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CSSC (Hong Kong) Shipping Company Limited

中國船舶集團(香港)航運租賃有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 3877)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of CSSC (Hong Kong) Shipping Company Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024, which shall be read in conjunction with the management discussion and analysis, as follows:

FINANCIAL HIGHLIGHTS

1. Summary of Consolidated Income Statement

	For the year ended 31 December		Change
	2025	2024	
	HK\$'000	HK\$'000	
Revenue	4,044,191	4,034,369	0.2%
Total expenses	(2,100,161)	(2,738,729)	(23.3%)
Profit from operations	1,983,215	1,702,311	16.5%
Profit for the year⁽¹⁾	1,980,683	2,155,143	(8.1%)
Earnings per share (HK\$)			
– Basic	0.298	0.342	(12.9%)
– Diluted	0.297	0.341	(12.9%)

Note:

- (1) The profit for the year of 2025 was HK\$1,980.7 million, representing a year-on-year decrease of 8.1%, primarily due to the impact of the newly implemented OECD Pillar Two tax rules, which led to an increase in relevant tax provisions of HK\$186.4 million. Excluding this tax impact, the profit for the year of 2025 was HK\$2,167.1 million, reflecting a year-on-year increase of 0.6%, indicating stable core business performance.

2. Summary of Consolidated Statement of Financial Position

	As at 31 December		Change
	2025	2024	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Total assets	43,192,791	43,920,995	(1.7%)
Total liabilities	28,058,968	29,622,959	(5.3%)
Total equity	15,133,823	14,298,036	5.8%

3. Selected Financial Ratios

	For the year ended 31 December/ As at 31 December	
	2025	2024
Profitability indicators		
Return on average assets (“ ROA ”) ⁽¹⁾	4.6%	4.8%
Return on average net assets (“ ROE ”) ⁽²⁾	12.6%	15.7%
Average cost of interest-bearing liabilities ⁽³⁾	2.9%	3.5%
Net profit margin ⁽⁴⁾	49.0%	53.4%
Liquidity indicators		
Asset-liability ratio ⁽⁵⁾	65.0%	67.5%
Risk asset-to-equity ratio ⁽⁶⁾	2.6 times	2.9 times
Gearing ratio ⁽⁷⁾	1.8 times	1.9 times
Net debt-to-equity ratio ⁽⁸⁾	1.5 times	1.8 times
Credit ratings		
S&P Global Ratings	A-	A-
Fitch Ratings	A-	A
Dagong Global Credit Ratings	AAA	AAA

Notes:

- (1) Calculated by dividing net profit for the year by the average balance of total assets at the beginning and the end of the year.
- (2) Calculated by dividing net profit attributable to the equity shareholders of the Company for the year by the average balance of net assets attributable to the equity shareholders of the Company at the beginning and the end of the year.
- (3) Calculated by dividing finance costs and bank charges by the average balance of total debts at the beginning and the end of the year.
- (4) Calculated by dividing net profit for the year by revenue for the year.
- (5) Calculated by dividing total liabilities by total assets.
- (6) Calculated by dividing risk assets by total equity. Risk assets represent total assets less cash and cash equivalents and time deposits with maturity over three months.
- (7) Calculated by dividing total borrowings by total equity.
- (8) Calculated by dividing net debts by total equity. Net debts represent borrowings and lease liabilities less cash and cash equivalents.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Environment

(1) Detailed Analysis of the Industry Environment in 2025

In 2025, the global economy navigated a complex international political and economic landscape. Facing multiple challenges including normalized geopolitical competition, rising trade protectionism, and profound restructuring of global supply chains, the world economy exhibited a recovery pattern characterized by “weak at the beginning and strong at the end”. In the first half of the year, market sentiment faced pressure due to tariff policy expectations and trade frictions among major economies. In the second half of the year, as uncertainties marginally receded, global trade demonstrated strong resilience. As the “barometer” of global trade, the global shipping and shipbuilding industry maintained a steady development trajectory despite various non-market disturbances, benefiting from accelerated energy structure transformation and heightened demand for supply chain security.

In 2025, China’s economy continued to serve as a “ballast” and “engine” for global growth, achieving a full-year Gross Domestic Product (“GDP”) growth rate of 5.0% year-on-year and successfully meeting the expected target. Facing profound changes in both domestic and international environments, China remained steadfast in pursuing high-quality development, with significant progress in industrial upgrading centered on “new quality productive forces”. Robust growth in high-tech manufacturing and intermediate goods trade propelled the contribution of net exports of goods and services to GDP growth of 32.7%. China’s pivotal role in global industry and supply chains was further consolidated, providing solid fundamental support for the stable operation of the shipping market.

1. *Global Shipping Market: Overall Stability with Structural Differentiation*

In 2025, the average ClarkSea Index rose by 7% year-on-year to US\$26,777 per day. Differing impacts from supply-demand fundamentals and geopolitical factors led to pronounced divergence across market segments.

Dry Bulk Market: Constrained by slowing demand growth for traditional energy shipments like coal and pressure from new vessel deliveries, the market remained generally stable yet under pressure. However, the inelastic demand for global grain trade provided a floor support for the market. Notably, the anticipated completion of the Simandou iron ore project in the second half of the year injected new long-term growth logic into the market for large bulk carriers like Capesize vessels.

Tanker Market: Global crude oil and refined product consumption gradually recovered amid economic rebound. Geopolitical factors extended certain shipping routes and prompted supply chain adjustments, effectively absorbing excess capacity and providing certain support for tanker rates. At the same time, while scrapping of older vessels did not surge significantly, expectations of stricter environmental regulations are gradually influencing fleet renewal decisions.

Container Market: With the delivery of numerous new container vessels, supply-side pressure has become apparent. However, slow resumption of Red Sea shipping, sustained e-commerce growth, localized restructuring of global manufacturing supply chains and intermittent port congestion due to efficiency fluctuations have kept container freight rates at a certain level. Through capacity management and route optimization, liner companies have demonstrated unexpected resilience in market freight rates, and the industry's profitability remained within a healthy range throughout the year.

LNG/LPG Transportation Market: The transition to clean energy becomes a global consensus. However, the combination of new vessel deliveries, seasonal factors and inventory cycle impacts led to heightened volatility in spot LNG freight rates throughout the year. From an asset value perspective, the high cost barrier for newbuilds and the stable support from long-term contracts have maintained strong resilience in the asset value of environmentally friendly, high-efficiency next-generation LNG carriers, demonstrating the robust attributes of high-quality core assets in weathering market cycles.

2. *Global Shipbuilding Market: Green and Intelligent Transformation Driving Industry Change*

In 2025, the global shipbuilding market continued its active trend of recent years, but its driving forces have undergone profound changes. “Green” and “intelligent” have become the core keywords for new ship orders, and the industry landscape presents three major characteristics.

Deepening Green Transition: Investment in clean energy vessels and alternative fuel ships remains stable. According to the data of Clarksea, new orders for alternative fuel vessels in 2025 reached 474 vessels, totaling 21.51 million CGT, accounting for 38% of all new ship orders by CGT. Ships with alternative fuel provisions reached 300 vessels, totaling 8.96 million CGT, accounting for 16% of all new orders. Concurrently, shipowners are retrofitting existing fleets with advanced energy-efficient equipment and intelligent systems, driving more complex construction processes and higher technological investments, and pushing up newbuilding costs.

China Leads in Market Share: Global shipbuilding capacity continues to concentrate in a handful of countries possessing green shipbuilding capabilities and technological strength. Leveraging its comprehensive industrial chain support and continuous technological innovation, China’s shipbuilding industry maintained its position as the world leader with a 63% share of new orders (measured in CGT), further enhancing its industry influence. Among these, the leading position of the Company’s controlling shareholder, China State Shipbuilding Corporation Limited (“**China Shipbuilding Group**”), is further highlighted. In 2025, it maintained its global top ranking among shipbuilding conglomerates across three key indicators: new orders undertaking, completed deliveries and orders in hand.

Tight Supply of New Ships: Driven by global inflation, rising labor costs and supply chain constraints, new shipbuilding costs remain elevated. At the same time, major shipyards operate at full capacity, leading to widespread delivery delays. Certain shipyards have order backlogs extending into 2029-2030, underscoring the scarcity and value of shipyard berthing resources.

(2) Macro Outlook for the Industry

Looking ahead to 2026 and the 15th Five-Year Plan period, the global economy faces geopolitical and tariff challenges. However, China’s steady economic growth and high-level opening-up will serve as an anchor for global shipping and trade. The shipping and shipbuilding industries are transitioning from pure scale expansion to a new phase of high-quality development characterized by “enhancing the quality of existing fleet capacity, reevaluating asset values and advancing green and intelligent transformation”.

1. *Macroeconomic Context: Geopolitical Risks Highlight Supply Chain Vulnerabilities, with the China Engine Driving the Restructuring of the Landscape*

As the inaugural year of the 15th Five-Year Plan, 2026 sees the underlying logic of global economic recovery solidifying, yet the complexity and unpredictability of the external environment have significantly increased. The recent abrupt escalation of geopolitical conflicts in the Middle East, particularly its impact on core maritime and energy infrastructure, has once again alerted global markets as to the vulnerability of critical logistics chokepoints such as the Strait of Hormuz and the Red Sea. Frequent occurrence of geopolitical risk incidents have not only instantly driven up global energy prices, shipping insurance premiums and fuel costs, but also accelerated the restructuring of global supply chains at a deeper level.

Against this backdrop, the evolution of global supply chains has not diminished maritime demand. On the contrary, the global restructuring of industrial chains and risk-averse rerouting have spawned more complex supply chain structures. During the 15th Five-Year Plan period, China's economy continues to unleash domestic demand potential while driving high-level "go abroad" expansion, generating substantial intermediate goods trading and feeder shipping demand. This profound structural shift, compounded by forced detours due to geopolitical conflicts, has directly extended global trade's ton-mile demand. It also imposes higher-dimensional requirements on shipping companies' asset deployment flexibility and risk pricing capabilities, opening vast value growth opportunities for shipping finance enterprises with global asset allocation capabilities.

