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

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

(Hong Kong Stock Exchange Stock Code: 01138)
(Shanghai Stock Exchange Stock Code: 600026)

2025 ANNUAL REPORT

CONTENT

COMPANY PROFILE

COSCO SHIPPING Energy Transportation Co., Ltd. ("**COSCO SHIPPING Energy**" or the "**Company**", together with its subsidiaries, the "**Group**") is a specialised company engaging in shipment of oil and liquefied natural gas, operating under China COSCO SHIPPING Corporation Limited ("**COSCO SHIPPING**", together with its subsidiaries, "**COSCO SHIPPING Group**"). COSCO SHIPPING Energy is a merged entity from the energy transportation arms of China Ocean Shipping Company and China Shipping Company. Established in Shanghai on June 6, 2016, the Company is committed to becoming a whole-process energy transportation solution, providing customers with all-type, all-location and all-rounded energy shipping services.

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

COSCO SHIPPING Energy focuses on two core businesses, oil shipping and liquefied natural gas ("**LNG**") transportation. Boasting years of rich experience and a great reputation, the Company has formed a good corporate image in the industry.

As one of the industry leaders, the Company operates globally with its complete variety of tankers. Taking vigorous efforts to develop Very Large Crude Carrier ("**VLCC**") associated operating entities ("**POOL**") and enhance the operating fleet efficiency, the Company strives to deliver win-win results to both clients and shipowners.

The Company is also a leader in China's LNG transportation business, and is currently an important player in the global market. COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd. ("上海中遠海運液化天然氣投資有限公司" or "**CSLNG**"), a wholly-owned subsidiary of the Group, and China LNG Shipping (Holdings) Limited ("中國液化天然氣運輸(控股)有限公司" or "**CLNG**"), of which the Company holds 50% equity, are the only two large LNG transportation companies in China.

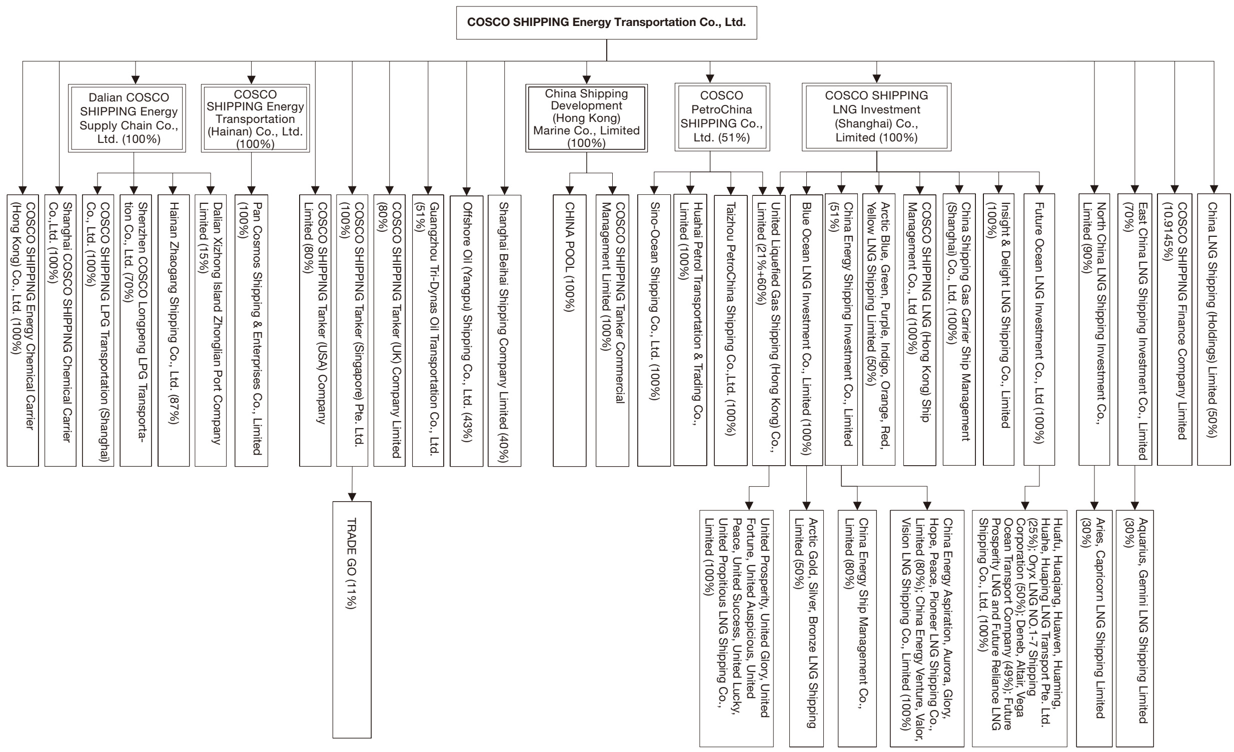
The Group's liquefied petroleum gas ("**LPG**") transportation business is operated by its subsidiary, Dalian COSCO SHIPPING Energy Supply Chain Co., Ltd.* ("大連中遠海運能源供應鏈有限公司" or "**Dalian COSCO Energy**"), and the Group's chemical transportation business is primarily operated by its subsidiary, Shanghai COSCO SHIPPING Chemical Carrier Co., Ltd.* ("上海中遠海能化工運輸有限公司" or "**Shanghai COSCO Chemical Carrier**").

COSCO SHIPPING Energy has always adhered to the principle of "World-Leading Safety Marketing", and practices world-class safety management of liquid cargo carriers. After years of exploration and competition, the Company has established a stable and efficient safety management system, as well as a technical, transportation and ship management system that continuously upgrades itself.

COSCO SHIPPING Energy has established a global marketing service system and global security emergency support system. By giving full play to the functions of satellite offices, the Company keeps expanding its overseas market share, fully utilizes its fleet size advantage, and has achieved well-diversified clients, sources of cargos and shipping routes.

COSCO SHIPPING Energy is committed to being "an excellent leader in the global energy transportation industry with strong international competitiveness, brand influence and positive market reputation". It targeted at serving oil giants and strategic partners as part of its globalized strategy, to provide clients with globalized and round-the-clock energy shipping services with all vessel types.

For the year ended 31 December 2025 (the "**Reporting Period**"), the composition of the Group was as follows:



FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Restated*)	(Restated*)		
Revenues	**23,701,066**	23,158,728	22,553,297	19,081,551	12,644,700
Profit/(loss) before tax	**5,356,414**	5,250,086	4,805,649	2,827,074	(4,527,308)
Profit/(loss) for the year	**4,422,894**	4,391,773	3,708,266	1,853,373	(4,667,108)
Profit/(loss) for the year attributable to equity holders of the Company	**4,037,075**	4,043,330	3,390,275	1,519,378	(4,985,386)
	RMB	RMB	RMB	RMB	RMB
Earnings/(loss) per share (Basic)	**0.8262**	0.8475	0.7106	0.3888	(1.0468)
Dividend per share	**0.38**	0.43	0.35	0.15	–

	At 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Restated*)	(Restated*)		
Total assets	**92,078,580**	81,812,423	74,224,964	69,413,947	59,388,937
Total liabilities and non-controlling interests	**(45,673,398)**	(45,424,810)	(38,546,094)	(37,201,539)	(30,797,891)
Equity attributable to equity holders of the Company	**46,405,182**	36,387,613	35,678,870	32,212,408	28,591,046
	RMB	RMB	RMB	RMB	RMB
Net assets value per share	**8.491**	7.627	7.479	6.757	6.003

I. THE MAIN BUSINESSES, OPERATING MODEL OF THE COMPANY AND CONDITIONS OF THE INDUSTRY DURING THE REPORTING PERIOD

1. Industry and characteristics

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

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

The Group takes ships as its core assets, with a high-quality crew workforce and safety management system as its core competencies, providing maritime energy transportation services to global customers. The shipping industry is characterized by the following key features:

(1) **High cyclicality:** The shipping industry is highly dependent on trade development, which is closely linked to economic conditions. As a result, transportation demand in the shipping industry is easily influenced by economic cycles.

(2) **High volatility:** The supply of transportation capacity in the market is difficult to perfectly align with transportation demand at all times and in all locations. On the one hand, as transportation demand fluctuates, adjusting global shipping capacity cannot be accomplished instantly. On the other hand, the addition and removal of vessels from the market require a certain amount of time. As a result, the imbalance between the supply of transportation capacity and transportation demand often leads to significant uncertainty and volatility in freight rates.

(3) **High capital intensity:** The shipping industry is a capital-intensive sector. The construction, maintenance and operation of vessels require substantial investment. Furthermore, the long lifespan of vessels often results in prolonged investment return periods.

