obliged to purchase these vessels upon the expiry of the respective lease. Such borrowings are effectively secured as the rights to the leased vessels revert to the lessors in the event of default.

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Bank loans		
Within 1 year	**10,028**	2,347
1–2 years	**6**	1,895
2–5 years	**40**	651
Over 5 years	**–**	18
	10,074	4,911
Other borrowings		
Within 1 year	**20,517**	18,994
1–2 years	**24,259**	16,961
2–5 years	**76,002**	50,428
Over 5 years	**137,904**	124,559
	258,682	210,942
	268,756	215,853

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Within 1 year	**268,710**	213,158
1–2 years	**10**	783
2–5 years	**30**	1,894
Over 5 years	**6**	18
	268,756	215,853

25 BORROWINGS *(Continued)*

(c) The carrying amount of borrowings are not materially different from their fair value as at each balance date.

(d) As at 31 December 2023, the Group was required to maintain cash on deposit in respect of certain borrowings under sales and lease back arrangement. The cash cannot be withdrawn or used by the Group for liquidity purposes whilst the borrowing is outstanding. Upon maturity of the borrowing, the Group and the lender intend to settle the cash on deposit and the borrowings in net. As a result, the Group's borrowings have been presented net of the cash on deposit, as the requirements under HKFRS to offset have been met. The offsetting amounts were US$809,000. These vessels had been disposed during the year ended 31 December 2024.

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
US$	**268,700**	215,328
RMB	**–**	452
JPY	**56**	73
	268,756	215,853

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

	As at 31 December	
	2024	2023
Borrowings	**7.97%**	8.37%

26 DEFERRED INCOME TAX

(a) Deferred tax assets

	As at 31 December	
	2024	2023
	US$'000	US$'000
Lease liabilities	**265**	–
Total deferred tax assets	**265**	–
Set-off of deferred tax liabilities pursuant to set-off provisions	**(264)**	–
Net deferred tax assets	**1**	–

Movements in the deferred income tax assets are as below:

	Lease liabilities	**Others**	**Total**
	US$'000	US$'000	US$'000
As at 1 January 2023	–	37	37
Charged			
– to profit or loss	–	(37)	(37)
As at 31 December 2023	–	–	–
Credited			
– to profit or loss	265	–	265
As at 31 December 2024	**265**	**–**	**265**

During the year ended 31 December 2024 and 2023, the Group does not have any plan for its PRC subsidiaries to distribute their retained earnings of US$1,688,000 as at 31 December 2024 (2023: US$1,290,000) and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as of the end of each year.

26 DEFERRED INCOME TAX *(Continued)*

(b) Deferred tax liabilities

	As at 31 December	
	2024	2023
	US$'000	US$'000
Japanese roll over relief	**3,119**	—
Right-of-use assets	**297**	—
Total deferred tax liabilities	**3,416**	—
Set-off of deferred tax liabilities pursuant to set-off provisions	**(264)**	—
Net deferred tax liabilities	**3,152**	—

Movements in the deferred income tax liabilities are as below:

	Japanese compression accounting method	**Right-of-use assets**	**Total**
	US$'000	US$'000	US$'000
As at 1 January 2023 and 2024	—	—	—
Charged			
— to profit or loss	3,119	297	3,416
As at 31 December 2024	**3,119**	**297**	**3,416**

27 ADVANCES AND CONTRACT LIABILITIES

	As at 31 December	
	2024	2023
	US$'000	US$'000
Non-current		
Contract liabilities — ship management business	**663**	—
Current		
Contract liabilities — ship management business	**1,126**	198
Advances and contract liabilities — shipping business	**2,162**	2,832
	3,288	3,030

Advances and contract liabilities balance amounted to US$3,288,000 as at 31 December 2024 will be recognised as revenue for the year ending 31 December 2025 (2023: US$3,030,000 has been recognised as revenue for the year ended 31 December 2024).

28 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024 US$'000	2023 US$'000
Trade payables (a)		
— third parties	16,351	15,737
— related parties (Note 33(j))	12	10
	16,363	15,747
Other payables (b)		
— advance from related parties (Note 33(j))	3,997	7,035
— deposits from related parties (Note 33(j))	200	13
— deposits and guarantees	8,488	2,565
— salaries and staff welfare payable	5,620	2,905
— provisions for legal proceeding	370	1,640
— others	155	645
	18,830	14,803
	35,193	30,550

(a) Aging analysis of trade payable of the Group on each balance sheet date, based on the invoice date, was as follows:

	As at 31 December	
	2024 US$'000	2023 US$'000
Less than 1 year	16,260	15,603
1–2 years	86	98
2–3 years	–	20
Over 3 years	17	26
	16,363	15,747

(b) The carrying amounts of trade payables of the Group are denominated in the following currencies:

	As at 31 December	
	2024 US$'000	2023 US$'000
US$	15,620	15,440
RMB	486	239
Others	257	68
	16,363	15,747

28 TRADE AND OTHER PAYABLES *(Continued)*

(b) *(Continued)*

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

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
US$	**9,291**	9,673
RMB	**3,219**	375
EUR	**238**	10
JPY	**22**	8
HKD	**4**	24
SGD	**—**	78
Others	**4**	—
	12,778	10,168

29 DIVIDENDS

On 27 march 2024, the directors of the Company proposed a final dividend of HK$0.15 per ordinary share and declared a special dividend of HK$0.115 per ordinary share, totaling HK$132,500,000 (equivalents to US$16,933,000) (2023: Nil). The proposed final dividend was fully paid during the year ended 31 December 2024.