2. *Shipping Market Outlook: Entering a New Cycle of “Value Reshaping”*

Looking back at the entire 14th Five-Year Plan period, global shipping enterprises and markets demonstrated robust performance, with vessel asset values steadily enhancing. Entering 2026, despite facing pressure from the concentrated delivery of new buildings for certain vessel types during the 15th Five-Year Plan period, the three fundamental drivers of the shipping market, namely “green compliance constraints, aging fleet structures and extended trade routes”, remain solid. Recent geopolitical events have further imbued core shipping assets with a pronounced “risk premium”. Core assets characterized by “environmental protection, compliance and youthfulness” will continue to enjoy excess premiums. The various market segments exhibit a trend of both differentiation and convergence:

Tanker Market: Compliant Capacity Shortage and Geopolitical Shocks Drive Freight Rates to Record Highs.

At the beginning of 2026, the crude oil tanker market, particularly the Very Large Crude Carriers (“VLCC”) market, performed exceptionally well. The recent escalation of tensions in the Middle East led to a sharp decline in traffic flow through the Strait of Hormuz, which carries approximately 20% of the world’s oil supply, theoretical daily spot earnings for large tankers such as VLCCs once exceeded US\$350,000. Beyond short-term geopolitical fluctuations, the strength of the tanker market is fundamentally due to a “structural scarcity” of shipping capacity:

“Effective Capacity Reduction” at supply side: Constrained by extremely low newbuilding orders in recent years, “compliant capacity scarcity” driven by new environmental regulations, and the exclusion of the “shadow fleet” from mainstream transactions under strict regulation, the global pool of “available, auditable, insurable” compliant tonnage has significantly diminished.

“Ton-mile growth” at demand side: Increased exports from the Americas and the ongoing restructuring of crude oil flows continue to provide a solid foundation. Catalyzed by sudden geopolitical events, high-quality capacity further concentrates among leading players, the crude tanker market has demonstrated exceptionally strong “pricing power” characteristics. At the same time, product tankers benefit from the eastward shift of global refinery capacity and the long-haul demand, and overall oil tanker asset values will maintain a high premium expectation throughout the 15th Five-Year Plan period.

Container Vessel Market: Facing Supply-Demand Dynamics, Red Sea Normalization Reshapes Structural Resilience.

The container vessel market grapples with new vessel delivery pressures. However, the recent deterioration of security landscape in the Middle East has dampened major liner companies’ expectations for a swift resumption of Red Sea and Suez Canal operations, leading to a slowdown in cargo bookings for the Middle East region. The full normalization of the Cape of Good Hope detour route has effectively and continuously absorbed excess market capacity. Combined with the acceleration of the phasing out of older vessels due to environmental regulations and the increasingly sophisticated “precise capacity management” by liner groups, the freight rate market has demonstrated unexpected resilience. Particularly noteworthy segments, including green dual-fuel tankers aligned with future environmental trends and flexible feeder vessels suited for regional supply chain restructuring, are facing structural shortages.

LNG/LPG Carrier Market: Short-term Constraints due to Chokepoint Disruptions, but Long-term Fundamentals Remain Optimistic.

The gas carrier market has recently experienced significant volatility. Recent tensions in the Middle East have led to the shutdown of certain core LNG liquefaction terminals, such as Qatar’s Ras Laffan facilities, and disruptions to navigation in the Strait of Hormuz, resulting in a short-term delay in approximately 20% of global LNG trade and 30% of LPG trade, rapidly pushing up short-term gas shipping costs and natural gas prices in Europe and Asia. This has exposed the geopolitical risks of energy transportation’s extreme reliance on a single transportation route. Looking ahead to the whole picture of the 15th Five-Year Plan period, although there is short-term pressure from concentrated new ship deliveries, the accelerated global clean energy transition and the commissioning of diversified large-scale liquefaction terminals in North America and West Africa will drive the growth rate of natural gas transportation demand per ton-mile to exceed the fleet growth rate. The trend of “diversification and decentralization” in the supply chain will further stimulate incremental demand for modern gas carriers.

Dry Bulk Market: Marginal Improvement in Supply and Demand, with Asset Values Stably Rising.

Although the direct exposure of dry bulk trade to the Middle East Straits is relatively small, at only approximately 2%, the surge in global fuel prices and regional port congestion have still driven up overall operating costs. On the demand side, global rigid grain trade and the anticipated commissioning of large-scale iron ore projects like Simandou are injecting momentum into bulk shipping during the 15th Five-Year Plan period. On the supply side, the proportion of new shipbuilding orders is at a historically low level in the early stage (currently only approximately 5% of the existing fleet), coupled with increasingly stringent International Maritime Organization (“IMO”) environmental regulations that force a large number of old ships to sail at a lower speed or accelerate their dismantling, the actual effective capacity growth is severely suppressed. The tight balance between supply and demand will support the dry bulk market to present a stable and positive development pattern.

Offshore Equipment Market: Demand Gradually Rebounds, with New Equipment Emerging.

Supported by both offshore clean energy development and oil prices, global deepwater oil and gas exploration has entered a new phase of activity. During the 15th Five-Year Plan period, due to energy safety concerns, the prospects for high-end marine engineering equipment with independent development and production capabilities, such as FLNG (Floating Liquefied Natural Gas System) and FPSO (Floating Production, Storage, and Offloading Units), are accelerating their recovery; at the same time, the demand for new equipment such as offshore support vessels, wind power maintenance vessels and offshore rocket launch platforms has also shown a strong increasing trend.

3. *Shipbuilding Market Outlook: Capacity Continues to Consolidate, with Accelerated Industry Upgrading*

Global Shipbuilding: Hard Constraints of Capacity Keep the Price of Vessel Assets Firm.

The number of active shipyards globally has shrunk significantly compared to the peak of the previous cycle, with core shipyards holding order books covering approximately four years' capacity. Despite year-on-year fluctuations of global new ship deliveries in 2025, the shipbuilding market is projected to remain at a high level due to "hard constraints" on global high-quality shipbuilding capacity and shipowners' urgent need to upgrade to compliant and environmentally friendly vessels, keeping the price of new ships and that of high-quality second-hand ships consistently strong. Leading shipyards with green technology advantages and on-time delivery capabilities will enjoy long-term market premiums, further enhancing industry concentration.

The Shipbuilding Industry in China and China Shipbuilding Group: The Pillar of a Great Power, Leading Global Green Transition.

In the next five years, under the guidance of the national 15th Five-Year Plan, China's shipbuilding industry will complete the leap from "scale leadership" to "technology leadership". In the fields of alternative fuel ships such as methanol and ammonia fuels and intelligent ships, Chinese shipyards have demonstrated strong resilience beyond economic cycles and have firmly established themselves in the world's first tier.

Our controlling shareholder, China Shipbuilding Group, as the world's largest shipbuilding group, will continue serving as the industry's "ballast stone" and "pillar", focusing on national strategic priorities. By accelerating dual transformations in "digital and intelligent manufacturing" and "green products", China Shipbuilding Group will continue to maintain leadership in high value-added sectors including large LNG carriers, premium PCTCs, dual-fuel container ships and luxury cruise liners.

Looking ahead, the Company will continue to leverage the Group's robust industrial foundation, deepen industry-finance synergy mechanisms, and transform the parent group's industrial strengths into the Company's "technological foresight" and "asset operation capabilities" in shipping investment and financing, building a solid moat for achieving leapfrog, high-quality development of the Company.

2. Operating Results

In 2025, confronting complex shifts in the shipping market and new industry challenges, the Group adhered to the overarching principle of "seeking progress while maintaining stability", proactively optimized its multidimensional business strategy, achieving breakthrough progress in the depth and breadth of business expansion, the efficiency and quality of asset operations, the precision and robustness of risk management, and the flexibility and effectiveness of capital management. These efforts laid a solid foundation for the Group's high-quality sustainable development.

In 2025, the Group achieved operating revenue of HK\$4.044 billion, representing a year-on-year increase of 0.2%; net profit reached HK\$1.981 billion, representing a year-on-year decrease of 8.1%; ROE was 12.6%, representing a year-on-year decrease of 3.1 percentage points; and ROA was 4.6%, representing a decrease of 0.2 percentage point year-on-year.

(I) Core Operating Results of the Group in 2025

1. Continued Optimization of Fleet Structure and Precise Implementation of Asset-Side Strategy

Seizing the opportunities presented by the green and intelligent transformation of the shipbuilding market, the Group is steadily expanding into new projects. In 2025, we secured 10 new ship orders with a total contract value of US\$519 million, with 100% of the orders being mid-to-high-end vessel types. We intensified investment in offshore clean energy equipment (LNG carriers, FLNG, etc.) and high-tech value-added vessels while dynamically adjusting our existing fleet structure to increase the proportion of green vessels. This approach not only meets the increasingly stringent international environmental standards, but also precisely aligns with the structural demand driven by the energy transition.

In 2025, one of the Group's bulk carriers completed the technical verification of our autonomous navigation system and received approval from the ABS classification society, demonstrating its continued improvement in technological innovation capabilities and leading the industry. As of 31 December 2025, the Group's fleet size reached 135 vessels, including 114 operating vessels and 21 vessels under construction. The average age of the operating vessels was 4.5 years, and the average remaining lease term for bareboat charter and long-term charter projects (excluding 30 short-term and spot-operation vessels) was 7.4 years, indicating strong asset operational stability. In terms of investment and financing amount, the operating fleet consisted of 37.7% marine clean energy equipment, 12.8% container vessels, 23.8% liquid cargo vessels, 12.5% bulk carriers and 13.2% special-purpose vessels, demonstrating a balanced fleet layout and effectively mitigating the risks of fluctuations in a single market. Among the operating vessels, 46 were under financial lease and 68 were under operating lease; among the vessels under construction, 8 were under financial lease and 13 were under operating lease, indicating that the business model and vessel structure are aligned with industry development trends.