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

The shipping industry segment in which the Company operates has the following characteristics:

(1) **Oil transportation:** Crude oil is unprocessed natural petroleum extracted directly from underground or seabed deposits, with maritime transportation serving as the primary method for global oil transportation. Cross-regional seaborne crude oil shipments offer high volume and low cost but remain highly dependent on critical maritime routes, making them susceptible to geopolitical tensions and changes in natural conditions; the major trade flows are from production regions in the Middle East, West Africa, the Americas and Russia to core consumption regions in Asia and Europe. Product oil, including gasoline, diesel and naphtha, is derived from crude oil through refining and processing. The trade pattern is dominated by "intra-regional circulation, supplemented by cross-regional complementarity". Core exporters include the Middle East and Asian countries such as Singapore, while regions with limited refining capacity, such as Europe and the Americas are major importers. Overall, trade flows are influenced by factors including refining capacity distribution, geopolitics and shipping costs. The types of oil tankers mainly include very large crude carriers ("**VLCC**"), Suezmax ("**Suezmax**"), Aframax ("**Aframax**")/Long Range 2 ("**LR2**"), Panamax (Panamax)/Long Range 1 (LR1) and Medium Range ("**MR**").

(2) **LNG transportation:** LNG is natural gas liquefied at an ultra-low temperature of -162°C, shrinking its volume to approximately 1/600 of its original size. During transportation, it must be maintained at low temperatures, requiring exceptionally high insulation performance for transportation equipment. Additionally, LNG transportation requires stringent safety measures to prevent leaks, fires, and other accidents. As a result, LNG carriers have been recognised internationally as "three high" products with high technology, high difficulty and high added value. In the current global LNG fleet, most shipowners enter into long-term time charters with charterers, which brings stable freight and investment returns for transportation enterprises while ensuring reliable energy supply to energy traders.

(3) **LPG transportation:** LPG is a by-product of petroleum extraction, refining and natural gas production, primarily composed of propane and butane, and may also include petrochemical products such as ethylene, propylene, and butylene, with trade flows primarily from regions such as the Middle East and the United States to consumption markets such as Asia and Europe. Based on different liquefaction conditions during transportation, LPG carriers are mainly classified into fully pressurized, semi-refrigerated and fully refrigerated types.

(4) **Chemical transportation:** Chemicals are generally classified into organic chemicals, inorganic chemicals and vegetable oils, which have diverse production sources, subcategories and end uses. The maritime trade of chemicals is primarily concentrated in three major regions, namely Europe, Asia and North America, which include key trade flows such as intra-Northeast Asia routes, European continental routes, and Southeast Asia-Northeast Asia routes. Chemical tankers are generally classified into IMO1, 2, and 3 types based on the level of environmental and safety hazards posed by the chemicals, with IMO 1 being the most hazardous and IMO 3 the least.

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

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

In terms of fleet size, the Group is the world's largest oil tanker owner, covering all mainstream tanker types, and stands out globally with its complete type of vessels. As at 31 December 2025, the Group owned and controlled 155 oil tankers with a total capacity of 22.576 million Dead Weight Tonnage ("**DWT**"); had 18 newbuilding oil tankers with a total capacity of 2.961 million DWT to be delivered; and had 6 VLCCs with a total capacity of 1.842 million DWT to be delivered under bareboat charters. As the tanker owner with the most comprehensive vessel portfolio, the Group executes oil transportation business through diversified operational models including spot market chartering, time chartering, signing contracts of affreightment ("**COA**") with cargo owners, and entering associated operating entities (POOL) using its self-owned and controlled tankers. By implementing the integration of domestic and international voyages by employing crude and product tankers across different sizes, The Group gives full play to the advantages of its vessel types and shipping route networks to provide customers with whole-process logistics solutions involving materials import in international trade, transshipment, and lightering in domestic trade, product oil transport and export, and downstream chemicals transportation, etc., to help customers with means to reduce logistics costs and therefore realize win-win cooperation.

As the world's leading oil tanker owner, the Group continues to provide quality energy transportation services for important domestic and international customers with its global operating network, solid and safety ship management expertise, and "customer-centric" marketing philosophy. In addition, as China is the largest importer of oil and natural gas globally, China's massive oil and gas import volume has brought the Group an affluent customer base and tremendous business opportunities. Through in-depth co-operation over a long period, the Group has established good partnerships with major oil companies and domestic independent refineries, laying an essential foundation for the Group's business development and value-creation capabilities.

As a leader in China's LNG shipping business, the Group participates in global LNG shipping. CSLNG, a wholly-owned subsidiary of the Group, and CLNG, in which the Company holds 50% equity, are the leading large-scale LNG transportation companies in China. As at 31 December 2025, the Group had invested in 87 LNG carriers. Among them, 63 LNG carriers with a total capacity of 10.662 million cubic meters have been put into operation; 24 LNG carriers with a total capacity of 4.375 million cubic meters to be delivered are under construction; and 1 bareboat-chartered LNG carrier with a capacity of 174 thousand cubic meters has also been put into operation. The commissioned vessels are all engaged in long-term charters, providing relatively stable income. In recent years, as the LNG carriers, for which the Group is involved in investment and construction, are put into operation, the Group's LNG transportation business has entered the harvest period.

The Group's LPG transportation business is operated by Dalian COSCO Energy, a wholly-owned subsidiary of the Group, which is primarily engaged in domestic coastal and international LPG shipping. The cargoes transported include LPG, propylene, and butadiene, and business activities are driven by diverse operational strategies including spot charters and time charters. As at 31 December 2025, the Group owned 12 LPG carriers with a total capacity of 131 thousand cubic meters; and had 2 LPG carriers with a total capacity of 12 thousand cubic meters to be delivered.

The Group's chemical transportation business is primarily operated by Shanghai COSCO Chemical Carrier, a wholly-owned subsidiary of the Group, which is primarily engaged in international and domestic bulk chemical shipping. It specializes in foreign trade routes in Southeast Asia and Northeast Asia, as well as domestic coastal shipping, with extensive experience in managing chemical tankers. As at 31 December 2025, the Group owned 9 chemical tankers with a total capacity of 84 thousand DWT; and 1 chemical tankers with a total capacity of 9.2 thousand DWT to be delivered are under construction.

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

In the overall business structure of the Group, the international (foreign trade) oil transportation business provides cyclical elasticity in the Group's operating results. Besides the stably increasing profitability from the LNG transportation business, as a leading player in the coastal crude oil and product oil transportation industry in the PRC, the Group's position in the coastal (domestic trade) oil transportation market also provides a "safety cushion" for the Group's operating results. The LPG and chemical transportation segments have expanded the Group's business footprint in the energy transportation sector, driving the continuous expansion of its core business from maritime energy transportation to the energy and chemical logistics supply chain.

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

1. International oil shipping market

In 2025, the global oil market maintained a loose supply pattern. According to the International Energy Agency ("**IEA**"), on the supply side, global oil supply increased by nearly 3.1 million barrels per day ("**bpd**") in 2025. The gradual phase-out of production cuts by the Organization of the Petroleum Exporting Countries and its allies ("**OPEC+**") constituted an important contributor to supply growth; non-OPEC+ production increased by approximately 1.8 million bpd, with major contributions from the United States, Brazil, Canada and Guyana. On the demand side, benefiting from an improved macroeconomic environment and relatively low oil prices, global oil demand increased by 770,000 bpd, with China being the primary contributor. In terms of inventories, global oil inventories rose to a four-year high, with total restocking of 477 million barrels in 2025, of which 111 million barrels were from China.

(1) International crude oil shipping market

In 2025, the international oil shipping market trended upward after a weak start, with freight rates of VLCC continuously breaking record highs. The market of crude oil tankers experienced a robust upward trend. Driven by multiple favorable factors including tightened sanctions in Europe and the United States, increased production by OPEC+, and growing demand for long-haul routes, freight rates surged during the fourth quarter. Among them, VLCC delivered an outstanding performance. The annual average Time Charter Equivalent ("**TCE**", also known as average daily earnings) for VLCC on the typical route TD3C (Middle East–China) amounted to approximately USD57,500 per day, representing a year-on-year increase of 65%, with daily earnings peak exceeding USD140,000 during the year, outperforming other vessel types.

In terms of shipping demand, in 2025, the gradual release of OPEC+ production and the rebound in Middle Eastern crude oil exports consolidated the fundamental cargo base for Far East routes; Export growth from American countries such as Brazil and Guyana further boosted the industry's average shipping distance; China's annual crude oil imports reached 578 million tons, representing a year-on-year increase of 4.4%, laying a crucial foundation for VLCC transportation demand. Meanwhile, India reduced its imports of Russian oil and increased its purchases of "compliant oil", which further reshaped the global oil trade landscape, boosting tonne-miles demand.

In terms of tanker supply, according to Clarksons ("**Clarksons**"), 6 new VLCC were delivered and 2 were scrapped in 2025, resulting in a relatively limited net growth in capacity. As of the end of the Reporting Period, there were 156 new shipbuilding orders for VLCC globally, accounting for 17% of the VLCC fleet; the proportion of VLCC aged over 20 years globally has approached 20%, with the aging trend further intensifying.

(2) International product oil shipping market

During the Reporting Period, freight rates of product oil tankers continued to consolidate. Affected by the significant surge in freight rates of crude oil tankers, the freight rates of product oil tankers experienced a concentrated increase in the fourth quarter. In 2025, the average TCE for the LR2 typical route TC1 (Middle East-Japan) was approximately USD30,199 per day, representing a year-on-year decrease of 25%, but it still remained in the market prosperity range.