Seacon Energy Carrier Limited was a non-wholly owned subsidiary which the Group and Bright Future Marine had 75% and 25% shareholding interests. Seacon Energy Carrier Limited declared cash dividend of US$251,000 in May 2024 to the Group of US$188,000 and the non-controlling interests of US$63,000.

Seacon Drybulk (Singapore) Pte. Ltd., was a non-wholly owned subsidiary which the Group and Wealth&Glory Marine Pte. Ltd. has 60% and 40% shareholding interests. Seacon Drybulk (Singapore) Pte. Ltd., declared cash dividend of US$10,389,000 in April 2023 to the Group of US$6,233,000 and the non-controlling interests of US$4,156,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Profit before income tax	**77,422**	22,379
Adjustments for:		
— Net impairment losses on financial assets	**213**	1,510
— Depreciation and amortisation (Note 8)	**28,697**	27,931
— Gains on disposal of property, plant and equipment and change of lease term	**(46,452)**	(6,817)
— Share of profit of associates and joint ventures	**(6,691)**	(2,848)
— Gain on disposal of subsidiaries	**(155)**	—
— Finance costs (Note 10)	**19,678**	9,389
— Finance income	**(17)**	(145)
— Net losses on disposal of financial assets at fair value through profit or loss	**—**	1,851
— Fair value gains of financial assets at fair value through profit or loss	**229**	(447)
— Exchange (gains)/loss	**(566)**	552
Changes in working capital:		
— Inventories	**(1,538)**	4,203
— Trade and other receivables	**(6,253)**	(6,662)
— Advances and contract liabilities	**921**	(1,366)
— Trade and other payables	**5,642**	(1,868)
Cash generated from operations	**71,130**	47,662

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Net book amount of property, plant and equipment disposed (Note 13)	**90,240**	27,274
Net book amount of assets held for sale (Note 22)	**6,996**	—
Non-cash transactions from disposal of the vessel (Note 30(e))	**(30,033)**	(27,194)
Net gains on disposal of property, plant and equipment (Note 7)	**46,166**	6,891
Proceeds from disposal of property, plant and equipment	**113,369**	6,971

(c) Summary of net debt

	As at 31 December	
	2024	2023
	US$'000	US$'000
Cash and cash equivalents	**65,822**	27,996
Borrowings — repayable within 1 year	**(30,545)**	(21,341)
Borrowings — repayable after 1 year	**(238,211)**	(194,512)
Lease liabilities — repayable within 1 year	**(14,399)**	(15,774)
Lease liabilities — repayable after 1 year	**(34,954)**	(50,838)
Advance from related parties	**(3,997)**	(7,035)
Net debt	**(256,284)**	(261,504)
Cash and cash equivalents	**65,822**	27,996
Gross debt — interest free	**(3,997)**	(7,035)
Gross debt — fixed interest rates	**(39,540)**	(58,151)
Gross debt — floating interest rates	**(278,569)**	(224,314)
Net debt	**(256,284)**	(261,504)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(d) Reconciliation of liabilities arising from financing activities

	Borrowings	Lease liabilities	Advance from related parties	Advance from third parties	Total
As at 1 January 2024	(215,853)	(66,612)	(7,035)	—	(289,500)
Lease liabilities recognised	—	(9,533)	—	—	(9,533)
Change of lease term	—	11,815	—	—	11,815
Cash flows	(34,891)	14,977	1,555	—	(18,359)
Non-cash transaction	(64,680)	—	1,483	—	(63,197)
Interest charged	(23,943)	(1,858)	—	—	(25,801)
Interest paid	22,794	1,858	—	—	24,652
Disposal of subsidiaries (Note 35(e))	47,817	—	—	—	47,817
As at 31 December 2024	(268,756)	(49,353)	(3,997)	—	(322,106)

	Borrowings	Lease liabilities	Advance from related parties	Advance from third parties	Total
As at 1 January 2023	(71,426)	(72,779)	(1,345)	(108)	(145,658)
Lease liabilities recognised	—	(12,555)	—	—	(12,555)
Change of lease term	—	1,579	—	—	1,579
Cash flows	(65,565)	17,143	(5,670)	108	(53,984)
Non-cash transaction	(77,626)	—	(20)	—	(77,646)
Interest charged	(11,942)	(1,512)	—	—	(13,454)
Interest paid	10,706	1,512	—	—	12,218
As at 31 December 2023	(215,853)	(66,612)	(7,035)	—	(289,500)

30 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(e) Major non-cash transactions:

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Cash flows from investing activities		
Vessel purchase payments offset by borrowings from leasing companies (i)	**(94,713)**	(77,626)
Borrowings repayments offset by proceeds from disposal of the vessel (ii)	**30,033**	—
Vessel purchase payments offset by proceeds from disposal of the vessel (iii)	**—**	(27,194)
Cash flows from financing activities		
Vessel purchase payments offset by borrowings from leasing companies (i)	**94,713**	77,626
Borrowings repayments offset by proceeds from disposal of the vessel (ii)	**(30,033)**	—

(i) The Group purchased vessels from third party sellers in 2023 and 2024, financed by borrowings from leasing companies under sales and lease back arrangements. The leasing companies paid directly to the sellers on behalf of the Group.