2. *Significant Operational Achievements with Efficient Implementation of Strategies at Business End*

In response to the differentiated characteristics of various shipping market segments, the Group implemented a refined charter management strategy. For short-term and spot market vessels, it optimized charter periods and pricing mechanisms to improve asset turnover efficiency. For long-term charter projects, it strengthened customer screening and contract terms designed to ensure stable cash flow. At the same time, it actively expanded joint ventures and asset disposal channels, diversifying investments and operation models to mitigate risks associated with individual vessel type and individual market, thus formulating a diversified profit structure of “charterhire income + investments income + asset appreciation income”.

In 2025, the Group achieved returns exceeding benchmark market levels through scientific charter arrangements and refined cost control. Throughout the year, a total of 32 self-operated and joint venture vessels operated in the short-term and spot markets, covering the four major vessel types: oil tankers, bulk carriers, container vessels and gas carriers. The joint venture asset portfolio continued to expand, encompassing refined oil tankers, bulk carriers, container vessels, VLGCs and other specialized vessel types, maintaining overall stable operations. Among these, the number of controlled and jointly operated vessels amounted to 8, contributed a net profit of HK\$373 million, the amount of HK\$104 million was attributable to successful sale of three bulk carriers during the year; the number of invested and jointly operated vessels amounted to 20, contributed a net profit of HK\$265 million; and the self-operated vessels achieved a net profit of HK\$100 million, providing additional momentum for profit growth.

3. *Outstanding Capital and Credit Advantages, with Significant Results from Funding Strategies*

The Group closely monitored international financial conditions and exchange rate and interest rate market trends, implemented a diversified financing model that combines “cross-currency, short, medium and long-term financing, and floating and fixed interest rates”, resulting in continuous improvement in the quality and efficiency of capital operations. In 2025, the Group’s overall financing cost decreased to 2.91%, representing a reduction of 62 basis points compared to the same period of the previous year, placing it among the top in the industry in terms of cost control effectiveness.

Leveraging its prudent operational approach and high-quality asset portfolio, the Company maintained its outstanding international credit ratings of A- from Fitch and A- from S&P this year, while retaining the highest domestic credit rating of AAA in China.

In September 2025, the Group completed the establishment of a medium-term note framework plan of no more than US\$3 billion. In November 2025, it successfully issued RMB1 billion of 3-year offshore senior unsecured fixed-rate bonds, which was its first offshore RMB bond issuance. The issuance cost was low in the market, attracting enthusiastic subscriptions from global institutional investors, with peak order size exceeding the issuance size by 3.8 times. Concurrently, the Company entered into a RMB10 billion financial services framework agreement with a member of CSSC Group for 2025-2027, and completed the first drawdown and use, achieving a breakthrough in intra-group fund lending; preparations for convertible bond issuance were steadily carried out, continuously enriching funding sources and broadening financing channels.

4. *Robust Risk and Compliance Management, with Continuous Enhancement of Risk Prevention*

The ship leasing industry is characterized by capital intensity, high gearing ratio and strong cyclicalities. Adhering to a prudent principle, the Group continuously improved its risk prevention and compliance systems to maintain sound asset quality. As of 31 December 2025, the Group's non-performing credit assets amounted to HK\$162.00 million, with cumulative impairment provisions of HK\$752.00 million and a provision ratio of 3.9%.

To further strengthen the management of key risks, the Group has comprehensively assessed internal and external risk factors and established a quantitative risk control indicator system that aligns with its own management practices. Through dynamic tracking and quarterly monitoring of data changes, the Group promptly grasps the changes in various risks, effectively guiding business operations and ensuring compliance requirements are met. The quantitative risk control indicators are broken down into two levels: overall indicators and individual indicators. Overall indicators monitor the Group's profitability, primarily measured from a financial accounting perspective. Individual indicators track the Group's key risks, such as four categories of risks, including credit risk, market risk, asset management risk and liquidity risk. The threshold ranges set for risk indicators are divided into target values, early warning values and tolerance values, monitored by capturing representative operating data.

5. *Enhanced ESG and Investor Relations, Creation at the Value Side Continues to Deepen*

The Group continues to integrate ESG principles into its corporate governance framework, significantly enhancing its ESG influence in the industry. In 2025, the Group's ESG report passed the validation of the Hong Kong Quality Assurance Agency (HKQAA); as of the end of December 2025, its S&P CSA rating score was 42, ranking in the top 18%; Fitch's annual rating was 3, with its subject score improving from 49 of last year to 55; and Wind's ESG rating was "A". In April 2025, the Company was included in the S&P Global Sustainability Yearbook (China Edition) 2025. In May 2025, the Company was included in the Fortune China ESG Influence Ranking 2025. In October 2025, the Company was included in the "Central State-owned Enterprise Pioneers 100 (2025)" list. In November 2025, the Company's case study, "Financial Leasing Services Leading the Green Transformation and Upgrading of the Industrial Chain", was selected as one of the "2025 Listed Companies' Outstanding Sustainable Development Practices" by the China Association for Public Companies. The ESG rating work has laid a solid foundation for the Group to further reduce its funding costs and obtain low-interest green financing, contributing to the enhancement of the Group's brand image and influence in the capital market.

We strengthened engagement with capital markets and rewarded investors with generous dividends. We enriched communication channels and maintained close contact with buy-side and sell-side institutions, conducting multi-dimensional and comprehensive publicity and promotion through earnings releases, non-deal roadshows, traditional media reports, video promotions and investor open days. More than 60 communication activities were held throughout the year. The Board recommends a final dividend of HK\$0.05 per Share (subject to the approval at the Company's upcoming annual general meeting). Together with the interim dividend of HK\$0.05 per Share paid in 2025 and a special dividend of HK\$0.06 per Share, the total annual dividend payout is HK\$0.16 per Share, representing a dividend payout ratio of 5.37%. In 2025, the Company received various awards including the "Golden Bull Award for Investor Relations" from the China Securities Journal and the "Best IR Award for Hong Kong Stocks in 2025" from New Fortune magazine.

3. Company Outlook

Looking ahead to 2026 and the 15th Five-Year Plan period, the Group will closely carry out the national strategy of building a maritime power and green development concepts. Building on opportunities arising from industry differentiation and transformation, it will adhere to the overarching principle of “seeking progress while maintaining stability”. Guided by the operational strategy of “innovation-driven, structural optimization, refined operations and value leadership”, the Group will continuously strengthen its core competitiveness to achieve long-term sustainable development, provide premium services to global customers and create greater value for shareholders.

Upholding innovation-driven development to forge core capabilities. Fully leverage the Group’s industrial advantages, increase investment and financing in green and intelligent ships and marine engineering equipment, and promote technological progress and industrial upgrading in the industry.

Optimize asset structure to navigate industry cycles with stability. Dynamically adjust asset allocation strategies, continuously increase the proportion of clean energy and high-end equipment, and build an asset portfolio that combines growth potential with defensive capabilities.

Boost operational efficiency and strengthen internal momentum. Promote the deep integration of digital technology and refined management, further improve asset management and operation levels, and enhance value creation capabilities throughout the entire lifecycle.

Continuously deepen reforms and advance digital intelligence empowerment. Comprehensively promote the implementation of the 15th Five-Year Plan, continuously optimize the Group’s governance structure and improve operational efficiency. Widely apply big data, artificial intelligence and other technologies to enhance vessel management, risk control and market forecasting capabilities.

Focus on value creation to achieve win-win outcomes for all stakeholders. While maintaining prudent operations, we will actively explore opportunities to extend our industrial chain, creating greater comprehensive value for shareholders, customers and the society.

With unwavering strategic resolution, agile market responsiveness and a spirit of continuous innovation, the Group will navigate new challenges and forge ahead steadily in this new phase of development. We are committed to composing a new chapter of high-quality development, creating exceptional value for all shareholders, and contributing to the State’s development as a maritime power.

4. Financial Review

4.1 Analysis on Consolidated Income Statement

4.1.1 Profit for the year

For the year ended 31 December 2025, the Group recorded a profit before income tax of HK\$2,219.2 million, representing a year-on-year increase of 1.8%, reflecting the steady performance of its core business. The growth was mainly attributable to a slight increase in the Group's revenue by 0.2% to HK\$4,044.2 million, driven by the steady improvement in operating lease service income, and a reduction in financing costs and bank charges by HK\$251.7 million, to HK\$795.9 million. However, the Group's share of results of joint ventures decreased by HK\$224.8 million, to HK\$265.3 million, primarily due to the disposal of two chemical MR oil tankers in the second half of 2024, coupled with a decline in the daily charter rates of refined product oil and chemical carriers compared to the previous year.

Despite the stable performance of the core business, the Group's profit for the year decreased by 8.1% to HK\$1,980.7 million, primarily attributable to the Group's application of the OECD Pillar Two model rules with effect from 1 January 2025, resulting in an increase in tax expense of HK\$186.4 million compared to the previous year. Excluding the tax impact of Pillar Two model rules, the profit for the year would have been HK\$2,167.1 million in 2025, representing a year-on-year increase of 0.6%.

4.1.2 Revenue

The Group's revenue comprises (i) integrated shipping services (including operating lease services and shipbroking services) and (ii) financing services (including finance lease services and loan borrowings services).

The Group's revenue increased by 0.2% or HK\$9.8 million, from HK\$4,034.4 million for the year ended 31 December 2024 to HK\$4,044.2 million for the year ended 31 December 2025, primarily attributable to the revenue generated from operating lease services.