In terms of shipping demand, global seaborne volume of product oil transportation trade remained largely stable in 2025, with geopolitical events and energy transition driving shifts in trade flow pattern of seaborne product oil transportation trade. On the export side, China's seaborne product oil transportation exports declined by 0.6% year-on-year; Russia's product oil exports plummeted significantly due to sanctions and attacks on refineries. On the import side, shutdowns at European refineries intensified reliance on diesel imports, while gasoline imports remained weak. The commissioning of West African refineries reduced local demand for imported product oil.

In terms of tanker supply, according to Clarksons, LR2 and MR tankers dominated new deliveries in 2025, with 54 and 86 tankers delivered respectively, accounting for 10.6% and 4.7% of the total number of their respective tanker types. A total of 2 LR2 and 14 MR tankers were scrapped during the year. As of the end of the Reporting Period, global new orders for LR2 and MR oil tankers amounted to 168 and 269, respectively, accounting for 33% and 14.6% of the total number of their respective tanker types.

2. Domestic oil shipping market

(1) *Crude oil shipping market*

In 2025, the total volume of domestic crude oil transportation (MR and above) was approximately 98 million tons, representing a year-on-year increase of approximately 4 million tons. Among them, in terms of offshore oil, the volume maintained steady growth of 500,000 to 1,000,000 tons per annum, whereas in terms of transshipment oil, market demand was muted in the first three quarters. However, in the fourth quarter, driven by falling international crude oil prices and increased crude oil imports by domestic refineries, demand rebounded significantly.

(2) *Product oil shipping market*

During the Reporting Period, domestic demand for product oil shipping declined, putting freight rates under pressure, and seaborne transportation trade was dominated by 10,000-tonne tankers.

3. LNG shipping market

In 2025, driven by capacity expansion, the volume of global LNG trade continued to grow, with global import demand characterized by "strong in the west and weak in the east" pattern. As of the end of 2025, global operational LNG liquefaction capacity stood at approximately 497 million tons per annum, representing a year-on-year increase of approximately 4.2%. Total global LNG imports for the year reached 431 million tons, representing a year-on-year increase of approximately 4.6%; Asia remained the world's largest LNG import market; Europe was the primary driver of global LNG demand growth, which was mainly attributable to the complete cessation of Russian pipeline gas supplies with effect from 1 January 2025, prompting Europe to rely on seaborne imports to fill the supply gap caused by the disruption of pipeline deliveries.

The LNG spot shipping market was generally muted throughout the year, with spot charter rates fluctuating between USD20,000 and USD40,000 per day for most of the year. From late October to early December, spot charter rates rose sharply driven by seasonal demand and a surge in Atlantic Basin exports, peaking at nearly USD200,000 per day. As shipowners remain optimistic about the trade growth brought by the commissioning of liquefaction projects under construction, coupled with persistently high newbuilding prices, 10-year time charter rates have generally stayed at USD70,000-80,000 per day.

On the LNG vessel supply side, concentrated deliveries of new vessels have driven fleet growth. As of the end of 2025, the global LNG carrier fleet stood at 745 vessels (excluding LNG bunkering vessels, Floating Storage and Regasification Unit (FSRU), Floating Storage Unit (FSU) and Floating Liquefaction Natural Gas (FLNG)), representing a year-on-year increase of 9.2%.

4. **LPG shipping market**

(1) International shipping market

In 2025, according to Drewry ("**Drewry**"), global LPG trade volume reached 134 million tons, representing a year-on-year increase of approximately 1.9%. Affected by external factors such as geopolitical conflicts and U.S. tariffs, the global LPG trade flows underwent shifts, with more diversified trade routes supporting continued growth in tonne-miles demand. A total of 12 new Very Large Gas Carriers ("**VLGC**") were delivered globally in 2025. In the short term, the growth in global VLGC shipping capacity and demand for such capacity is expected to maintain a dynamic equilibrium.

(2) Domestic shipping market

In 2025, the LPG market remained generally stable. Domestic annual LPG production stood at 53.406 million tons, representing a decrease of 1.6% compared with 2024. LPG export volumes from major domestic large-scale refineries were stable; downstream consumption is projected to reach 77.95 million tons, representing an increase of 3.47% compared with 2024.

5. **Chemical shipping market**

(1) International shipping market

In the first half of 2025, chemical freight rates remained generally muted, with a seasonal recovery in the second half of 2025. According to Drewry, global seaborne trade volume of chemicals/vegetable oils reached 315 million tons in 2025, representing a year-on-year increase of 2.4%. As of the end of December 2025, the global fleet of chemical/vegetable oil tankers stood at 3,019 tankers, representing an increase of 44 tankers compared to the end of 2024.

(2) Domestic shipping market

In 2025, the domestic chemical shipping market faced overall pressure due to weak market demand in the petrochemical industry and rising costs for petrochemical companies.

III. REVIEW OF OPERATING RESULTS DURING THE REPORTING PERIOD

As at 31 December 2025, the Group held and controlled 155 tankers with a capacity of 22.576 million DWT. Among the 87 LNG vessels that the Group has invested in and constructed, 63 LNG vessels with a capacity of 10.662 million cubic metres have been put into operation, and 1 bareboat-chartered LNG vessel with a capacity of 174 thousand cubic metres has also been put into operation. The Group further owned 12 LPG carriers with a total capacity of 0.131 million cubic meters and 9 chemical tankers with a total capacity of 0.084 million DWT.

In 2025, the Group realized a transportation volume (excluding time charters) of 185.12 million tons with a year-on-year increase of 2.6%; transportation turnover (excluding time charters) of 653.4 billion tonne-miles with a year-on-year increase of 8.1%; revenues from principal operations of RMB23.701 billion with a year-on-year increase of 2.3%; cost of principal operations of RMB17.594 billion with a year-on-year increase of 4.1%; and gross profit margin decreased by 1.2 percentage points year-on-year. The profit for the Reporting Period attributable to equity holders of the Company was RMB4.037 billion, remaining largely flat year-on-year; and earnings before interest, taxes, depreciation and amortization (EBITDA) of RMB10.613 billion with a year-on-year increase of 3.4%.

In 2025, against the backdrop of rising external uncertainty and a complex, volatile global energy trade environment, the Group maintained its focus on enhancing customer service capabilities and strengthening the resilience of the global energy supply chain. Adhering to the strategic theme of “pursuing higher quality, greater efficiency and improved returns”, the Group consolidated operational performance and improved operational quality through the coordinated advancement of the following seven core initiatives. During the Reporting Period, the Group achieved the profit for the Reporting Period attributable to equity holders of the Company of RMB4,037 million and a weighted average return on net assets of 10.4% and further optimized gearing ratio to 46.1%, marking a sustained advancement in high-quality development.

Firstly, the Group continued to strengthen the global oil tanker deployment capacity, further optimized the operating network, and effectively responded to market volatility by proactively expanding emerging customers and third-country markets and enhancing the global operations for small and medium-sized tankers. Secondly, the Group achieved high-quality and steady development in LNG transportation business, further consolidated its leading industry position, precisely implemented major projects, steadily enhanced operational management capabilities and consistently contributed stable returns. Thirdly, the Group continued to improve energy and chemical logistics supply chain, with vigorous development of "chain-based" operations, and innovatively launched digital supply chain products "Yuanhai Jincheng" and "Yuanhai Huanyang", achieving an upgrade in end-to-end services. Fourthly, the Group pursued excellence in cost control and capital optimization, and achieved breakthroughs in operating cost control while the advantage in funding costs was further enhanced through comprehensive budgeting and lean management. Fifthly, the Group promoted its green transition through technological innovation, accelerated the fostering of new quality productive forces, expedited the development of applications including intelligent vessel management, commenced the construction of methanol dual-fuel oil tankers, and continuously enriched reserves of green innovative technologies, marking substantive progress in the green transition. Sixthly, the Group continuously improved and upgraded the safety management system, achieved "technology-enabled prevention and intelligent control" by leveraging technology to enhance safety and conducted multiple special safety inspections, safeguarding the Company's high-quality development with high-level safety. Seventhly, the Group achieved remarkable results in capital operations, and efficiently completed the issuance of A Shares to specific target subscribers raising RMB8 billion, introducing long-term investors to optimize the capital structure and injecting new momentum into its long-term development.