(ii) In December 2024, the Group purchased two vessels by exercising the purchase option under each sale-and-leaseback arrangement from leasing companies. The purchase option price is the aggregate of the applicable purchase option fee and the unpaid borrowing outstanding balances under the sales and lease-back arrangement. In the meantime, the Group sold the vessels to third party buyers with the total consideration of US$63.9 million (net of commissions). The vessels purchased had been further delivered to the buyer. The third party buyers paid the outstanding borrowings amounted to US$30.0 million directly to the leasing companies on behalf of the Group.

(iii) In January 2023, the Group exercised the purchase option of a bareboat charter amounted to US$27.2 million to purchase a vessel from a leasing company. In the meantime, the Group sold the vessel to a third party with the consideration of US$34.1 million (net of commissions). The third party paid purchase option price directly to the leasing company on behalf of the Group.

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31 CONTINGENCIES

In December 2024, a customer initiated an arbitration proceeding against the Group and claimed for vessel damages under the Group's ship management business. Based on the legal counsel's opinion, management made a provision of US$180,000 in 2024 based on the estimated compensation amount.

In November 2023, a customer claimed a compensation of approximately US$190,000 for overpaid hire for dispute of off-hire and cargo claims. The management made a provision of US$190,000 in 2023 based on the estimated compensation amount.

A controlled vessel of the Group collided with a third-party vessel in 2022. The third party claimed a compensation to the insurance company of the Group amounted to approximately US$4 million which will be covered by the insurance company. The Group has no further liability for compensation.

32 CAPITAL COMMITMENTS

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Property, plant and equipment		
— Vessels	**307,254**	246,371
— Buildings	**26,402**	32,169
	333,656	278,540

As at 31 December 2024, the Group entered into 17 vessels construction contracts which are in progress. The expected delivery date of 8 vessels amounted to US$242.3 million will be in 2025, 5 vessels amounted to US$118.2 million will be in 2026 and 4 vessels amounted to US$42.6 million will be in 2027.

33 RELATED PARTY TRANSACTIONS

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

The following is a summary of the significant transactions took place between the Group and its related parties at terms as mutually agreed among the parties concerned for the year ended 31 December 2024.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Purchases of goods or services

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Related parties controlled by Mr. Guo (collectively referred to as "Seacon Group")*	**–**	3,078
Joint ventures and associates	**24**	–
	24	3,078

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

(b) Provision of services

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Joint ventures and associates	**3,459**	2,681
Seacon Group	**–**	30
	3,459	2,711

(c) Lease

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Rental expense		
Seacon Group	**43**	31
Rental income		
Associate	**3,293**	478

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33 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Advances to related parties

Advances to joint ventures and associates

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Advances to related parties during the year		
— Cash	**7,920**	1,960
— Non-cash	**2,357**	—
	10,277	1,960
Repayments from related parties during the year		
— Cash	**(7,130)**	(1,960)
	(7,130)	(1,960)

Advances to Seacon Group

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Advances to related parties during the year		
— Cash	**—**	31
— Non-cash	**—**	119
	—	150
Repayments from related parties during the year		
— Cash	**—**	(310)
— Non-cash	**—**	(24)
	—	(334)

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

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

33 RELATED PARTY TRANSACTIONS *(Continued)*

(e) Loan to associates and joint ventures

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Loan to associates and joint ventures during the year		
— Cash	**18,906**	—
— Non-cash	**12,611**	—
	31,517	—
Repayments from associates and joint ventures during the year		
— Cash	**(6,417)**	—
	(6,417)	—

The non-cash transaction of loan to associates and joint ventures during the year mainly includes the loan to subsidiaries which were disposed to joint ventures (Note 35(e)) and foreign exchange.

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

(f) Advances from related parties

Advances from Seacon Group

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Advances from related parties during the year		
— Cash	**5,845**	8,933
— Non-cash	**60**	205
	5,905	9,138
Repayments to related parties during the year		
— Cash	**(7,400)**	(3,263)
— Non-cash	**(1,543)**	(185)
	(8,943)	(3,448)

33 RELATED PARTY TRANSACTIONS *(Continued)*

(f) Advances from related parties *(Continued)*

Advances from Seacon Group (Continued)

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

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

(g) Disposals of subsidiaries

As mentioned in Note 35(e), the Group disposed of 100% shareholding interests of Seacon Trading Co.,Ltd to a subsidiary of Seacon International Trading Limited, a joint venture of the Group, and 100% shareholding interests in each of Seacon Ningde Ltd., Seacon Shenzhen Ltd., Seacon Suzhou Ltd., Seacon Hefei Ltd., Seacon Guangzhou Ltd. and Seacon Wuhu Ltd. to a subsidiary of Continental Kapital Shipping Company Limited, a joint venture of the Group.