The following table sets out, for the years indicated, a breakdown of the Group's revenue by business activity:

	Year ended 31 December		Change
	2025	2024	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Integrated shipping services			
– Operating lease services	2,516,915	2,235,972	12.6%
– Shipbroking services	16,583	33,545	(50.6%)
	<u>2,533,498</u>	<u>2,269,517</u>	11.6%
Financing services			
– Finance lease services	1,049,871	1,219,700	(13.9%)
– Loan borrowings services	460,822	545,152	(15.5%)
	<u>1,510,693</u>	<u>1,764,852</u>	(14.4%)
Total	<u>4,044,191</u>	<u>4,034,369</u>	0.2%

Integrated Shipping Services

Revenue generated from the integrated shipping services increased from HK\$2,269.5 million for the year ended 31 December 2024 to HK\$2,533.5 million for the year ended 31 December 2025, representing an increase of 11.6% or HK\$264.0 million, primarily attributable to the Group's operating lease services income, which rose by 12.6% from HK\$2,236.0 million for the year ended 31 December 2024 to HK\$2,516.9 million for the year ended 31 December 2025. The increase was driven by the addition of 8 container vessels in batches during 2024, which contributed a full year of revenue in 2025, resulting in additional revenue of HK\$267.0 million compared to 2024.

Financing Services

Revenue generated from the financing services decreased from HK\$1,764.9 million for the year ended 31 December 2024 to HK\$1,510.7 million for the year ended 31 December 2025, representing a decrease of 14.4%, primarily attributable to a 10.5% year-on-year decline in the Group's loan and lease receivables balance, leading to an overall decrease in revenue generated from the financing services.

4.1.3 Other Income and other gains, net

For the year ended 31 December 2025, the Group's other income and other gains, net amounted to HK\$39.2 million. The year-on-year decrease was primarily attributable to a significant decrease in the number of early terminated projects during the year, with no major project early terminated, leading to a decline in one-off gains arising from the termination of finance lease projects, as well as the impact of exchange losses resulting from the appreciation of Renminbi against the U.S. dollar.

4.1.4 Expenses

The Group's expenses mainly comprise (i) finance costs and bank charges; (ii) depreciation; (iii) vessel operating costs; (iv) employee benefits expenses; (v) net impairment losses on loan and lease receivables; (vi) other operating expenses; and (vii) research and development expenses.

	Year ended 31 December		Change
	2025	2024	
	HK\$'000	HK\$'000	
Finance costs and bank charges	795,900	1,047,554	(24.0%)
Depreciation	666,099	578,716	15.1%
Vessel operating costs	385,234	398,436	(3.3%)
Employee benefits expenses	107,285	105,268	1.9%
Net impairment losses on loan and lease receivables	79,316	446,968	(82.3%)
Other operating expenses	64,018	159,361	(59.8%)
Research and development expenses	2,309	2,426	(4.8%)
Total	<u>2,100,161</u>	<u>2,738,729</u>	(23.3%)

Finance Costs and Bank Charges

For the year ended 31 December 2025, the Group's finance costs and bank charges amounted to HK\$795.9 million, representing a decrease of 24.0% or HK\$251.7 million year-on-year. The Group's finance costs mainly comprise interest and expenses on: (i) bonds; (ii) bank borrowings; and (iii) other borrowings. For the year ended 31 December 2025 and for the year ended 31 December 2024, the average cost of interest-bearing liabilities was 2.9% and 3.5%, respectively, remaining at a relatively low level in the industry, reflecting the Group's relatively strong financing capabilities.

During the year, one of the Group's guaranteed USD bonds matured and was repaid. Meanwhile, the Group maintained various measures to effectively manage and reduce finance costs, including: (i) adopting a cross-currency financing approach, the Group optimised and controlled financing costs on the basis of USD financing by utilising a diversified range of currencies including Renminbi, Hong Kong dollars and Euros; (ii) for existing bank borrowings, the Group reached agreements with multiple banks to reduce existing loan interest rates to more favourable levels, maintaining the interest rates of existing bank borrowings at relatively favourable market levels, thereby reducing interest expenses; and (iii) hedging interest rate risks through financial derivatives.

These measures continued to enable the Group to effectively reduce finance costs while managing its overall financing scale, maintaining its competitive advantage. By combining cross-currency financing, proactive debt management and risk hedging instruments, the Group has strengthened its financial position and enhanced its ability to adapt to interest rate fluctuations.

Depreciation

The Group's depreciation expenses increased by 15.1% or HK\$87.4 million, from HK\$578.7 million for the year ended 31 December 2024 to HK\$666.1 million for the year ended 31 December 2025. The increase in depreciation expenses was primarily attributable to two factors: (i) the exercise of purchase options by lessees for three of the Group's container vessels under operating leases, which shortened the useful lives of the relevant vessels to 2027, resulting in an increase in depreciation expenses of HK\$72.9 million during the year; and (ii) the addition of 8 container vessels under operating leases in batches during 2024, leading to a corresponding increase in depreciation expenses in line with the growth in total shipping capacity.

Vessel Operating Costs

Vessel operating costs represent expenses related to the operation of vessels under operating lease arrangements, including: crew expenses, vessel repair and maintenance fees, ship management fees, vessel insurances, and stores and supplies expenses. The Group implemented effective cost control measures during the year to reduce related expenses. Vessel operating costs decreased by 3.3% from HK\$398.4 million for the year ended 31 December 2024 to HK\$385.2 million for the year ended 31 December 2025.

Employee Benefits Expenses

The Group's employee benefits expenses include (i) wages, salaries, other allowances and retirement benefit costs; and (ii) share-based payment expenses. For the year ended 31 December 2025, the Group recognised employee benefits expenses of HK\$107.3 million, which included a reversal of share-based payment expenses of HK\$4.4 million.

Net Impairment Losses on Loan and Lease Receivables

For the year ended 31 December 2025, the Group's net impairment losses on loans and lease receivables were HK\$79.3 million. These provisions for impairment represent adjustments made to the credit ratings of certain lease projects by the Group in accordance with the prudence principle, based on market conditions at the reporting date.

Research and Development Expenses

The Group recognised research and development expenses of HK\$2.3 million for the year ended 31 December 2025. These expenses were incurred for: (i) acquiring vessel data resources; and (ii) procurement of domestically produced software and hardware.

4.1.5 Share of Results of Joint Ventures

The Group's share of results of joint ventures decreased from HK\$490.1 million for the year ended 31 December 2024 to HK\$265.3 million for the year ended 31 December 2025, representing a decrease of HK\$224.8 million.

The decrease in the share of results of joint ventures was primarily attributable to (i) the disposal of two chemical MR oil tankers in the second half of 2024, with a recognised share of gain on vessel disposal of HK\$133.1 million in 2024; and (ii) the reduction in vessel capacity following the disposals, leading to a corresponding decrease in operating profit.

4.1.6 Income Tax Expense

Benefiting from certain profits tax concession schemes relating to chartering and ship leasing in Hong Kong, China, the Group recorded an overall income tax expense of HK\$25.2 million for the year ended 31 December 2024. For the year ended 31 December 2025, income tax expense increased to HK\$238.5 million, primarily due to the application of the OECD Pillar Two model rules with effect from 1 January 2025.

The OECD promulgated the Pillar Two model rules (“**Global Anti-base Erosion**” or “**GloBE**” rules) to reform the international corporate tax system. These rules apply to large multinational enterprises with consolidated revenue exceeding EUR750 million, requiring such enterprises to calculate their GloBE effective tax rate for each jurisdiction in which they operate, and to pay tax at a minimum effective rate of 15%.

As the Group is part of an in-scope multinational enterprise group and has operations in Hong Kong, China, it falls within the scope of the Pillar Two model rules. Under these rules, profits derived by the Group from international shipping and certain related ancillary activities are exempt from tax, while other non-qualifying profits are subject to tax at the minimum tax rate of 15%. The Group has estimated the current tax provision in accordance with the Pillar Two model rules guidance. Accordingly, the Group recognized HK\$186.4 million in relation to Pillar Two model rules for the year ended 31 December 2025.

4.2 Analysis on Consolidated Statement of Financial Position

As at 31 December 2025, the Group's total assets amounted to HK\$43,192.8 million, representing a decrease of HK\$728.2 million compared to the total assets as at 31 December 2024, primarily attributable to a reduction in loan and lease receivables, which was resulted from the early completion of certain lease projects of the Group during the year and the continued timely repayment of principals under the projects, and the Group sold three bulk carriers in 2025, resulting in a decrease in property, plant and equipment. The Group utilized the proceeds from the terminated lease projects and the sale of vessels to repay existing bank borrowings and maturing bonds.

Therefore, the Group's total liabilities amounted to HK\$28,059.0 million, representing a decrease of HK\$1,564.0 million compared to the total liabilities as at 31 December 2024, primarily attributable to the repayment of a matured USD bond in the first half of 2025, the prudent use of funds from early completion of lease project and charter income to reduce the scale of interest-bearing liabilities to a reasonable level, while simultaneously lowering overall financing costs.

As at 31 December 2025, the Group's total equity amounted to HK\$15,133.8 million, representing an increase of HK\$835.8 million compared to the total equity as at 31 December 2024. The Group's gearing ratio decreased by approximately 2.5 percentage points from 67.5% as at 31 December 2024 to 65.0% as at 31 December 2025.

Assets

As at 31 December 2025, the total assets of the Group mainly comprised loan and lease receivables, property, plant and equipment, cash and bank deposits and financial assets at fair value, which accounted for 92.9% of the Group's total assets.

	As at 31 December 2025 <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>	Change
Loan and lease receivables	18,542,316	20,714,833	(10.5%)
Property, plant and equipment	15,536,140	16,394,376	(5.2%)
Cash and cash equivalents, and time deposits with maturity over three months	3,795,364	1,909,346	98.8%
Financial assets at fair value	2,242,715	2,136,047	5.0%
Other assets	3,076,256	2,766,393	11.2%
Total	<u>43,192,791</u>	<u>43,920,995</u>	(1.7%)

4.2.1 Loan and Lease Receivables

The Group's loan and lease receivables comprise (i) lease receivables; (ii) loan receivables; and (iii) loans to joint ventures.