1. **Revenue from principal operations**

In 2025, overall conditions of the Group's principal operations classified by products transported and geographical regions were as follows:

Principal operations by products transported

Industry or product	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenue as compared with 2024	Increase/ (decrease) in operating costs as compared with 2024	Increase/ (decrease) in gross profit margin as compared with 2024
	(RMB'000)	(RMB'000)	(%)	(%)	(%)	(percentage points)
Domestic crude oil	3,174,057	2,187,211	31.1	(5.9)	(4.1)	(1.3)
Domestic product oil	2,134,566	1,775,316	16.8	(10.3)	(11.0)	0.6
Domestic oil tanker chartering	148,350	142,000	4.3	18.9	13.9	4.2
Domestic Oil Shipping Sub-Total	**5,456,973**	**4,104,527**	**24.8**	**(7.1)**	**(6.7)**	**(0.3)**
International crude oil	11,248,578	8,961,759	20.3	17.0	13.2	2.6
International product oil	2,339,995	1,778,564	24.0	(6.2)	7.4	(9.6)
International oil tanker chartering	1,497,932	974,529	34.9	(37.5)	(27.8)	(8.8)
International Oil Shipping Sub-Total	**15,086,505**	**11,714,852**	**22.3**	**4.0**	**7.3**	**(2.4)**
Oil Shipping Sub-Total	**20,543,478**	**15,819,379**	**23.0**	**0.8**	**3.2**	**(1.8)**
LNG Shipping	**2,546,847**	**1,290,661**	**49.3**	**14.3**	**11.9**	**1.1**
LPG Shipping	**277,430**	**199,270**	**28.2**	**20.0**	**18.2**	**1.1**
Chemical Shipping	**333,311**	**285,169**	**14.4**	**6.3**	**9.2**	**(2.4)**
Total	**23,701,066**	**17,594,479**	**25.8**	**2.3**	**4.1**	**(1.2)**

Principal operations by Geographical Regions

Regions	Revenue	Operating costs	Gross profit margin	Increase/ (decrease) in revenue as compared with 2024	Increase/ (decrease) in operating costs as compared with 2024	Increase/ (decrease) in gross profit margin as compared with 2024
	(RMB'000)	(RMB'000)	(%)	(%)	(%)	(percentage points)
Domestic shipping	5,741,985	4,337,259	24.5	(5.9)	(5.4)	(0.4)
International shipping	17,959,081	13,257,220	26.2	5.3	7.6	(1.6)
Total	23,701,066	17,594,479	25.8	2.3	4.1	(1.2)

2. **Shipping business – Oil, gas and chemical shipping**

(1) *International oil shipment business*

In 2025, the international tanker fleet of the Group achieved revenue from shipping of RMB15.087 billion, representing a year-on-year increase of 4.0%; gross profit from shipping amounted to RMB3.372 billion, representing a year-on-year decrease of 6.0%; and gross profit margin was 22.3%, representing a year-on-year decrease of 2.4 percentage points.

In the face of the complex situation characterized by intertwined changes in the international shipping market and ongoing geopolitical risks, the Group focused on strengthening the refined operation of the fleet, actively expanding high-quality customers, as well as seizing market fluctuation opportunities to improve overall operational efficiency. This includes:

VLCC fleet:

1) The Group continuously advanced route layout and diversified customer structures. During the Reporting Period, the West Africa eastbound route accounted for 23% of the operating days, while the Brazil and North America eastbound routes accounted for 25% of the operating g days.

2) The Group continued to deepen cooperation with key customers, renewed COA for global routes with large international oil companies, and continuously developed new customers and cargo sources, so as to enhance the ability to withstand external market volatility and further strengthen overall commercial resilience.

International small and medium-sized fleet:

1) The Group continued to advance global business layout, focusing on high-value-added Atlantic, Oceania and trans-Pacific routes beyond the traditional footprint in the Far East-Southeast Asia regions, while actively developing triangular routes and return cargoes.

2) The Group expanded the controlled Aframax fleet capacity through time chartering and deployed tankers for operations in the Atlantic market. The Aframax fleet achieved the global allocation of capacity resources and operations across the Far East-Oceania-US West Coast-Atlantic region, significantly enhancing the fleet's overall profitability.

3) By leveraging the fleet's unique operational advantages of domestic and international trade, as well as crude and product oil tankers coordination, the Group optimized tanker deployment in combination with real-time changes in different market segments, and enhanced overall fleet earnings.

(2) Domestic oil shipping business

In 2025, the domestic tanker fleet of the Group achieved revenue from shipping of RMB5.457 billion with a year-on-year decrease of 7.1%; gross profit from shipping amounted to RMB1.352 billion with a year-on-year decrease of 8.5%; and gross profit margin was 24.8%, representing a year-on-year decrease of 0.3 percentage points.

Operational highlights are as follows:

1) The Group continued to maintain long-term cooperative relationships with major domestic oil companies, leading private refineries and other core customers to ensure the supply of basic cargo. In 2025, the coverage ratio of domestic COA reached approximately 90%.

2) The Group enhanced market sensitivity, actively responded to the domestic trade logistics needs of foreign trade customers, seized the growth opportunities in the transshipment oil market, effectively enriched cargo sources and route layout, and further consolidated market share.

3) The Group deepened business synergies with joint ventures and associates, increased the share of offshore oil transportation business and fleet operational efficiency through cargo exchange, continuously optimized cargo structure and enhanced the proportion of high-quality cargo.

(3) LNG shipping business

In 2025, the Group's LNG shipping segment recorded operating income of RMB2.547 billion, representing a year-on-year increase of 14.3%; investment income amounted to RMB859 million, up 15.3% year-on-year; and contributed the profit for the Reporting Period attributable to equity holders of the Company of RMB895 million, representing a year-on-year increase of 10.4%.

Operational highlights are as follows:

1) The Group actively addressed the challenges posed by intensive new shipbuilding, and ensured effective supervision of the construction and delivery of vessels. During the Reporting Period, the Group acquired a total of 13 LNG carriers, with a steady increase in the fleet capacity.

2) The Group continued to provide customers with safe and efficient transportation services, with continuous enhancement in independent ship management capability. The operational efficiency of project vessels remained stable, together with a steady increase in the profit contribution capacity.

3) The Group strengthened the development of the sea crew pool, with order-based training program for LNG sea crew entering a productive phase, and built high-quality LNG sea crew team and carrier management talent team by actively promoting sound synergy between sea crew transformation and shore-based management.

4) The Group advanced digital transformation by completing the main construction of LNG vessel digital twin platform, along with the testing of data backhaul functions and platform's trial operations, exploring solutions for developing a full-lifecycle digital intelligent vessel operation platform.

(4) LPG shipping business

In 2025, the Group's LPG fleet recorded shipping revenue of RMB277 million, representing a year-on-year increase of 20.0%; gross profit of RMB78 million, up 24.8% year-on-year; and gross profit margin of 28.2%, a year-on-year increase of 1.1 percentage points.

Operational highlights are as follows:

1) The Group further deepened its presence in the international market for VLGC shipping through multi-dimensional efforts, as well as collaborated with leading international traders, energy giants and major domestic importers to jointly explore diversified cooperation models such as long-term charter agreements.

2) The Group actively expanded into the ethylene and liquid ammonia market segments, engaged with prospective domestic and international charterers and customers, and secured stable earnings through long-term charter contracts.

3) The Group advanced the implementation of a small triangular route plan, enhanced operational efficiency of vessels, fully committed itself to ensuring the quality of time charter services, and successfully renewed time chartering and COA contracts, thereby ensuring stable earnings from existing business.

(5) Chemical shipping business

In 2025, the Group's chemical tanker fleet recorded shipping revenue of RMB333 million, representing a year-on-year increase of 6.3%; gross profit of RMB48 million with a year-on-year decrease of 8.4%; and gross profit margin of 14.4%, a year-on-year decrease of 2.4 percentage points.

Operational highlights are as follows:

The Group vigorously expanded its new customers by diversifying cargo sources and route types, and optimized its route layout, improving operational efficiency, while increasing cooperation with major international customers and traders, and actively promoting multiple COA contracts signings.

IV. COSTS AND EXPENSES ANALYSIS

In 2025, the composition of the operating costs of the Group's main businesses is as follows:

	2025 (RMB'000)	2024 (RMB'000) (Restated)	Increase/ (decrease) (%)	Composition ratio in 2025 (%)
Oil shipping costs				
Items				
Fuel costs	**4,964,256**	5,335,145	(7.0)	31.4
Port costs	**1,068,980**	878,644	21.7	6.8
Sea crew costs	**2,216,702**	2,281,104	(2.8)	14.0
Lubricants expenses	**288,493**	307,590	(6.2)	1.8
Depreciation	**3,142,763**	2,911,014	8.0	19.9
Insurance expenses	**193,129**	184,928	4.4	1.2
Repair expenses	**332,729**	397,675	(16.3)	2.1
Charter costs	**2,995,748**	2,557,142	17.2	18.9
Others	**616,579**	468,192	31.7	3.9
Sub-total	**15,819,379**	15,321,434	3.2	100.0
LNG shipping costs				
Items				
Sea crew costs	**283,891**	231,478	22.6	22.0
Lubricants expenses	**33,944**	26,602	27.6	2.6
Depreciation	**598,335**	532,877	12.3	46.4
Insurance expenses(1)	**43,788**	33,013	32.6	3.4
Repair expenses(2)	**275,407**	206,304	33.5	21.3
Others(3)	**55,296**	123,346	(55.2)	4.3
Sub-total	**1,290,661**	1,153,620	11.9	100.0
LPG shipping costs	**199,270**	168,541	18.2	100.0
Chemical shipping costs	**285,169**	261,044	9.2	100.0
Total	**17,594,479**	16,904,639	4.1	100.0

Reasons of the changes in cost and expenses:

1. **LNG Shipping Costs**

   (1) Insurance expenses: The increase was primarily due to higher insurance expenses following the commencement of operations of new vessels.

   (2) Repair expenses: The increase was primarily due to higher repair expenses following the commencement of operations of new vessels.

   (3) Others: The primary reason was the return of relevant expenses to normal levels during the Reporting Period.