(h) Provision of financial guarantees

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Joint venture and associates	**363,876**	–

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

As at 31 December 2024, the external financing under these guarantee contracts have incurred a total amount of US$129,483,000, the fair value of which is US$6,319,000 has been accounted for as contributions and recognised as part of the cost of the investment in accordance with the policy described in Note 2.12.

33 RELATED PARTY TRANSACTIONS *(Continued)*

(i) Key management compensation

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

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Salaries, bonuses and other benefits	**1,406**	1,060

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Receivables from related parties		
Trade receivables:		
— Joint ventures and associates	**2,069**	746
Other receivable:		
Deposits to:		
— Joint ventures and associates	**4**	4
Advance to:		
— Joint ventures and associates	**3,147**	—
Total other receivables from related parties	**3,151**	4
Loans to:		
— Joint ventures and associates (Note 33(e))	**25,100**	—

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33 RELATED PARTY TRANSACTIONS *(Continued)*

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

	As at 31 December	
	2024	2023
	US$'000	US$'000
Payables to related parties		
Trade payables:		
— Joint ventures and associates	**12**	—
— Seacon Group	**—**	10
	12	10
Other payables:		
Advance from:		
— Seacon Group	**3,995**	7,033
— Other related parties	**2**	2
	3,997	7,035
Deposits from:		
— Joint ventures and associates	**200**	13
Total other payables to related parties	**4,197**	7,048
Lease liability:		
— Seacon Group	**43**	94

Except advance to and from related parties and loans to associates and joint ventures which were generated from non-operating activities and were non-trade in nature, all other balances with related parties were generated from normal operating activities and were of trade in nature.

34 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

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

For the year ended 31 December 2024:

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

34 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

For the year ended 31 December 2023:

Name	Director's Fee US$'000	Salaries US$'000	Bonus US$'000	Social benefits US$'000	Contributions to pension schemes US$'000	Other welfare expenses US$'000	Total US$'000
Chairman							
Mr. Guo*	–	266	22	15	4	5	312
Executive directors							
Mr. Chen*	–	240	22	6	3	6	277
Mr. Zhao	–	164	–	2	2	4	172
Mr. He	–	178	28	6	3	6	221
Independent non-executive directors							
Mr. Fu	26	–	–	–	–	–	26
Ms. Zhang	26	–	–	–	–	–	26
Mr. Zhuang	26	–	–	–	–	–	26
	78	848	72	29	12	21	1,060

* Mr. Guo and Mr. Chen are also the shareholders and directors of Seacon Group, and they also received salaries from Seacon Group for the years ended 31 December 2023.

(b) Directors' retirement benefits

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

(c) Directors' termination benefits

No payment was made to Directors as compensation for the early termination of the appointment for the year ended 31 December 2024 (2023: Nil).

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

No payment was made to the former employer of Directors for making available the services of them as a Director of the Company during the year ended 31 December 2024 (2023: Nil).

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

There are no loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors during the year ended 31 December 2024 (2023: Nil).

34 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

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

Save as disclosed in Note 33, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the year ended 31 December 2024 (2023: Nil).

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

During the year ended 31 December 2024, there are no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil). In addition, none of the directors waived or agreed to waive any remuneration during the year (2023: Nil).

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES

As at 31 December 2024, particulars of the Group's principal subsidiaries are as follows:

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	2023	Note
Directly Held						
Seacon Ships Management Group (BVI) Ltd.	BVI, 27 October 2021	Investment holding	US$50,000/–	100%	100%	
Seacon Marine Ltd.	BVI, 27 October 2021	Investment holding	US$50,000/–	100%	100%	
Seacon Real Estate Co., Ltd.	BVI, 19 July 2023	Real Estate	US$50,000/–	100%	100%	
Golden Hill Marine Investment Ltd.	BVI, 21 May 2024	Investment holding	US$50,000/–	100%	–	(f)
Seacon International Trading Ltd.	BVI, 4 June 2024	Investment holding	US$50,000/–	100%	–	(f)
Seacon Marine Service (BVI) Ltd.	BVI, 8 October 2024	Ship management	US$50,000/–	100%	–	(f)
Indirectly Held						
Seacon Ships Management Group (HK) Limited	Hong Kong, 8 November 2021	Investment holding	HK$10,006/–	100%	100%	
Seacon Ships Management Pte. Ltd.	Singapore, 14 May 2019	Ship management	SG$50,000/SG$2	100%	100%	
Seacon Ships Management Co., Limited	Hong Kong, 14 December 2012	Ship management	HK$10,000/ HK$10,000	100%	100%	
Seacon Marine Technical Pte. Ltd.	Singapore, 17 June 2020	Shipbuilding consultation	SG$100,000/SG$2	100%	100%	
Seacon Tankers Shipmanage Pte. Ltd.	Singapore, 17 July 2019	Ship management	US$10,000/ US$10,000	100%	100%	
Seacon Ships Management (Ningbo) Ltd.	Republic of the Marshall Islands, 12 May 2021	Ship management	US$50,000/–	100%	100%	
Ocean Fleet Shipmanage Limited	Hong Kong, 1 November 2021	Ship management	HK$10,000/–	100%	100%	