	As at 31 December 2025 <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>	Change
Lease receivables	12,678,426	14,331,654	(11.5%)
Loan receivables	5,716,660	6,118,321	(6.6%)
Loans to joint ventures	147,230	264,858	(44.4%)
Total	<u>18,542,316</u>	<u>20,714,833</u>	(10.5%)

a) Lease Receivables

As at 31 December 2024 and 31 December 2025, the Group's net lease receivables amounted to HK\$14,331.7 million and HK\$12,678.4 million, respectively. The receivables decreased by 11.5% year-on-year, primarily attributable to the completion of certain finance lease projects upon expiry of their lease terms and early terminations during the year.

b) Loan Receivables

Loan receivables mainly represent receivables from secured loans provided by the Group. As at 31 December 2025, the Group's loan receivables were secured and repayable in instalments from 2026 to 2033.

c) Loans to Joint Ventures

The Group received repayments from a joint venture during the year. As at 31 December 2025, the balance of an unsecured loan receivable from a joint venture amounted to HK\$147.2 million.

4.2.2 Property, Plant and Equipment

The Group's property, plant and equipment comprise constructions in progress, vessels held for operating leases, leasehold improvements, office equipment and motor vehicles held for business purposes.

As at 31 December 2025 and 2024, the Group's property, plant and equipment amounted to HK\$15,536.1 million and HK\$16,394.4 million, respectively. As at 31 December 2025, the Group's property, plant and equipment decreased by 5.2%, primarily due to (i) the disposal of three bulk carriers in the second half of 2025; and (ii) the depreciation arising from vessels in the leasing business.

4.2.3 Financial Assets at Fair Value

Financial assets at fair value represent listed bonds and wealth management products held by the Group.

The Group's financial assets at fair value was HK\$2,242.7 million as at 31 December 2025. The Group continued to invest in an investment portfolio with a variety of listed bonds and wealth management products to diversify the risk of its investment portfolio. The Group will continue to optimise the allocation of financial assets for holding suitable investment portfolio of listed bonds and wealth management products to obtain stable returns.

Liabilities

As at 31 December 2025, the total liabilities of the Group mainly represented borrowings, including bank borrowings, bonds and other borrowings, which accounted for 94.3% of its total liabilities.

	As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000	Change
Borrowings – bank borrowings	12,668,800	12,829,276	(1.3%)
Borrowings – bonds	11,548,088	13,432,257	(14.0%)
Borrowings – others	2,249,642	1,325,622	69.7%
Other liabilities	1,592,438	2,035,804	(21.8%)
Total	<u>28,058,968</u>	<u>29,622,959</u>	(5.3%)

4.2.4 Borrowings – Bank Borrowings

The Group's bank borrowings decreased by 1.3% from HK\$12,829.3 million as at 31 December 2024 to HK\$12,668.8 million as at 31 December 2025, primarily attributable to the timely repayment of bank borrowings by the Group.

4.2.5 Borrowings – Bonds

As at 31 December 2025, the Group held USD and Renminbi bonds. The Group's bonds decreased by 14.0% from HK\$13,432.3 million as at 31 December 2024 to HK\$11,548.1 million as at 31 December 2025, primarily attributable to the full and timely repayment of the US\$400 million (equivalent to approximately HK\$3,112 million) guaranteed bonds due in February 2025 by the Group during the year.

Meanwhile, during the year, the Group established a US\$3 billion equivalent offshore medium-term note programme framework (the “**MTN Programme**”). Under this framework, the Group issued its first offshore Renminbi bond of RMB1 billion (equivalent to approximately HK\$1,109 million) due in 2028, achieving a record-low coupon rate for the Group’s Renminbi bonds. The issuance cost was significantly lower than USD financing costs and also lower than the available Renminbi bank loan costs during the same period. The proceeds from this bond issuance will be primarily used for the deployment and operation of the Group’s RMB-denominated marine shipping projects, supporting the development of RMB settlement business for shipping projects. This initiative represents the Group’s active participation in the internationalisation of the Renminbi through concrete actions, promoting the internationalisation of China’s shipbuilding industry. This not only embodies the Group’s commitment to serving its core business but also represents a positive response to the national strategy of Renminbi internationalisation, achieving the dual objectives of financing efficiency and strategic synergy.

In addition, the Group held (i) US\$400 million (equivalent to approximately HK\$3,112 million) guaranteed bonds due in 2030; and (ii) US\$500 million (equivalent to approximately HK\$3,890 million) dual-certified green and blue bonds due in 2026.

In addition, the Group held three batches of “Panda Bonds” listed on the National Association of Financial Market Institutional Investors, (“**inter-bank bond market**”), including the 2023 First Tranche of Sustainability-Linked and Bond Connect, the Second Tranche of 2023 Medium-term Notes, and the First Tranche of 2024 Medium-term Notes, with issue size of RMB1,000 million (equivalent to approximately HK\$1,109 million) due in 2026, RMB1,200 million (equivalent to approximately HK\$1,331 million) due in 2026 and RMB800 million (equivalent to approximately HK\$887 million) due in 2029, respectively.

5. Asset Quality

The Group writes off loan and lease receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the cessation of enforcement activities. The Group may write off loan and lease receivables that are still subject to enforcement activities.

6. Liquidity and Working Capital

The Group funds its operations and growth primarily through cash generated from operating activities, bank borrowings and issuance of bonds. In 2025, the Group continued to maintain a stable risk appetite for liquidity management. The goal of the Group's liquidity risk management is to maintain moderate liquidity reserves and assets and sufficient funding resources to adequately meet the repayment needs of matured liabilities and the funding needs of business development.

When determining the allocation of its capital resources, the Group primarily considers its business strategies and development plans, future capital needs and projected cash flows, in order to achieve a higher interest rate margins level and control the liquidity management costs on the premise of controllable liquidity risks. The Group manages liquidity risk and strikes a balance between interest rate spread and liquidity risk through the following measures: (i) establishing a comprehensive capital operation and management system, developing, repeatedly calculating and upgrading the business and financial information system, closely monitoring, dynamically tracking, and conducting rolling calculations and analyses of the working capital, and providing timely advance warnings of funding shortfalls; (ii) proactively managing the maturity portfolio of assets and liabilities and controlling cash flow mismatch gap to reduce structural liquidity risk; and (iii) establishing a diversified source of funds through the reserve of sufficient credit, and improving the Group's financing and daily liquidity management capabilities to obtain sufficient funds to meet debt repayment and business development needs. During the year, the Group had sufficient cash flow, while the credit facilities granted by the banks to the Group were sufficient, there was no significant change in the indebtedness and credit standing, the credit ratings and future outlooks assigned to the Company by various credit rating agencies remained unchanged.

In addition, during the year, the Group maintained an “AAA” rating for domestic entities by Dagong Global Credit Rating Co., Ltd. (大公國際資信評估有限公司), and an “A-”(international) and “A-” (international) ratings by Fitch and S&P, respectively. Taking into account the historical and expected future cash flows from operations, unutilised available banking facilities of the Group and the bonds issued by the Group during the reporting period, the Directors expected that the Group would have adequate resources to meet its liabilities and commitment as and when they fall due and be able to continue its operation in the foreseeable future.

The following table sets out, for the years indicated, a summary of the Group's consolidated statement of cash flows:

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from operating activities	4,203,308	6,768,311
Net cash generated from/(used in) investing activities	529,804	(1,577,399)
Net cash used in financing activities	<u>(2,762,634)</u>	<u>(4,331,650)</u>
Net increase in cash and cash equivalents	1,970,478	859,262
Cash and cash equivalents at the beginning of the year	1,773,896	938,005
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(37,702)</u>	<u>(23,371)</u>
Cash and cash equivalents at the end of the year	<u><u>3,706,672</u></u>	<u><u>1,773,896</u></u>

The net cash generated from operating activities amounted to HK\$4,203.3 million, which was mainly because the Group generated a profit from operation and received the payment from the completed finance lease projects for the year ended 31 December 2025.

Net cash generated from investing activities amounted to HK\$529.8 million, primarily attributable to the proceeds received by the Group from the disposal of three bulk carriers during the year ended 31 December 2025.

Net cash used in financing activities amounted to HK\$2,762.6 million, primarily attributable to the Group's proactive and prudent debt management during the year ended 31 December 2025, which involved repaying certain bank borrowings and maturing USD bonds while successfully issuing its first offshore Renminbi bond.

7. Bank Loans and Capital Structure

In 2025, with the positive development of its principal business, the Group's operating performance steadily improved. Benefiting from excellent international ratings and good market reputation, the Group's liquidity was solid, and its financing capabilities continued to increase and financing methods were increasingly diversified. The Group kept abreast of the changes in macroeconomic conditions, actively responded to the complicated financial environment at home and abroad, proactively grasped the market trend and adjusted its financing strategies in a timely manner to further optimise its debt structure and balance its finance costs. Given the persistent wide spread between RMB and USD interest rates, the Group strategically utilized RMB financing during the reporting period. Capitalizing on a phase of relatively low RMB interest rates, the Group successfully issued its first offshore RMB bond. Simultaneously, the Group increased the proportion of HKD financing by seizing opportunities presented by declining HKD interest rates during the year, effectively controlling the rapid growth of finance costs.

In 2025, the Federal Reserve continued its interest rate cuts, though the timing was relatively late, with the year-end U.S. dollar benchmark interest rate settling in the range of 3.50% to 3.75%. Renminbi interest rates remained at relatively low levels, with the one-year Loan Prime Rate (“LPR”) falling to 3.00% and the five-year LPR dropping to 3.50%. The interest level of Renminbi financing remained significantly lower than that for U.S. dollar financing. Due to ample market liquidity, HKD short-term interest rates experienced multiple substantial declines in 2025, resulting in a notable spread compared to USD rates during the same period. This year, the Group continued to implement “cross-currency” financing measures to control the excessive growth of finance costs, achieving positive results. The comprehensive finance cost remained at a relatively low level in the market. The average cost of the Group's interest-bearing liabilities decreased from 3.5% for the year ended 31 December 2024 to 2.9% for the year ended 31 December 2025.