V. OPERATING RESULTS OF THE JOINT VENTURES AND THE ASSOCIATES

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

Company name	**Interest held by the Group**	**Shipping volume**	**Operating revenue**	**Net profit (attributed to the parent company)**
		(billion tonne-miles)	(RMB'000)	(RMB'000)
CLNG	50%	81.11	1,203,346	1,040,157

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

Company name	**Interest held by the Group**	**Shipping volume**	**Operating revenue**	**Net profit (attributed to the parent company)**
		(billion tonne-miles)	(RMB'000)	(RMB'000)
Shanghai Beihai Shipping Company Limited	40%	20.68	2,612,860	777,690

VI. FINANCIAL ANALYSIS

1. Net Cash Generated from Operating Activities

The net cash generated from operating activities of the Group for the Reporting Period was approximately RMB7,389,147,000, representing an decrease of approximately 14.7% as compared to approximately RMB8,665,149,000 (restated) for the year ended 31 December 2024.

2. Capital Commitments

	31 December 2025 RMB'000	31 December 2024 RMB'000
Authorised and contracted but not provided for:		
Construction and purchases of vessels (Note)	**15,889,015**	17,330,060

Note: According to the construction and purchase agreements entered into by the Group, these capital commitments will fall due in 2026 to 2028.

3. Capital Structure

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

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

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

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

The Group's net debt-to-equity ratio as at 31 December 2025 and 31 December 2024 is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Total debts	**35,432,667**	36,414,739
Less: cash and bank	**(14,421,861)**	(5,830,380)
Net debt	**21,010,806**	30,584,359
Total equity	**49,643,173**	39,505,861
Net debt-to-equity ratio	**42%**	77%

As at 31 December 2025, the balance of cash and bank amounted to approximately RMB14,421,861,000 representing an increase of approximately RMB8,591,481,000 and by 147% as compared to the end of last year. The Group's cash and bank are mainly denominated in RMB and USD, the remainder are denominated in Euro, Hong Kong dollar and other currencies.

As at 31 December 2025, the Group's net gearing ratio (i.e. net debts over total equity) was 42%, which was 35% less than that as at 31 December 2024. The decrease was primarily due to the proceeds from equity funding during the year, which led to a higher balance of cash and bank.

4. Trade and Bills Receivables and Contract Assets

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade and bills receivables from third parties	**657,745**	612,590
Trade receivables from related companies (Note)	**2,828**	3,657
	660,573	616,247
Less: allowance	**(5,938)**	(6,617)
	654,635	609,630
Contract assets	**1,960,468**	889,798
Less: allowance	**(12,890)**	(5,996)
Total contract assets	**1,947,578**	883,802

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 20 days and therefore all classified as current.

Trade receivables from related companies are unsecured, non-interest-bearing and under normal credit year as other trade receivables.

As at 31 December 2025, trade and bills receivables and contract assets of approximately RMB2,230,257,000 (31 December 2024: approximately RMB1,120,645,000) are denominated in USD.

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	**650,441**	600,619
1–2 years	**2,024**	8,551
Over 2 years	**2,170**	460
	654,635	609,630

5. **Trade Payables**

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables to third parties	**1,193,416**	1,108,230
Trade payables to fellow subsidiaries	**864,488**	848,743
Trade payables to an associate	**1,825**	2,023
Trade payables to related companies (Note)	**13,116**	18,012
	2,072,845	1,977,008

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

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

As at 31 December 2025, trade payables of approximately RMB1,159,750,000 (31 December 2024: approximately RMB1,182,361,000) are denominated in USD.

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	**1,886,189**	1,860,665
1–2 years	**124,716**	17,777
Over 2 years	**61,940**	98,566
	2,072,845	1,977,008

Trade payables are unsecured, non-interest-bearing and are normally settled in 1 to 3 months.

6. Derivative Financial Instruments

As at 31 December 2025, the Group had interest rate swap agreements with total principal amount of approximately USD632,678,000 (equivalent to approximately RMB4,446,967,000) (31 December 2024: approximately USD669,044,000 (equivalent to approximately RMB4,809,356,000)) which will mature in 2031, 2032, 2033, 2034 and 2035 (31 December 2024: 2031, 2032, 2033, 2034 and 2035). These interest rate swap agreements are designated as cash flow hedges in respect of the Group's certain portion of bank borrowings with floating interest rates.

For the year ended 31 December 2025, the floating interest rates of the bank borrowings were 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45% (31 December 2024: 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45%).

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

The Group has the following derivative financial instruments:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets		
Interest rate swaps – cash flow hedges	**81,038**	202,052
Total derivative financial instrument assets	**81,038**	202,052
Non-current liabilities		
Interest rate swaps – cash flow hedges	**16,524**	–
Total derivative financial instrument liabilities	**16,524**	–

7. **Interest-Bearing Bank and Other Borrowings**

As at 31 December 2025 and 31 December 2024, details of the interest-bearing bank and other borrowings are as follows:

	Maturity	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Current liabilities			
(i) Bank borrowings			
Secured	2026	**2,354,573**	1,372,383
Unsecured	2026	**4,904,767**	2,224,211
		7,259,340	3,596,594
(ii) Other borrowings			
Unsecured	2026	**2,788,583**	1,898,004
Secured	2026	**114,877**	21,109
		2,903,460	1,919,113
Interest – bearing bank and other borrowing – current portion		**10,162,800**	5,515,707
Non-current liabilities			
(i) Bank borrowings			
Secured	2027 to 2040	**15,698,914**	17,368,520
Unsecured	2027 to 2035	**1,124,190**	4,737,417
		16,823,104	22,105,937
(ii) Other borrowings			
Unsecured	2027 to 2032	**3,224,292**	4,150,843
Secured	2040 to 2042	**2,265,844**	999,360
		5,490,136	5,150,203
Interest – bearing bank and other borrowing – non-current portion		**22,313,240**	27,256,140

As at 31 December 2025, the Group's interest-bearing bank borrowings were secured by pledges of the Group's 39 (31 December 2024: 37) vessels and 3 (31 December 2024: 4) vessels under construction with total net carrying amount of approximately RMB28,136,648,000 (31 December 2024: approximately RMB25,023,644,000) and approximately RMB2,233,780,000 (31 December 2024: approximately RMB3,110,012,000) respectively.

As at 31 December 2025, secured bank borrowings of approximately RMB16,423,381,000 (31 December 2024: approximately RMB16,986,862,000), unsecured bank borrowings of approximately RMB1,955,412,000 (31 December 2024: approximately RMB2,579,198,000), secured other borrowings of approximately RMB491,271,000 (31 December 2024: Nil) and unsecured other borrowings of nil (31 December 2024: approximately RMB143,768,000) are denominated in USD.

8. **Contingent Liabilities and Guarantee**

(1) Four associates of East China LNG Shipping Investment Co., Limited and North China LNG Shipping Investment Co., Limited, two non-wholly-owned subsidiaries of the Company, entered into a ship building contract for one LNG vessel each. After the completion of their LNG vessels, the four associates would lease the vessels to the lessors in accordance with the signed leasing contracts. In July 2011, the Company provided guarantees to the four associates for their obligations under the leasing contracts, with the guarantee amount not exceeding USD8,200,000 (equivalent to approximately RMB57,636,000). The guarantee period is limited to the lease period.

(2) From 2014 to 2021, the joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company, signed several ship building contracts and leasing contracts with certain third parties. According to those contracts, the Company would provide guarantees to the joint ventures for their obligations under those contracts based on the subsidiary's percentage of shareholdings in the joint ventures. As at 31 December 2025, the amount of the guarantees provided to the shipbuilders was approximately USD276,120,000 (equivalent to approximately RMB1,940,792,000) and the aggregate amount of the guarantees provided to the lessees was USD6,400,000 (equivalent to approximately RMB44,984,000) and EUR4,500,000 (equivalent to approximately RMB37,060,000). The guarantee periods are limited to the lease periods.

(3) In June 2017, the Company provided financial guarantees to three joint ventures of CSLNG, a wholly-owned subsidiary of the Company to the extent of the contract amount of USD377,500,000 (equivalent to approximately RMB2,653,372,000) in respect of the bank borrowings provided by two banks. The guarantee period is limited to 12 years after the vessel construction project of each of the joint ventures is completed. As at 31 December 2025, the balance of the guarantees was approximately USD237,025,000 (equivalent to approximately RMB1,666,002,000).

9. Foreign exchange risk management

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to United States Dollar ("**USD**") and Hong Kong Dollar ("**HKD**") against RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities.

Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

10. Interest rate risk management

Other than the deposits placed with banks and financial institutions and loan receivables, the Group has no other significant interest-bearing assets. As the average interest rates applied to the deposits are relatively low, the Directors are of the opinion that the Group is not exposed to any significant interest rate risk for these assets held as at 31 December 2025 and 31 December 2024.

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

As at 31 December 2025, if interest rates had been 100 basis points higher/lower with all other variables held constant excluding variables with interest rate swap agreements, the Group's profit before tax for the year would have been approximately RMB221,271,000 lower/higher (31 December 2024: approximately RMB184,667,000 lower/higher), mainly as a result of higher/lower interest income on loan receivables and interest expenses on borrowings issued at floating rates.

VII. FLEET DEVELOPMENT

In 2025, the Group's cash expenditure for the construction and purchase of new vessels, was approximately RMB3.824 billion.