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35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	Effective interest held 31 December 2023	Note
Indirectly Held *(Continued)*						
Seacon Ships Technology Co., Limited (Shanghai)	PRC, 21 December 2021	Investment holding	US$8,000,000/—	100%	100%	
Seacon Ships Management Co., Limited (Qingdao)	PRC, 12 April 2013	Ship management	RMB10,000,000/ RMB5,000,000	100%	97%	(b)
Seacon Ships Management Co., Limited (Zhejiang)	PRC, 27 June 2018	Ship management	RMB10,000,000/ RMB2,600,000	100%	100%	
Seacon Ships Management (Europe) SA	Republic of the Marshall Islands, 19 April 2022	Ship management	US$100/—	51%	51%	
Seacon Marine Technical Company Limited (Qingdao)	PRC, 15 June 2020	Shipbuilding consultation	RMB3,000,000/—	100%	100%	
Seacon Ningbo Co., Limited	PRC, 25 March 2021	Ship management	RMB5,000,000/—	100%	100%	
Seacon Ships Management Co., Limited (Fujian)	PRC, 3 November 2021	Ship management	RMB10,000,000/—	100%	100%	
Seacon Marine Pte. Ltd.	Singapore, 20 January 2020	Investment holding	SG$100,001/—	100%	100%	
Seacon Shipping Pte. Ltd.	Singapore, 29 January 2020	Vessel holding and chartering services	SG$100,005/SG$2	100%	100%	
Golden Lotus Ltd	Republic of the Marshall Islands, 24 November 2021	Vessel holding and chartering services	US$50,000/—	100%	100%	
Golden Violet Ltd	Republic of the Marshall Islands, 3 November 2021	Vessel holding and chartering services	US$50,000/—	100%	100%	
Seacon Rizhao Ltd	Republic of the Marshall Islands, 3 February 2021	Vessel holding and chartering services	US$50,000/—	100%	100%	
Jasper Shipping Ltd	Republic of the Marshall Islands, 19 February 2021	Vessel holding and chartering services	US$50,000/US$1	100%	100%	
Seacon Ningbo Ltd	Liberia, 5 June 2019	Vessel holding and chartering services	US$500/US$1	100%	100%	
Seacon Shanghai Ltd	Liberia, 11 June 2019	Vessel holding and chartering services	US$500/US$1	100%	100%	

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	Effective interest held 31 December 2023	Note
Indirectly Held *(Continued)*						
Seacon Shipping Company Limited (Qingdao)	PRC, 10 May 2022	Vessel holding and chartering services	US$2,000,000/—	100%	100%	
Seacon Qingdao Ltd	Republic of the Marshall Islands, 8 April 2019	Vessel holding and chartering services	US$50,000/US$1	100%	100%	
Golden Bridge Ships Limited	Hong Kong, 22 October 2018	Vessel holding and chartering services	HK$10,000/ HK$10,000	100%	100%	
Golden River Ships Limited	Hong Kong, 22 October 2018	Vessel holding and chartering services	HK$10,000/ HK$10,000	100%	100%	
Seacon Peru Ltd	Republic of the Marshall Islands, 27 May 2019	Vessel holding and chartering services	US$50,000/US$1	100%	100%	
Golden Orchid Ltd.	Republic of the Marshall Islands, 6 April 2017	Vessel holding and chartering services	US$50,000/ US$50,000	100%	100%	
Seacon Africa Ltd	Republic of the Marshall Islands, 31 March 2021	Vessel holding and chartering services	US$50,000/US$1	100%	100%	
Golden Camellia Limited	Hong Kong, 13 September 2021	Vessel holding and chartering services	HK$10,000/—	100%	100%	
Golden Dahlia Limited	Hong Kong, 13 September 2021	Vessel holding and chartering services	HK$10,000/—	100%	100%	
Golden Daisy Limited	Hong Kong, 13 September 2021	Vessel holding and chartering services	HK$10,000/—	100%	100%	
Golden Lavender Limited	Hong Kong, 13 September 2021	Vessel holding and chartering services	HK$10,000/—	100%	100%	
Seacon Drybulk (Singapore) Pte. Ltd.	Singapore, 19 April 2017	Chartering services	SG$800,000/ SG$800,000	85%	100%	(c)