In light of heightened U.S. dollar interest rates in the longer term, the Group had been active in seeking to diversify its financing channels and took effective measures in a timely manner. During the year, the Group established a US\$3 billion equivalent MTN framework and issued its first offshore RMB bond under this framework. This issuance achieved a record-low coupon rate for the Group's RMB bonds, with issuance costs significantly lower than both USD financing costs and the cost of concurrently available RMB bank loans. The proceeds were used to support energy efficiency upgrades, equipment renewal and modernization, green and low-carbon offshore RMB shipping projects, and to repay existing higher-cost RMB financing, effectively controlling the excessive growth of finance costs. During the year, the Group entered into the 2025 Financial Services Framework Agreement with CSSC Finance Company Limited, which was approved at the Company's extraordinary general meeting, securing a RMB10 billion loan facility valid until 31 December 2027, enabling the Group to access more efficient and cost-effective financing support. This significantly enhanced the Group's capital management efficiency and flexibility in responding to market changes. Meanwhile, the Group made comprehensive use of multi-currency financing, such as Hong Kong dollars and Euros, for daily operations such as vessel leasing, which effectively reduced the negative impact of heightened USD interest rates. The Group has closely monitored its exposure to exchange rate risks arising from multi-currency financing, and has adopted prudent foreign exchange risk management strategies to effectively hedge foreign exchange risk exposure with the continuous use of financial instruments such as foreign exchange swaps and cross-currency swaps.

The Group continued to deepen its partnership with core banks based on its existing financing channels in accordance with its strategic development needs, forming in-depth strategic partnerships with banks including the large banks and policy banks, as well as international commercial banks, through continuous and proactive communication and negotiation with financing parties, we have successfully reduced costs for multiple existing bank financings. As at 31 December 2025, the Group held loan facilities of approximately HK\$43.9 billion (approximately US\$5.6 billion), utilised loan facilities of approximately HK\$14.9 billion (approximately US\$1.9 billion) and unutilised bank loan facilities of approximately HK\$29 billion (approximately US\$3.7 billion), and the credit balance was sufficient. As at 31 December 2025, the Group's total assets and total liabilities were HK\$43,192.8 million and HK\$28,059.0 million, respectively, its equity attributable to equity shareholders was HK\$15,011.3 million and the gearing ratio was 1.8 times. By improving the existing fund operation, enhancing the utilisation efficiency of funds, strictly implementing funding plans and controlling the scale of interest-bearing indebtedness, the gearing ratio remained at a lower level in the industry, consistently maintaining a healthy gearing position.

8. Pledge of Assets

As at 31 December 2025, the Group's loan and lease receivables of approximately HK\$7,489.9 million (31 December 2024: HK\$8,195.7 million), floating charge on deposits of approximately HK\$222.8 million (31 December 2024: HK\$253.0 million), property, plant and equipment of approximately HK\$4,141.9 million (31 December 2024: HK\$4,296.1 million), shares of certain subsidiaries, general assignments, bareboat charterer assignments and intra-group loan assignments were secured to banks to acquire bank loans.

9. Risk Management

9.1 Exchange Rate Risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The vessels under finance leases and operating leases are purchased in U.S. dollars, and the corresponding finance lease receivables and fixed assets are denominated in U.S. dollar, while the main source of funding is bank loans denominated in U.S. dollar. Therefore, there is no significant exposure to exchange rate risk. The Group holds some of its monetary funds in Hong Kong dollars, Renminbi and Euros, but the overall proportion is relatively small. In terms of exchange rate structure, the Group continued to uphold its original exchange rate risk management strategies and maintained the basic matching of assets and liabilities in currency.

The Group has adopted a prudent foreign exchange risk management strategy and established a foreign exchange rate risk tracking system to monitor the trend of major currencies around the world in a timely manner. During the year, the exchange rate of Renminbi maintained a trend of modest and gradual appreciation and the Group paid close attention to it, refrained from creating new renminbi exchange rate risk exposures. In view of the existing Renminbi exchange rate risk exposure, the Group has effectively hedged its foreign exchange risk exposure partially by carrying out financial instruments such as foreign exchange swaps and cross-currency swaps, etc., and partially by using Hong Kong dollar financing to replace Renminbi financing. During the year, the Group's exchange rate risk remained at a controllable level.

9.2 Interest Rate Risk

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans and other financing, as well as loan and finance lease receivables and other loans. During the year, the Federal Reserve continued its interest rate cuts, though the timing was relatively late. It implemented three rate reductions throughout the year, with a cumulative cut of 75 basis points. As at the end of the year, the benchmark U.S. dollar interest rate stood within the range of 3.50% to 3.75%, but still at a relatively high level.

In order to cope with the persistently high interest rates in the U.S. dollar interest rate market, the Group has maintained its usual interest rate risk control measures by using financial instruments such as interest rate swaps to hedge its interest rate risk exposure. As at 31 December 2025, the notional principal amount of the Group's existing interest rate swap products was approximately HK\$3,030.6 million, and the locked-in U.S. dollar average long-term fixed interest rate was approximately 1.60%, which effectively hedged the negative impact of the high interest rate of the U.S. dollar. In terms of interest rate structure, the Group continued to maintain its original interest rate risk management strategies and proactively managed the matching of assets and liabilities in terms of interest rate structure. For the Group's operating lease assets, the Group continued to improve the interest rate matching between assets and liabilities through measures such as the issuance of fixed interest rate bonds, fixed interest rate loans and operating interest rate swaps, thereby effectively mitigating interest rate risks, and the existing interest rate risk exposure is relatively low.

During the year, the Group added a number of floating-rate and fixed-rate bonds and loans matching with its new leased assets and further reduced the exposure to interest rate risk. Meanwhile, the Group's finance lease assets and bank loan liabilities were both primarily at floating rates, so the effects of fluctuations in U.S. dollar interest rates can be offset by mutual hedging.

9.3 Foreign Currency Risk

The Group has foreign currency income, expenses and fund remittances, which exposes the Group to foreign currency risk. Since the fluctuation of USD and HKD is minimal under the Linked Exchange Rate System, the Directors consider the Group is mainly exposed to foreign exchange risks on Euros and Renminbi. The Group manages the foreign exchange risks by performing regular reviews of the Group's net foreign exchange exposure.

10. Capital Expenditures

The capital expenditures of the Group principally comprise expenditures for the construction of vessels. In 2025, the capital expenditures for the acquisition for vessels of the Group amounted to HK\$235.3 million. The Group financed its capital expenditures through cash generated from operating activities and bank borrowings. As at 31 December 2025, the capital commitment for construction of vessels amounted to HK\$3,447.5 million, which was expected to be paid in the next 3 years.

11. Human Resources

As at 31 December 2025, the Group had a total of 77 employees, approximately 32.47% of whom were located in Hong Kong. The Group has a team of high-quality talents with a bachelor's degree or above. As at 31 December 2025, approximately 96.10% of the Group's employees had a bachelor's degree or above. The Group endeavors to create a competitive and fair system for remuneration and welfare. The remuneration package of the Group's employees includes basic salary, performance-related bonus and share-based payment. The Group reviews the remuneration packages and performance of its employees on an annual basis.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Revenue	3	4,044,191	4,034,369
Other income	4	102,472	74,171
Other (losses)/gains, net		(63,287)	332,500
Expenses			
Finance costs and bank charges	5	(795,900)	(1,047,554)
Net impairment losses on loan and lease receivables		(79,316)	(446,968)
Depreciation		(666,099)	(578,716)
Employee benefits expenses		(107,285)	(105,268)
Vessel operating costs		(385,234)	(398,436)
Other operating expenses		(66,327)	(161,787)
Total expenses		(2,100,161)	(2,738,729)
Profit from operations	6	1,983,215	1,702,311
Share of results of joint ventures		265,253	490,103
Share of results of associates		(29,293)	(12,056)
Profit before income tax		2,219,175	2,180,358
Income tax expense	7	(238,492)	(25,215)
Profit for the year		<u>1,980,683</u>	<u>2,155,143</u>

CONSOLIDATED INCOME STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	HK\$'000	HK\$'000
Profit for the year attributable to:			
– Equity shareholders of the Company		1,845,236	2,105,663
– Non-controlling interests		<u>135,447</u>	<u>49,480</u>
		<u>1,980,683</u>	<u>2,155,143</u>
Earnings per share (HK\$)			
	8		
– Basic		0.298	0.342
– Diluted		<u>0.297</u>	<u>0.341</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>1,980,683</u>	<u>2,155,143</u>
Other comprehensive (expense)/income for the year		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
– Exchange differences on translation of financial statements of foreign operations	17,797	22,814
– Share of other comprehensive expense of joint ventures	(19,737)	(4,479)
– Share of other comprehensive income of associates	13,130	–
– Changes in fair value of debt instruments at fair value through other comprehensive income	77,372	46,504
– Changes in fair value of cash flow hedges	<u>(33,349)</u>	<u>104,868</u>
<i>Items that are reclassified to profit or loss:</i>		
– Reclassification adjustment from hedging reserve to profit or loss	(91,608)	(135,705)
– Release of investment revaluation reserve upon disposal of debt instrument at fair value through other comprehensive income	<u>(34,936)</u>	<u>–</u>
Total other comprehensive (expense)/income for the year	<u>(71,331)</u>	<u>34,002</u>
Total comprehensive income for the year	<u>1,909,352</u>	<u>2,189,145</u>
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	1,773,464	2,139,699
Non-controlling interests	<u>135,888</u>	<u>49,446</u>
	<u>1,909,352</u>	<u>2,189,145</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Assets			
Property, plant and equipment		15,536,140	16,394,376
Right-of-use assets		7,979	11,895
Interests in joint ventures		1,632,923	1,628,199
Interests in associates		181,406	190,238
Loan and lease receivables	<i>10</i>	18,542,316	20,714,833
Derivative financial assets		260,336	404,865
Prepayments, deposits and other receivables		597,208	214,057
Financial assets at fair value through profit or loss		486,608	457,312
Financial assets at fair value through other comprehensive income		1,756,107	1,678,735
Deferred tax assets		1,559	4,111
Amount due from an associate		–	37,810
Amounts due from joint ventures		387,070	275,218
Amounts due from non-controlling interests		7,775	–
Time deposits with maturity over three months		88,692	135,450
Cash and cash equivalents		3,706,672	1,773,896
Total assets		43,192,791	43,920,995

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2025

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Liabilities		
Income tax payables	240,761	38,157
Borrowings	26,466,530	27,587,155
Derivative financial liabilities	25,563	195,801
Deferred tax liabilities	–	316
Amounts due to non-controlling interests	127,965	131,884
Other payables and accruals	882,874	1,321,335
Lease liabilities	<u>315,275</u>	<u>348,311</u>
Total liabilities	<u>28,058,968</u>	<u>29,622,959</u>
Net assets	<u>15,133,823</u>	<u>14,298,036</u>
Equity		
Share capital	6,715,125	6,695,690
Reserves	<u>8,296,210</u>	<u>7,485,431</u>
Equity attributable to equity shareholders of the Company	<u>15,011,335</u>	14,181,121
Non-controlling interests	<u>122,488</u>	<u>116,915</u>
Total equity	<u>15,133,823</u>	<u>14,298,036</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2025

1 GENERAL INFORMATION

CSSC (Hong Kong) Shipping Company Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong. The registered office and its principal place of business is located at Room 1801, 18th Floor, Worldwide House, No. 19 Des Voeux Road Central, Central, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of integrated shipping services (including operating lease services and shipbroking services) and financing services (including finance lease services and loan borrowing services).