As at December 31 2025, the specific composition of the Group's, and joint ventures' and associates' fleet was as follows:

	Tankers in operation			Undelivered Tankers	
Oil tanker fleet	Number	'0000 DWT	Average age	Number	'0000 DWT
Group-owned	141	1,933.52	13.7	18	296.06
Group-chartered	14	324.11	11.2	–	–
Associates-owned	17	114.39	11.6	–	–
Total	**172**	**2,372.02**	**13.3**	**18**	**296.06**

	Vessels in operation			Undelivered Vessels	
LNG carrier fleet	Number	'0000 cubic meters	Average age	Number	'0000 cubic meters
Group-owned	15	261.19	4.3	6	104.90
Group-chartered	1	17.42	5.2	–	–
JVs/associates-owned	48	805.00	6.3	18	332.60
Total	**64**	**1,083.61**	**5.8**	**24**	**437.50**

	Vessels in operation			Undelivered Vessels	
LPG carrier fleet	Number	'0000 cubic meters	Average age	Number	'0000 cubic meters
Group-owned	12	13.07	12.0	2	1.17
Total	**12**	**13.07**	**12.0**	**2**	**1.17**

	Tankers in operation			Undelivered Tankers	
Chemical tanker fleet	Number	'0000 DWT	Average age	Number	'0000 DWT
Group-owned	9	8.44	4.8	1	0.92
Total	**9**	**8.44**	**4.8**	**1**	**0.92**

VIII. OUTLOOK AND HIGHLIGHTS FOR 2026

1. Landscape and trends in the industry

(1) International oil shipping market

With supply-demand fundamentals continuously improving, competitive dynamics shifting and geopolitical risks intensifying, international oil shipping has accelerated into a period of prosperity, with freight rate benchmarks expected to further rise in 2026.

In terms of oil supply and demand, mainstream institutions anticipate that the global oil supply surplus will intensify in 2026. Since OPEC+, led by Saudi Arabia, announced the easing of production cuts in April 2025, the effects of increased output in September and October have become evident. In 2026, OPEC+ still has a remaining production capacity of 2 million bpd available for release, and will seek a balance between "production cuts to support prices" and "increased output to maintain market share" based on oil price movements. The IEA believes that the global oil supply-demand balance remains in severe supply surplus, with crude oil production and inventories surging. It is expected that in 2026, global oil demand will increase by 850,000 bpd year-on-year, while global oil supply will rise by 2.4 million bpd year-on-year.

In terms of shipping demand, global oil trade will clearly present a pattern of "crude oil concentrating on Asia with product oil diversifying and diverging". Asia's position as the world's ultimate consumption center is expected to continue consolidating, while the continuation of geopolitical conflicts and sanctions policies from Europe and the United States may further drive changes in trade patterns, pushing more oil flows toward compliant markets and thereby increasing tonne-mile demand. Meanwhile, production growth in South America, coupled with anticipated output increases from OPEC+, will generate incremental demand to compliant market. Regional divergence in product oil trade has intensified, with a diversified supply pattern emerging. Europe has imposed a comprehensive ban on the indirect imports of product oil derived from Russian crude oil, with its refining capacity shortfall increasingly reliant on imports from Middle Eastern and Asian supplies. India's refining capacity is expected to reach 480,000 bpd in 2026, boosting its product oil exports primarily to Africa, Southeast Asia and Europe.

In terms of tanker supply, a certain number of new ships will be delivered for all types of oil tankers. Among them, it is expected that 35 VLCC tankers will be delivered throughout the year, accounting for 3.9% of the existing fleet; while approximately 46, 77 and 115 Suezmax, Aframax/LR2 and MR tankers will be delivered, accounting for 6.7%, 6.4% and 6.3% of the total number of their respective tanker types, respectively.

Overall, the Company expects that VLCC market will continue to outperform other types in 2026, with geopolitical conflicts periodically intensifying the uncertainty and volatility of freight rates. The aforementioned tonne-mile demand growth will gradually shift to compliant market. Although a small number of new VLCC will be delivered, the tightening European and American sanctions have already constrained a significant portion of non-compliant capacity, further straining global available capacity. Meanwhile, the concentration of the global VLCC has significantly increased, and the shift in the competitive landscape will enhance the influence and bargaining power of shipowners, thereby improving the asset value and profitability of compliant oil tankers.

(2) Domestic oil shipping market

The ongoing implementation of CNOOC's strategy to "increase reserves and production" will drive steady growth in offshore oil transportation demand. In the field of transshipment oil, waterborne transport demand from coastal refineries will remain elevated in the short term, while demand from large refining and petrochemical enterprises will remain stable. Overall, domestic crude oil transport demand is expected to achieve slight increase in 2026 compared to 2025.

Affected by the continuous decline in project oil consumption and the implementation of domestic refinery layout optimization, demand for project oil transportation is gradually shifting towards regional and short-haul distribution, and the domestic project oil transportation market is expected to remain sluggish as a whole.

(3) LNG shipping market

In 2026, new global LNG liquefaction capacity is expected to continue to be released, with LNG trade maintaining its recovery. According to Drewry's forecast, new LNG liquefaction capacity will reach approximately 43 million tonnes per year in 2026, with the United States, Australia and Qatar leading the growth. Supported by the gradual release of new production capacity, global LNG trade is expected to increase by 6.4% year-on-year. Driven by the recovery in industrial activity and expected strengthening demand for urban gas and transportation, China's annual LNG imports are expected to increase by 14% year-on-year.

The LNG spot transportation market may remain under pressure in the short term, with positive expectations gradually being reflected in the medium-to-long-term chartering market. In the short term, the LNG fleet maintains relatively rapid growth, with the spot market supply-demand pattern remaining relatively loose. While the new liquefaction capacity coming online in 2026 will drive growth in trade and vessel demand, the LNG shipping market will continue to see supply outpace demand amid large-scale new vessel deliveries. In addition, the trade arbitrage windows resulting from diverging demand between Europe and Asia, the potential utilization of long-haul routes from the U.S. Gulf to Asia, as well as international trade policies and geopolitical events, will continue to profoundly influence the performance of the spot market.

In the medium and long term, supported by high fluctuations in ship prices, high financing costs, and optimistic outlook for medium-to-long-term transportation demand, medium-to-long-term time charter rates for LNG carriers are expected to remain firm. As the period of concentrated liquefaction capacity commissioning approaches, long-term chartering activity for delivery schedule in 2028–2030 has shown significant signs of recovery by the end of 2025. The medium-to-long-term chartering market is expected to further improve 2026.

In terms of tonnage supply, new vessel deliveries will remain strong in 2026, with Drewry forecasting 85 LNG carriers to be delivered throughout the year. Meanwhile, under the dual pressures of tightening environmental policies and spot market constraints, the scrapping of older vessels is expected to accelerate.

(4) LPG shipping market

According to Drewry's forecast, global LPG trade is expected to continue growing in 2026 to 140 million tons, representing a year-on-year increase of 4.3%. India's imports are expected to grow by 5.4%, providing robust support for the VLGC market. In addition, the integration of the petrochemical industry chain in Asian region and the release of ethane deep-processing capacity are expected to sustain active trade in high-end chemicals such as ethylene. Demand for regional trade in ethylene and ethane will become more prominent, and present development opportunities for domestic trade ethylene transportation. Meanwhile, benefiting from the accelerated green energy transition, demand for green marine fuel and industrial decarbonization in Japan, South Korea and Europe will continue to propel the development of the green ammonia transportation market, thereby driving demand for Very Large Ammonia Carriers (VLAC), Midsize Gas Carrier (MGC) and flexible coastal ammonia carriers, enabling ammonia transportation market to become a medium-to-long-term incremental market.

(5) Chemical shipping market

According to Drewry's forecast, in 2026, the global chemical seaborne trade is expected to increase by 2.2%, with tonne-mile demand rising by 2.5%. In particular, India demonstrates strong import growth potential in sectors such as styrene and ethylene glycol. The integration and complementarity of the petrochemical industry chains within Asia will also drive growth in intra-regional trade volumes. In addition, the potential of the chemical transportation market has also been improved by expanding global demand for biofuels.

2. Development strategies of the Company

Looking forward to the future, the Group will remain steadfast in its vision to become "a leading global energy transporter", focus on the construction of a global digital supply chain for energy and chemicals, adhere to internationalization and diversified development, and strive to achieve the strategic goal of "four global leading". The Group is committed to the mission and responsibilities of national energy transportation and will continue to enhance its competitiveness, innovation, control, influence and risk resistance.

The Group will seek progress while maintaining stability, and strive to promote high-quality development. As the core business of the Company, the oil tanker transportation business will consolidate its leading edge, accelerate strategic structure adjustment and strive to become a leader in the global oil tanker transportation industry. As the second largest core business with relatively concentrated resource allocation, the LNG transportation business will continue to play the role of an efficiency stabilizer, accelerate the improvement of independent capabilities and strive to become a leading global LNG transportation service provider. The LPG transportation business and chemical products transportation business will enhance both operational capabilities and profitability, striving to become a new engine for the Company's high-quality development. The warehousing and terminal business will focus on enhancing efficiency creation capabilities, unleash reform effectiveness, and strive to become an important support for chain-style development. To deliver on its strategic goal, the Company will continuously enhance safety assurance capabilities and establish an integrated safety management system; continuously advance digital and intelligent technology capabilities, unlocking the empowerment of technology and data; enhance the application of the POOL business model to forge differentiated competitive advantages across the industry; accurately grasp the cyclical trends in the shipping and capital markets to realize the "side-by-side advance" of production and capital operations; and accelerate the "low-carbon shipping" transformation in an effort to build a brand image as a "leader in sustainable development".