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35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	Effective interest held 31 December 2023	Note
Indirectly Held *(Continued)*						
Seacon Shipping Japan Ltd	Japan, 25 October 2018	Vessel holding and chartering services	JPY98,000,000/ JPY98,000,000	100%	100%	
Seacon Victory Ltd	Republic of the Marshall Islands, 8 April 2015	Vessel holding and chartering services	US$50,000/–	100%	100%	
Seacon Kobe Ltd	Republic of the Marshall Islands, 20 January 2021	Vessel holding and chartering services	US$50,000/–	100%	100%	
Seacon Osaka Ltd	Republic of the Marshall Islands, 20 January 2021	Vessel holding and chartering services	US$50,000/–	100%	100%	
Seacon Manila Ltd	Republic of the Marshall Islands, 23 February 2021	Vessel holding and chartering services	US$50,000/–	100%	100%	
Seacon Trading Co.,Ltd (former name: Seacon Logistics Co., Ltd)	Japan, 25 May 2021	Chartering services	JPY20,000,000/–	–	100%	(e)
Seacon Shipping (Qingdao) Co., Limited	Hong Kong, 29 December 2021	Vessel holding and chartering services	HK$10,000/–	100%	100%	
Seacon Ships Management (Fuzhou) Co., Limited	Hong Kong, 14 September 2022	Ship management	HK$10,000/–	100%	100%	
Seacon Nola Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Hamburg Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Vancouver Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Oslo Ltd (former name: Seacon Santos Ltd)	Liberia, 10 August 2022	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Tokyo Ltd	Liberia, 10 August 2022	Vessel holding and chartering services	US$500/–	100%	100%	

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35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	Effective interest held 31 December 2023	Note
Indirectly Held *(Continued)*						
Zhejiang Intercontinental Star Maritime Technology Co., Ltd.	PRC, 29 March 2023	Chartering services	RMB10,000,000/–	100%	100%	
Seacon Yokohama Ltd	Liberia, 15 May 2023	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Bangkok Ltd	Liberia, 15 May 2023	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Specialized Logistics Co., Limited	Hong Kong, 25 April 2023	Chartering services	HK$10,000/–	100%	100%	
Seacon Shipmanage (HK) Co., Ltd.	Hong Kong, 23 May 2023	Ship management	HK$10,000/–	100%	100%	
Shanghai Seacon Real Estate Co., Ltd.	PRC, 5 September 2023	Real Estate	US$5,000,000/ US$2,000,000	100%	100%	
Zhejiang seacon star Ships Technology Co., LTD	PRC, 29 August 2023	Chartering services	US$10,000,000/–	100%	100%	
Seacon Energy Carrier Limited	Hong Kong, 1 June 2023	Chartering services	HK$10,000/–	100%	75%	(d)
Golden Orchid Ships Ltd.	Liberia, 22 September 2023	Vessel holding and chartering services	US$500/–	100%	100%	
Seacon Ningde Ltd.	Liberia, 25 September 2023	Vessel holding and chartering services	US$500/–	–	100%	(e)
Seacon Shenzhen Ltd.	Liberia, 25 September 2023	Vessel holding and chartering services	US$500/–	–	100%	(e)
Seacon Suzhou Ltd.	Liberia, 25 September 2023	Vessel holding and chartering services	US$500/–	–	100%	(e)
Seacon Hefei Ltd.	Liberia, 25 September 2023	Vessel holding and chartering services	US$500/–	–	100%	(e)
Seacon Guangzhou Ltd.	Liberia, 25 September 2023	Vessel holding and chartering services	US$500/–	–	100%	(e)
Golden Iris Ships Ltd.	Liberia, 9 October 2023	Vessel holding and chartering services	US$500/–	100%	100%	

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35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	Effective interest held 31 December 2023	Note
Indirectly Held *(Continued)*						
Golden Jasmine Ships Ltd.	Liberia, 9 October 2023	Vessel holding and chartering services	US$500/–	100%	100%	
Zhejiang Xinghu Maritime Technology Co., Ltd.	PRC, 15 November 2023	Chartering services	RMB80,000,000/ RMB42,000,000	100%	100%	
Seacon Marine Service Pte Ltd.	Singapore, 13 December 2023	Chartering services	SG$100,000/–	100%	100%	
Seacon Wuhu Ltd.	Liberia, 25 September 2023	Vessel holding and chartering services	US$500/–	–	100%	(e)
Seacon Shipping Germany GmbH & Co. KG	Germany, 15 August 2023	Ship management	EUR$100,000/–	51%	–	
Seacon Ships Germany GmbH	Germany, 15 August 2023	Ship management	EUR$25,000/–	51%	–	
GH Kapital Holding Ltd	Republic of the Marshall Islands, 27 May 2024	Investment holding	US$50,000/–	100%	–	(f)
GHC Holding Ltd	Republic of the Marshall Islands, 19 June 2024	Investment holding	US$500/–	100%	–	(f)
Shanghai Seacon Star Shipping Co., Ltd	PRC, 17 January 2024	Investment holding	US$15,000,000/ US$100,000	100%	–	(f)
Shanghai Huiquanwan Shipping Co., Ltd	PRC, 23 May 2024	Investment holding	US$10,000,000/–	100%	–	(f)
Seacon Shipinvest (HK) Limited	Hong Kong, 23 January 2024	Investment holding	HK$100/–	100%	–	(f)
Seacon Antwerp Ltd	Liberia, 31 January 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Banyan Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Palm Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Olive Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Maple Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Willow Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Company name	Place and date of incorporation/ establishment and operations*	Principal activities	Registered/Issued and paid-up capital	Effective interest held 31 December 2024	Effective interest held 31 December 2023	Note
Indirectly Held *(Continued)*						
Golden Cedar Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Seacon Liverpool Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Seacon MonaCo Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Seacon Dubai Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Seacon Seattle Ltd	Liberia, 22 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Bamboo Ltd	Liberia, 30 April 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Shanghai Seacon Yuanda Marine Services Co., Ltd	PRC, 5 September 2024	Ship management	US$1,000,000/–	100%	–	(f)
Seacon Crew Management Co., Ltd	Hong Kong, 26 September 2024	Ship management	HK$10,000/–	100%	–	(f)
Golden Magnolia Ltd	Liberia, 10 July 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Golden Begonia Ltd	Liberia, 10 July 2024	Vessel holding and chartering services	US$500/–	100%	–	(f)
Zhoushan Xi'ao Maritime Service Base Co., Ltd.	PRC, 26 November 2024	Ship management	RMB1,000,000/ RMB500,000	100%	–	(f)
Seacon Ship Trading Co., Limited	Hong Kong, 11 November 2024	Ship management	HK$10,000/–	100%	–	(f)
SMS Marine Service Limited	Hong Kong, 28 October 2024	Ship management	HK$10,000/–	100%	–	(f)
Shanghai Yuanda Maritime Technology Co., Ltd.	PRC, 12 November 2024	Ship management	RMB3,000,000/–	100%	–	(f)
Seacon Information Technology Co., Ltd.	PRC, 18 December 2024	Ship management	RMB1,000,000/–	100%	–	(f)