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The consolidated financial information of the Group has been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Hong Kong Companies Ordinance. For the purpose of preparation of the consolidated financial information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. The consolidated financial information has been prepared on a historical cost basis, except for certain financial assets and liabilities which are stated at fair value.

2.2 Changes in Accounting policies

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied amendments to HKAS 21 “The effects of changes in foreign exchange rates – Lack of exchangeability” issued by the HKICPA to this consolidated financial information for the current accounting period. The amendments do not have a material impact on this consolidated financial information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) *New and amendments to HKFRS Accounting Standards in issue but not yet effective*

Up to the date of issue of this consolidated financial information, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in this consolidated financial information. These developments include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Contracts referencing nature – dependent electricity	1 January 2026
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial information except for the following:

HKFRS 18, Presentation and disclosures in financial statements

HKFRS 18 will replace HKAS 1 “Presentation of financial statements” and aims to improve the transparency and comparability of information about an entity’s financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

3. SEGMENT INFORMATION AND REVENUE

The chief operating decision makers (“CODM”) have been identified as the executive directors of the Company. The executive directors review the Group’s internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports and analysed from a business perspective as follows:

Integrated shipping services

Integrated shipping services include operating lease services to the customers and shipbroking services to shipbuilders and charterers. Operating lease refers to a leasing model whereby the lessor grants the right to use an asset to the lessee for a specified period and in return for periodic lease payments without substantially transfer of all the risks and rewards incidental to ownership of the leased vessels to the customers. Shipbroking services to shipbuilders includes introducing shipbuilders to interested purchasers and advising interested purchasers on vessel types, specifications and capabilities. Shipbroking services to charterers includes advising interested charterers to lease the vessels in the form of finance lease or operating lease or advising interested charterers on vessel types, specifications and capabilities.

Financing services

Financing services include finance lease services and loan borrowing services to customers. Finance lease refers to a leasing model whereby the lessor purchases an asset according to the lessee's specific requirements and choice of supplier or the lessor purchases an asset from the lessee, and then leases it to the lessee for periodic lease payments, at which substantially all the risks and rewards incidental to ownership of the leased assets were transferred to the lessee. Loan borrowings mainly include pre-delivery loans and secured loans. Pre-delivery loan services are offered as part of leasing services and to customers who require funding to satisfy their pre-delivery payment obligations under their shipbuilding agreements. Secured loan services are offered to customers to satisfy their funding needs and are generally secured by customers' vessels or assets.

The segment information provided to the executive directors for the year ended 31 December 2025 and 2024 are follows:

The Group derives revenue from the following streams:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Integrated shipping services		
– Operating lease services	2,516,915	2,235,972
– Shipbroking services	16,583	33,545
	2,533,498	2,269,517
Financing services		
– Finance lease services	1,049,871	1,219,700
– Loan borrowing services	460,822	545,152
	1,510,693	1,764,852
	4,044,191	4,034,369

Commission income received from charterer included in shipbroking services, is recognised over time and commission income received from shipbuilder, including in shipbroking services, is recognised at point in time.

For the year ended 31 December 2025, commission income included in shipbroking services are recognised at a point in time and over time amounting to HK\$6,481,000 and HK\$10,102,000 (2024: HK\$1,852,000 and HK\$31,693,000) respectively.

For the year ended 31 December 2025, revenue from non-lease component included in leasing services amounted to HK\$292,651,000 (2024: HK\$162,429,000).

For the year ended 31 December 2025, lease income relating to variable lease payments not included in the net investment in the lease amounted to HK\$54,532,000 (2024: HK\$165,086,000).

Segment assets and liabilities

No assets and liabilities are included in the Group's segment reporting that are submitted to and reviewed by CODM internally. Accordingly, no segment assets and liabilities are presented.

4. OTHER INCOME

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income from		
– financial assets at fair value through other comprehensive income	63,952	41,387
– bank deposits	38,507	32,784
– others	13	–
	<u>102,472</u>	<u>74,171</u>

5. FINANCE COSTS AND BANK CHARGES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bonds	294,662	343,642
Interest on bank borrowings	402,276	625,749
Interest on other borrowings	78,982	60,951
Interest on lease liabilities	18,906	20,975
Bank charges	1,074	5,741
	<u>795,900</u>	<u>1,057,058</u>
Less: Finance costs capitalised	<u>–</u>	<u>(9,504)</u>
	<u><u>795,900</u></u>	<u><u>1,047,554</u></u>

6. PROFIT FROM OPERATIONS

Profit from operations is arrived after charging/(crediting) the followings:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Depreciation on		
– property, plant and equipment	660,720	566,478
– right-of-use assets	5,379	12,238
Foreign exchange losses/(gains), net	333,938	(46,756)
Employee benefits expenses	107,285	105,268
Gain on partial disposal of investment in an associate	–	(9,930)
Net unrealised gains on changes in fair value of		
financial assets at fair value through profit or loss	(29,296)	(28,895)
Net gains on disposal of debt instruments at fair value		
through other comprehensive income	(34,936)	–
Net gains on disposal of vessels and property,		
plant and equipment	(103,563)	(57,276)
Net gains on derecognition of finance lease receivables	(33,670)	(200,013)
Auditors' remuneration		
– audit services	3,400	4,875
– non-audit services	780	1,570
	<u><u>780</u></u>	<u><u>1,570</u></u>

7. INCOME TAX EXPENSE

The Group mainly operates in Hong Kong China, Mainland China, Malta, Singapore and Cyprus.

Hong Kong China profits tax is provided at the rate of 16.5% (2024: 16.5%) based on the estimated assessable profits arising from Hong Kong China.

Mainland China corporate income tax is charged at the statutory rate of 25% (2024: 25%) based on the estimated assessable income as determined with the relevant tax rules and regulations in Mainland China.

Malta corporate income tax is charged at the statutory rate of 35% (2024: 35%) based on the estimated assessable income as determined with the relevant tax rules and regulations of Malta. Normally, six-sevenths of the tax paid would be deducted, taking the effective tax rate to be 5%.

Enterprises incorporated in other places are subject to income tax rates of 12.5% to 25% (2024: 12.5% to 25%) prevailing in the places in which these enterprises operated for the year ended 31 December 2025.

Income tax expense in the consolidated income statement represents:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current taxation		
– Hong Kong China profits tax	14,596	15,046
– Overseas taxation	17,618	21,197
– Top-up taxes under Pillar Two model rules	186,427	–
Under/(over) provision in respect of prior years		
– Hong Kong China profits tax	6,486	(9,744)
– Overseas taxation	11,029	(70)
	<u>236,156</u>	<u>26,429</u>
Deferred tax		
– Origination and reversal of temporary differences	2,336	(1,214)
Income tax expense	<u><u>238,492</u></u>	<u><u>25,215</u></u>

OECD Pillar Two model rules

In December 2021, OECD released the Pillar Two model rules (also referred to as the “**Global Anti-Base Erosion Rules**” or “**GloBE Rules**”) to reform international corporate taxation. Large multinational enterprises with consolidated revenue of over EUR750 million are subject to GloBE Rules. They are required to calculate their GloBE Rules effective tax rate for each jurisdiction where they operate and will be liable to pay a minimum effective tax rate of 15%.

The ultimate parent company of the Group, China State Shipbuilding Corporation Limited (中國船舶集團有限公司) (“**China Shipbuilding Group**”) and its subsidiaries (collectively referred to as “**CSSC Group**”), has consolidated revenues exceeding EUR750 million and thus fall within the scope of GloBE Rules. Under these rules, the Group’s profits derived from international shipping and certain related ancillary activities are exempted, while other non-qualifying profits will be subject to the minimum tax rate.

The Group is subject to the global minimum top-up tax Pillar Two model rules. Pillar Two model rules has become effective in Hong Kong China in which the Company and certain subsidiaries were incorporated. Based on the Group’s assessment, top-up taxes are expected to arise in respect of the Group’s operation in Cyprus, Marshall Islands, British Virgin Islands and Singapore. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. As the Group is assessed to be not a minority-owned constituent entity, if there is any potential top-up tax for CSSC Group, it is possible that relevant tax may be further allocated or recharged to respective entities of the CSSC Group that contribute to the top-up tax.