3. **Plans in 2026**

Based on the domestic and international shipping market conditions in 2026, combined with the Group's deployment of new capacity, the Group expects to achieve operating income of RMB23.17 billion and incur operating costs of RMB17.54 billion in 2026.

Pursuant to the 2026 investment and disposal plan approved by the Board, and based on the delivery schedules under the signed shipbuilding contracts, in 2026, the Group expects to have 4 oil tankers delivered with a total capacity of 294,000 DWT and dispose of 20 oil tankers with a total capacity of 1.767 million DWT; to have 10 LNG carriers delivered with a total capacity of 1.740 million cubic meters (including vessels constructed/purchased by associates and joint ventures); and to have 5 LPG carriers delivered with a total capacity of 185 thousand cubic meters (including vessels under long-term charter).

4. **Work Highlights for 2026**

In 2026, amid the profound restructuring of the global energy industry and supply chains, and against a backdrop of increasingly prominent geopolitical tensions, opportunities and challenges are intertwined. The Group will maintain strategic resolve, focus on enhancing core functions and improving core competitiveness. Guided by the principle of high-quality development, we will strengthen the foundation for sustainable growth and take more solid strides in accelerating the construction of a global digital supply chain for energy and chemicals. The Group will give priority to the highlights as follows:

(1) Strengthen the construction of global hub corridors and modernize the energy transportation system

Focusing on key regions such as the Middle East, Southeast Asia and West Africa, the Group will optimize the global hub network by leveraging geographical advantages and customer distribution, thereby enhancing capabilities in global resource planning, acquisition and operation. Concurrently, the Group will build a premium global logistics network across all business segments, deepen synergies with upstream and downstream enterprises of the supply chain, expand business channels, optimize resource allocation, and drive the transition from "point-to-point international transportation" to "network-based globalized operations".

(2) *Deepen profitability capacity building in main businesses to solidify the foundation for high-quality development*

With respect to the oil tanker shipping segment, multiple measures will be implemented to seize market opportunities and solidify the profitability foundation. The Group will consolidate the leading position in domestic shipping, focus on a global route network for international shipping, scientifically promote coordinated operations of small and medium-sized vessels, and strengthen the POOL brand.

For the LNG shipping segment, the Group will fully advance the development and implementation of key projects, explore extensions of the industrial chain and diversified business layouts such as bunkering vessels and small LNG carriers, enhance LNG vessel management capabilities and sustainable operational levels, and strengthen compliance management system construction.

In terms of the LPG and chemical shipping segments, the Group will continue to consolidate cooperation with core customers, secure long-term contracts, and lock in high-quality cargo sources.

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

The Group will continue to optimize the digital supply chain collaboration platform and the "Yuanhai Jincheng" digital supply chain product, actively promote the construction of a fully integrated digital supply chain for green energy, and persistently develop customized supply chain products. A unified data governance system will be established, integrating technology with business scenarios. The Group will deepen the application of artificial intelligence technology, expand artificial intelligence application scenarios, and build artificial intelligence application clusters. Focus will be placed on deeply integrating artificial intelligence technology into business scenarios such as intelligent scheduling and risk early warning, thereby empowering management decision-making and enhancing operational efficiency.

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

Guided by green and low-carbon research projects, the Group will vigorously advance technological and managerial energy-saving initiatives, actively research, pilot, and iteratively optimize intelligent technologies on vessels. We will improve the ship energy mix, explore application pathways for new energies like green methanol and ammonia fuel, and strive to promote the use of bio-fuel. The Group will advance demonstration and validation of wing-shaped sails for large-sized oil tankers, conduct on-board demonstration research on ship carbon capture devices, strengthen forward-looking technology research and reserves, steadily progress with energy-saving retrofits of existing vessels and investments in new energy vessels, and further refine the low-carbon layout of the fleet.

(5) *Deepen institutional and mechanism reforms to fully stimulate endogenous vitality*

The Group will conclude and summarize the implementation of the 14th Five-Year Plan with high quality and formulate the 15th Five-Year Development Plan in a scientific manner. Aligned with the requirements of "enhancing core functions and improving core competitiveness", emphasis will be placed on ensuring the stability of the global energy supply chain. The Group will reasonably assess the Company's high-quality development objectives, and fully consider the external market environment to further enhance the foresight and operability, thereby clearly defining strategic direction, development goals, and implementation pathways.

(6) *Continuously improve the safety management system and enhance risk prevention and control capabilities*

The Group will continue building an integrated safety governance system, complete the integration of management systems across all business segments, and continuously refine systematic supervision and safety systems. The global emergency support network will be improved, and safety management will shift towards proactive prevention. We will strengthen risk prevention and control for compliance operations, driving the Company's risk control towards strategic risk management. Three lines of defense – business supervision, functional supervision, and specialized supervision – will be consolidated to enhance overall supervisory effectiveness. Focusing on trade secrets and insider information security, multiple measures will be taken to build a robust information security defense.

CORPORATE GOVERNANCE REPORT

The Company has placed much emphasis on corporate governance and accountability. Good corporate governance can improve the Company's scientific decision-making and risk prevention abilities, ensure normal and effective operations, and promote the sustained development of the Company. The Board believes that the Shareholders can derive the greatest benefits from good corporate governance.

I. IMPROVEMENT OF CORPORATE GOVERNANCE

During the Reporting Period, the Company was able to regulate its operations in accordance with domestic and overseas regulatory requirements. In accordance with the Articles of Association, related laws and regulations as well as the securities regulatory rules of the jurisdictions in which the Company was listed, and having regard to the actual conditions of the Company, the Company constantly formulates, improves and implements various operational systems and related procedures for the Board and its special committees.

During the Reporting Period, the Company optimized its governance structure in light of development needs and regulatory practices by abolishing the supervisory committee of the Company (the "**Supervisory Committee**"), thereby further clarifying the boundaries of authority and responsibility between the Board and the Company's management (the "**Management**"). Through the coordinated operation and effective checks and balances among the general meeting, the Board and its special committees, and the Management headed by the Chief Executive Officer (the "**CEO**", "**General Manager**"), coupled with a robust internal control and comprehensive risk management system, the Company's scientific decision-making, operational efficiency, and risk prevention capabilities have been continuously enhanced.

II. CORPORATE CULTURE

The Company believes that a healthy corporate culture is the core of good governance and an important component of the soul and sustainability of an enterprise.

Our corporate vision is "*to be an outstanding leader in global energy transportation*", and to build a world leading energy transportation enterprise characterized by excellence in corporate governance, commercial operations, and value creation.

Linking the world and energy by shipping is the essence and meaning of energy transportation, and it is also our mission. Upholding the corporate values of "Credibility, Safety, Efficiency, and Transformation", during the Reporting Period, by providing safe, reliable and high-quality energy transportation and logistics services, the Company and the Board committed to guaranteeing the safety of energy transportation, serving value growth for the clients, practicing corporate social responsibility and supporting development and growth of employees, and delivering constant flow of energy for the world, the country, the society, clients and employees, so as to ensure a more stable, efficient and resilient energy supply chain, thereby continue to strengthen the Company's cultural framework.

III. SITUATION OF INTERNAL CONTROL AND RISK MANAGEMENT

1. Development

The Company has been consistently dedicated to enhancing and improving its internal control and risk management systems, and comprehensively strengthening the construction of its internal management system through initiatives such as corporate governance enhancement. The Board is responsible for establishing, maintaining, and effectively implementing internal control and risk management. The Management is responsible for organizing and leading the daily operation of the Company's internal control and risk management. The Risk Control and Compliance Management Committee is responsible for guiding the Company's internal audit department in evaluating the effectiveness of internal control and risk management.

In 2025, seizing the opportunity presented by the integration of the chemical logistics and supply chain, the Company adhered to the principle of system integration and comprehensively revised its Corporate Risk and Internal Control Manual (《風險與內部控制手冊》). A total of 40 compliance risk points were identified, embedding compliance requirements and risk prevention measures deeply into 212 internal control processes. This not only addressed prominent issues and weak links, but also extended the coverage of internal control process management to all areas of corporate governance. Furthermore, for key areas such as newbuilding investments, long-term leases, and vessel disposals, the Company formulated and revised compliance due diligence standards and checklists, achieving in-depth integration and synergy among its internal control, compliance, and risk management systems.

2. Management Structure

The Company has established a "Three Lines of Defense" model in accordance with the COSO Framework (Internal Control Framework of the Committee of Sponsoring Organizations) and the Guidelines for Comprehensive Risk Management of Central Enterprises (《中央企業全面風險管理指引》). This model is built upon the foundation of the control environment, risk assessment and response, supervision and improvement, as well as information communication and management. Integrated with various business activities, it collectively forms the Company's operational system for internal control and risk management.