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Notes:

* The Group's shipping business and ship management business are all operated worldwide.

(a) All companies comprising the Group have adopted 31 December as the financial year end.

(b) The Group purchased the rest 3% shareholding interests in 2024 as mentioned in Note 24(i).

(c) The Group disposed 15% shareholding interests in 2024 as mentioned in Note 24(i).

(d) The Group purchased the rest 25% shareholding interests in 2024 as mentioned in Note 24(i).

(e) Disposals of subsidiaries

On 19 November 2024, the Group disposed 100% shareholding interest of Seacon Trading Co.,Ltd to a subsidiary of Seacon International Trading Limited, a joint venture of the Group, with a consideration of US$135,000.

On 23 October 2024, the Group disposed 100% shareholding interests of Seacon Ningde Ltd., Seacon Shenzhen Ltd., Seacon Suzhou Ltd., Seacon Hefei Ltd., Seacon Guangzhou Ltd. and Seacon Wuhu Ltd. to a subsidiary of Continental Kapital Shipping Company Limited, a joint venture of the Group, with a zero consideration.

Details of the sale of the subsidiaries

	Total US$'000
Consideration received or receivable:	
Cash	135
Cash in the subsidiaries as at the date of sale	(203)
Outflow from disposals of subsidiaries	(68)
Consideration received or receivable	135
Carrying amount of net assets sold	20
Gain on disposals	155

35 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Notes: *(Continued)*

(e) Disposals of subsidiaries *(Continued)*

Details of the sale of the subsidiaries *(Continued)*

The carrying amounts of assets and liabilities as at the date of sale were:

	Total US$'000
Other non-current assets	59,913
Inventories	47
Trade and other receivables	14
Prepayment and other current assets	827
Cash and cash equivalents	203
Total assets	61,004
Borrowing	(47,817)
Trade and other payables	(13,207)
Total liabilities	(61,024)
Net assets	(20)

(f) Those wholly owned companies were established in 2024, with no paid-up capital except Shanghai Seacon Star Shipping Co., Ltd and Zhoushan Xi'ao Maritime Service Base Co., Ltd.

36 SUBSEQUENT EVENTS

In January 2025, the Group entered into a sale and lease back arrangement of a vessel with a consideration of approximately US$31.4 million. The vessel was delivered to the Group in January 2025.

In January 2025, the Group entered into a contract to sell a controlled vessel to a third-party with a consideration of approximately US$19.9 million. The vessel is expected to be delivered to the buyer before January 2026.

In January 2025, the Group entered into a loan facility and guarantee agreement with a joint venture to make available to the joint venture a maximum loan facility of US$50.0 million and provide or procure affiliates to provide guarantees for the joint venture in favour of external financing providers in a maximum aggregate guaranteed amount of US$230.0 million.

In January 2025, the Group entered into a contract to acquire seven vessels from a third-party with a consideration of approximately EUR 63.7 million (equivalents to approximately US$66,900,000). The vessels are expected to be delivered to the Group before June 2025.

In February 2025, the Group entered into a novation agreement with a joint venture, pursuant to which the Group agreed to novate to the joint venture the original contracts, which shall be superseded by the shipbuilding contracts with substantially the same terms as the original contracts, in relation to the two vessels at an aggregate consideration of approximately US$19.8 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 SUBSEQUENT EVENTS *(Continued)*

In February 2025, the Group entered into a contract to sell a controlled vessel to a third-party with a consideration of approximately US$32.9 million. The vessel is currently chartered to the Group under a bareboat charter and the Group intends to acquire the vessel by exercising the purchase option pursuant to the terms of the bareboat charter on the delivery date for a maximum purchase option price of approximately US$21.0 million. The vessel is expected to be delivered to the buyer in before July 2025.