Based on the Group’s best estimate of the calculation of globe income, the Group has recognised a current tax expense of HK\$186,427,000 related to the top-up tax for the year ended 31 December 2025 which is expected to be levied on the Company. The Group would continue to analyse and assess the impact brought by Pillar Two model rules.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to equity shareholders of the Company is based on the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings		
Profit attributable to equity shareholders of the Company for the purposes of basic and diluted earnings per share	<u>1,845,236</u>	<u>2,105,663</u>
	Number <i>'000</i>	Number <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	6,195,190	6,151,815
Effect of dilutive potential ordinary shares		
Share options issued by the Company	<u>10,431</u>	<u>14,451</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>6,205,621</u>	<u>6,166,266</u>
	<i>HK\$</i>	<i>HK\$</i>
Earnings per share		
– Basic	0.298	0.342
– Diluted	<u>0.297</u>	<u>0.341</u>

9. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends approved and paid:		
Interim dividend of HK5 cents (2024: HK3 cents) per ordinary share	309,961	184,844
Final dividend in respect of the year ended 31 December 2024 of HK10.4 cents (2023: HK9 cents) per ordinary share	<u>644,630</u>	<u>553,778</u>
	<u>954,591</u>	<u>738,622</u>
Dividend proposed:		
Final dividend in respect of the year ended 31 December 2025 of HK5 cents (2024: HK10.4 cents) per ordinary share	<u>309,961</u>	<u>643,437</u>

On 6 January 2026, the board of directors has declared a special dividend of HK6 cents per ordinary share, such special dividend amounting to HK\$371,953,000 has not been recognised as liability as at 31 December 2025.

10. LOAN AND LEASE RECEIVABLES

As at 31 December 2025				
Allowance for				
		Gross amount	impairment losses	Net carrying amount
	Note	HK\$'000	HK\$'000	HK\$'000
Loan receivables	(a)	5,939,497	(222,837)	5,716,660
Lease receivables	(b)	13,207,263	(528,837)	12,678,426
Loans to joint ventures	(c)	147,230	–	147,230
		<u>19,293,990</u>	<u>(751,674)</u>	<u>18,542,316</u>

As at 31 December 2024				
Allowance for				
		Gross amount	impairment losses	Net carrying amount
	Note	HK\$'000	HK\$'000	HK\$'000
Loan receivables	(a)	6,190,388	(72,067)	6,118,321
Lease receivables	(b)	14,949,482	(617,828)	14,331,654
Loans to joint ventures	(c)	264,858	–	264,858
		<u>21,404,728</u>	<u>(689,895)</u>	<u>20,714,833</u>

(a) Loan receivables

At 31 December 2025, loan receivables were interest-bearing at rates ranging from 4.5% to 8.8% (2024: 6.0% to 8.6%) per annum, repayable from 2026 to 2033 (2024: 2025 to 2033) and secured by the respective vessels and certain shares of borrowers, which owned the vessels.

A maturity profile of the loan receivables based on the maturity date, net of impairment losses, is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 year	527,711	508,881
After 1 year but within 2 years	534,805	513,080
After 2 years but within 5 years	1,607,279	1,638,340
Over 5 years	3,046,865	3,458,020
	<u>5,716,660</u>	<u>6,118,321</u>

(b) Lease receivables

As at 31 December 2025, the Group's lease receivables were secured, interest-bearing at rates ranging from 6.2% to 10.7% (2024: 5.0% to 10.5%) per annum. Details of lease receivables as at 31 December 2025 and 2024 are as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross investments in finance leases	19,266,409	21,740,247
Less: Unearned finance income	<u>(6,059,146)</u>	<u>(6,790,765)</u>
Net investments in finance leases	13,207,263	14,949,482
Less: Accumulated allowance for impairment	<u>(528,837)</u>	<u>(617,828)</u>
Net lease receivables	<u>12,678,426</u>	<u>14,331,654</u>

Reconciliation between the gross investment in finance leases at the end of each reporting period and the present value of minimum lease payments receivable under such leases are set out below:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Minimum lease payments receivable	19,266,409	21,740,247
Less: Unearned finance income related to minimum lease payments receivable	<u>(6,059,146)</u>	<u>(6,790,765)</u>
Present value of minimum lease payments receivable	<u><u>13,207,263</u></u>	<u><u>14,949,482</u></u>

The table below analyses the Group's gross investment in finance leases by relevant maturity groupings as at 31 December 2025 and 2024.

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross investments in finance leases		
– Within 1 year	2,037,774	2,282,154
– After 1 year but within 2 years	1,626,475	1,911,284
– After 2 years but within 3 years	1,576,593	1,903,541
– After 3 years but within 4 years	1,486,990	1,672,337
– After 4 years but within 5 years	1,665,677	1,566,267
– Over 5 years	<u>10,872,900</u>	<u>12,404,664</u>
	<u><u>19,266,409</u></u>	<u><u>21,740,247</u></u>

(c) Loans to joint ventures

As at 31 December 2025 and 2024, the amounts were unsecured, interest-bearing at 5.0% per annum and repayable on demand.

11. OTHER INFORMATION

The consolidated financial statements of the Group for the year ended 31 December 2025 has been reviewed by the audit committee of the Company and audited by the Company's auditor, Baker Tilly Hong Kong Limited. An unqualified auditor's report will be included in the Annual Report sent to the shareholders. The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by Grant Thornton Hong Kong Limited.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results for the year ended 31 December 2025 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company will deliver the consolidated financial statements for the year ended 31 December 2025 to the Registrar of Companies in due course.

The Company's auditors have reported on the consolidated financial statements of the Group for both years. The auditors' reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

12. EVENTS AFTER REPORTING PERIOD

(i) Issuance of convertible bonds

On 28 January 2026, the Group issued guaranteed convertible bonds of HK\$2,338,000,000 due in January 2031 and bearing interest at 0.75% per annum. Details of the guaranteed convertible bonds are set out in the Company's announcement dated 29 January 2026.

(ii) Sale and leaseback transaction of four vessels

On 4 March 2026, the Group entered into agreements with independent third parties (the "Charterers") for acquisition of four vessels at a total consideration of US\$103,520,000 (equivalent to HK\$805,386,000). Pursuant to the agreements, the Group agreed to lease back those vessels to the Charterers at a total estimated charterhire of approximately US\$140,725,000 (equivalent to HK\$1,094,841,000) for a period of 10 years (the "Charter Period"). Upon expiration of the Charter Period, the Charterers are obliged to purchase the vessels. The vessels are expected to be delivered in July 2028, January 2029, March 2029 and May 2029 respectively. Details of the agreements are set out in the Company's announcement dated 4 March 2026.

OTHER INFORMATION

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance in order to safeguard the interests of the shareholders of the Company and enhance its corporate value and accountability. The Company has adopted 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 “**Listing Rules**”) as its own code of corporate governance.

During the year ended 31 December 2025, the Company has applied the relevant principles and had complied with all applicable code provisions set out in the CG Code and adopted most of the recommended best practices, except for the deviation from the code provisions stated below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman of the Board and chief executive officer should be separated and should not be performed by the same individual.

Mr. Li Hongtao has been appointed as the chairman of the Board and an executive Director since 23 May 2024, and has been appointed as the chief executive officer of the Company (the “**Chief Executive Officer**”) since 31 December 2024. He is responsible for coordinating Board affairs and providing strategic advice on the development and management of the Group’s business, formulating development strategies and annual and investment plans for the Group, reviewing financial budgets and overall policies, and supervising capital operations. The Board believes that vesting the roles of the chairman of the Board and the Chief Executive Officer in the same person can facilitate the execution of the Group’s business strategies and improve its operating efficiency. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code in such circumstances is appropriate. In addition, the Board consists of two executive Directors, two non-executive Directors and three independent non-executive Directors, which has an appropriate structure and balanced power. Under the supervision of the Board, it can provide sufficient checks and balances to protect the interests of the Company and its Shareholders.

Final Dividend

To share the fruitful results of the Group among all shareholders, the Board recommends the payment of a final dividend of HK\$0.05 per share out of the distributable reserve of the Company for the year ended 31 December 2025. The date of closure of the register of members of the Company regarding the entitlement of final dividend (the “**Record Date**”) will be announced in due course. The proposed final dividend is expected to be paid on or before 31 August 2026 following approval at the Company’s forthcoming annual general meeting.

Shareholders are entitled to elect to receive all or part of the final dividend in RMB. The amounts of the final dividend in RMB will be calculated based on the average RMB to HK\$ central parity rate published by the People’s Bank of China over the five business days ending on and including the Record Date. The announcement regarding details of the payment arrangement and the dividend currency election form will be published in due course.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the final dividend payment.

ANNUAL GENERAL MEETING

The notice of the Company’s forthcoming annual general meeting will be published and sent to the Shareholders in due course in the manner specified in the Listing Rules in due course.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period are set out in Note 12 to the consolidated financial information.

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**”) set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities by Directors. Having made specific enquiry with the Directors, all Directors confirmed that they had complied with the standards set out in the Model Code during the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any). As at 31 December 2025, the Company did not hold any treasury shares.

REVIEW OF ANNUAL RESULTS

The Board has established an audit committee (the “**Audit Committee**”) which currently comprises three independent non-executive Directors, namely Mdm. Shing Mo Han Yvonne (chairperson), Mr. Wang Dennis and Mr. Li Hongji, and one non-executive Director, namely Mr. Xie Weizhong. The primary duties of the Audit Committee are to review the financial information of the Group and oversee the financial reporting system, risk management and internal control system of the Group.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the Company’s senior management and the Company’s external auditor, and has reviewed the annual results for the year ended 31 December 2025.

This annual results announcement is based on the consolidated financial statements of the Group for the year ended 31 December 2025, which have been agreed with the external auditor of the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2025 has been published on the websites of the Company (www.csscshipping.com) and HKExnews of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The Company's 2025 annual report containing all the information as required by the Listing Rules will be sent to the Shareholders and will be published on the aforementioned websites in due course.

By order of the Board
CSSC (Hong Kong) Shipping Company Limited
Li Hongtao
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises Mr. Li Hongtao and Mr. Liu Hui as executive Directors, Mr. Xie Weizhong and Mr. Chi Benbin as non-executive Directors, and Mr. Wang Dennis, Mdm. Shing Mo Han Yvonne, BBS, JP and Mr. Li Hongji as independent non-executive Directors.