In February 2025, the Group entered into a sale and lease back arrangement of a vessel with a consideration of approximately US$34.0 million. The vessel is under construction and expected to be delivered to the Group before October 2025.

37 BALANCE SHEET,STATEMENT OF PROFIT OR LOSS AND RESERVE MOVEMENT OF THE COMPANY

	Year ended 31 December	
	2024	2023
	US$'000	US$'000
Revenue	**—**	—
Cost of sales	**—**	—
Gross profit	**—**	—
Selling, general and administrative expenses	**(4,512)**	(3,746)
Net impairment losses on guarantee for subsidiaries	**2,259**	(2,261)
Other income	**25,479**	—
Other losses — net	**(261)**	(539)
Operating profit	**22,965**	(6,546)
Finance income	**1**	91
Finance costs	**(603)**	—
Finance costs, net	**(602)**	91
Profit before income tax	**22,363**	(6,455)
Income tax expenses	**—**	—
Profit for the year	**22,363**	(6,455)

37 BALANCE SHEET,STATEMENT OF PROFIT OR LOSS AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	As at 31 December	
	2024	2023
	US$'000	US$'000
Assets		
Non-current assets		
Right-of-use assets	**311**	—
Interests in subsidiaries	**84,748**	65,144
Other non-current assets	**134**	—
	85,193	65,144
Current assets		
Prepayments	**27**	19
Other receivables	**41,646**	39,721
Restricted cash	**—**	254
Cash and cash equivalents	**11,086**	564
Financial assets at fair value through profit or loss	**1,500**	—
Derivative assets	**—**	90
	54,259	40,648
Total assets	**139,452**	105,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

37 BALANCE SHEET,STATEMENT OF PROFIT OR LOSS AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	As at 31 December	
	2024	2023
	US$'000	US$'000
Equity		
Share capital	**637**	637
Share premium	**46,959**	46,959
Reserves	**70,779**	70,779
Accumulated losses	**(10,109)**	(15,539)
Total equity	**108,266**	102,836
Liabilities		
Non-current liabilities		
Guarantee contract liabilities	**18,116**	—
Lease liabilities	**101**	—
	18,217	—
Current liabilities		
Trade and other payables	**2,755**	2,956
Borrowings	**10,018**	—
Lease liabilities	**196**	—
	12,969	2,956
Total liabilities	**31,186**	2,956
Total equity and liabilities	**139,452**	105,792

The balance sheet of the Company was approved and authorised for issue by the Board of Directors of the Company on 27 March 2025 and were signed on its behalf by

Executive Director: Chen Zekai

Executive Director: He Gang

37 BALANCE SHEET,STATEMENT OF PROFIT OR LOSS AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

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

		Reserves				
	Share premium US$'000	Other Reserves US$'000	Share-based Compensation US$'000	Sub-total US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 January 2023	–	65,144	5,635	70,779	(9,084)	61,695
Loss for the year	–	–	–	–	(6,455)	(6,455)
Capitalisation of share premium (Note 23(c))	(478)	–	–	(478)	–	(478)
Issue of new shares upon listing (Note 23(d))	51,916	–	–	51,916	–	51,916
Share issuance expenses (Note 23(d))	(4,479)	–	–	(4,479)	–	(4,479)
Balance at 31 December 2023	46,959	65,144	5,635	117,738	(15,539)	102,199

FIVE-YEAR FINANCIAL SUMMARY

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	**282,136**	259,034	359,101	372,738	178,929
Gross profit	**64,376**	40,103	62,364	57,650	12,727
Operating profit	**90,103**	28,775	57,335	40,322	5,546
Profit before income tax	**77,422**	22,379	61,047	41,186	1,394
Income tax expenses	**(2,637)**	(361)	(2,118)	(1,181)	(670)
Profit for the year	**74,785**	22,018	58,929	40,005	724
Profit attributable to:					
Owners of the Company	**70,340**	21,211	57,316	33,617	451
Non-controlling interests	**4,445**	807	1,613	6,388	273

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of 31 December				
	2024	2023	2022	2021	2020
	US$'000	US$'000	US$'000	US$'000	US$'000
Assets					
Non-current assets	**487,895**	418,944	225,000	165,773	101,110
Current assets	**111,001**	73,113	62,247	64,673	51,330
Total assets	**598,896**	492,057	287,247	230,446	152,440
Equity and liabilities					
Equity attributable to the owners of the Company	**225,600**	172,332	104,606	47,320	4,381
Non-controlling interests	**5,780**	1,398	4,404	4,087	911
Total equity	**231,380**	173,730	109,010	51,407	5,292
Non-current liabilities	**283,299**	245,990	117,079	93,062	60,840
Current liabilities	**84,217**	72,337	61,158	85,977	86,308
Total liabilities	**367,516**	318,327	178,237	179,039	147,148
Total equity and liabilities	**598,896**	492,057	287,247	230,446	152,440