The first line of defense comprises all departments and all units, which are responsible for participating in the construction of the risk control system, implementing systems related to risk management and business control, as well as responding to and reporting risk events; the second line of defense comprises the Company's risk management department, which is responsible for organizing, establishing and maintaining the risk control system, preparing risk control management reports regularly and reporting to the Management, as well as participating in the control of high-risk businesses and giving advice from a risk perspective; and the third line of defense comprises the Company's internal audit department, which is responsible for the construction and evaluation of the risk control system, as well as supervising risk management and internal control.

According to the Rules of Procedures for General Manager's Meeting (總經理辦公會議事規則), the Management makes decisions on significant risk matters; considers and approves the Company's management rules and regulations; considers the Company's annual self-evaluation report on internal control and risk management report, and provides guidance on annual risk management work.

The Company has established the Risk and Compliance Management Committee under the Board. Its main responsibilities include that guides, supervises and reviews the system construction, solutions, and the appropriateness and effectiveness of relevant systems of the Company's risk management, internal control and compliance management, promotes the Company's legal system development and supervises the management's compliance with laws in corporate governance, and manages and oversees the impacts, risks and opportunities related to sustainable development. In 2025, the Risk Control and Compliance Management Committee held four meetings and it reviewed and approved amendments to risk management-related systems, and listened to and examined special reports on the internal control system, production safety, the ongoing risk assessment of COSCO SHIPPING Finance Co., Ltd. ("**COSCO SHIPPING Finance**"), and the forecast of major operational risks. The Committee guided and supervised the Company's compliance management efforts, thereby providing decision-making support to the Board in respect of internal control and risk management.

The Company has established the Audit Committee under the Board, a specialized body whose principal responsibility is to evaluate the effectiveness of internal control work. Its major responsibilities include reviewing the internal control audit report issued by external audit firms, and discussing with external audit firms on problems found and improvements; evaluating internal control evaluation and audit results, thereby supervising the rectification of defects on internal control.

3. Work Results of 2025

(1) Continuously enhance the internal control and risk management system

In 2025, seizing the opportunity presented by the integration of the chemical logistics and supply chain, the Company adhered to the principle of system integration and comprehensively revised its Corporate Risk and Internal Control Manual (《風險與內部控制手冊》). A total of 40 compliance risk points were identified, embedding compliance requirements and risk prevention measures deeply into 212 internal control processes. This not only addressed prominent issues and weak links, but also extended the coverage of internal control process management to all areas of corporate governance. Furthermore, for key areas such as newbuilding investments, long-term leases, and vessel disposals, the Company formulated and revised compliance due diligence standards and checklists, achieving in-depth integration and synergy among its internal control, compliance, and risk management systems.

(2) Continuously refine the framework of rules and regulations

The Company advanced the development of its policies and regulations in tandem with its reform and development efforts. It scientifically formulated an annual plan for the establishment of policies and regulations. Based on the results of internal and external inspections, including internal control evaluations, and regulatory requirements, the Company made comprehensive plans for the "abolition, amendment, and establishment" of its policies and regulations. A total of 123 policies and regulations were newly established or revised, ensuring that the requirements for penetrating supervision are internalized as the Company's internal control objectives and management actions.

(3) Strengthen risk prevention and control in key areas

The Company firmly adhered to the bottom line of preventing major risks, rigorously enforced and refined the four core risk control mechanisms: the early warning and risk identification mechanism, the business due diligence mechanism, the key operation monitoring mechanism and the specific risk assessment mechanism. In 2025, a total of 36 Risk Alert Letters (《風險提示函》) and 49 issues of the Weekly International Risk Information Monitoring Report (《國際風險信息監測週報》) were issued. This ensured the early identification, early warning, and early resolution of major risks.

(4) Strengthen internal control and compliance through digital and intelligent empowerment

The Company actively promoted the transformation of internal control, compliance, and major risk prevention from "human prevention and control" to "technology-enabled prevention and intelligent control", launching the "E-Compliance" digital and intelligent compliance and risk control project. This project, leveraging data as a key element and technology as a core competitiveness, achieves automatic early warning, screening, monitoring, and hard control of key compliance risks across the Company's various business segments, business chains, and supply chains, effectively enhancing the precision and timeliness of risk prevention.

IV. INDEPENDENCE OF THE COMPANY FROM THE CONTROLLING SHAREHOLDER

Save as disclosed in the 2025 Annual Report of the Company (the "**Report**"), the Company is independent of its direct controlling Shareholder, China Shipping Group Company Limited ("**China Shipping**"), and its indirect controlling Shareholder, COSCO SHIPPING, in respect of its business, personnel, asset, organizational structure and finance. The Company has independent and comprehensive business operations and management capabilities.

V. THE ESTABLISHMENT AND IMPLEMENTATION OF THE STAFF SALARY SYSTEM, PERFORMANCE APPRAISAL AND INCENTIVE MECHANISM

The Company determines the remuneration level of its employees based on factors such as profitability, safety management performance, and comprehensive assessment results, continuously optimizing and improving its remuneration distribution system which combines position-based wages and performance-based wages. Wage components include position-based wages, performance-based wages, various allowances and subsidies, and overtime pay. Among them, position-based wages reflect the differences in responsibilities across various positions, while performance-based wages reflect differences in labor contributions. The Company takes the annual comprehensive assessment results and economic benefits as important bases for the allocation of the total wage pool, achieving a two-way linkage between wages and performance – where the total wage pool increases with improved performance and decreases when performance declines. In accordance with the Administrative Measures for Comprehensive Assessment and Evaluation at the Company Headquarters (《公司總部綜合考核評價管理辦法》), quarterly and annual performance assessments are implemented, achieving full coverage across all employees. Performance assessment results are closely tied to employee income, reasonably widening the income gaps between departments and individuals. They are also linked to commendations and awards, highlighting performance achievements. Combined with multi-dimensional evaluations, comprehensive assessments are conducted, with results categorized into four grades: Excellent, Competent, Basically Competent, and Incompetent, thereby fully leveraging the incentive and control functions of the distribution system.

The Company scientifically formulated the 2025 Operating Performance Responsibility Agreement (《2025年度經營業績責任書》), breaking down the Company's operational and management objectives into specific indicators assigned to the Senior Management of the Management. Annual operating performance assessments were conducted for the Senior Management based on this Agreement, comprehensively evaluating their performance of duties and work achievements for the year 2025. Based on the assessment results, the Company strengthened the application of results in its remuneration distribution, reasonably widening the income gap to reflect the principle of "remuneration rises with improving performance and falls with declining performance". This approach stimulates the vitality of the Senior Management and facilitates the achievement of the Company's operational objectives and key work tasks.

The Company has established a remuneration distribution system based on job value and oriented towards performance contribution. Combined with long-term incentive tools such as share option schemes, it has formed a mechanism for sharing interests and risks among Shareholders, the Company, and its employees. In 2025, the Company continued to advance the subsequent implementation work of the 2023 Share Option Incentive Scheme (the "**Incentive Scheme**") (the initial grant and the reserved grant of the options under the Incentive Scheme were completed in June 2024 and February 2025, respectively). Remuneration assessments and settlements for Directors, Senior Management, and core personnel will be conducted based on the annual operating targets and performance assessment methods. During the Reporting Period, the remuneration system operated smoothly, effectively stimulating employee vitality and supporting the Company's high-quality development.

VI. CORPORATE GOVERNANCE REPORT

1. Compliance with Corporate Governance Code

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

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

2. General Meetings

General meetings provide a good opportunity for direct communications and build a sound relationship between the Board and the Shareholders. To ensure that all Shareholders enjoy equal status and are able to exercise their rights effectively, the Company holds general meetings every year in strict compliance with the requirements for notices, convening and meeting procedures laid down by the relevant laws, regulations and the Articles of Association. In 2025, the Company convened four general meetings, and all 29 resolutions together with their sub-resolutions were passed with an approval rate of over 91%. The table on page 51 of the Report shows the attendance of the Directors at the general meetings.

According to the Articles of Association, Shareholders individually or jointly holding more than 10% of the shares with voting rights at the extraordinary general meeting or class general meeting to be convened may sign one or more written requests with the same format and contents to propose to the Board to the convening of an extraordinary general meeting or class general meeting, and specify the topics thereof.

The Board is grateful to Shareholders for their views, and welcomes their questions and concerns raised in relation to the management and governance of the Group. Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company (the "**Company Secretary**") at 7th Floor, 670 Dongdaming Road, Hongkou District, Shanghai, the People's Republic of China (the "**PRC**").

The registered Shareholders are entitled to putting forward a proposal at a general meeting if Shareholder(s) individually or jointly holding more than 1% of the equity of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting within 2 days after receipt of the proposal and announce the contents thereof.

3. The Board

(1) The responsibility of the Board

The Board is elected in the Shareholders' meeting and is responsible to the general meeting.

The Board carries out actions in relation to corporate governance in a conscientious and responsible manner. During the Reporting Period, the Board also performed the following corporate governance duties:

1) to develop and review the Company's policies and practices on corporate governance;

2) to review and monitor the training and continuous professional development of Directors and Senior Management;

3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

5) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

The Company elects its Directors in strict compliance with the procedures for election of Directors as set out in the Articles of Association. Each Director shall act in the interests of the Shareholders, and shall use his best endeavors to perform his/her duties and obligations as a Director in accordance with all the applicable laws and regulations. Duties of the Board include decision-making of the Company's investment scheme and business plan, preparation of the Company's profit distribution and loss recovery proposals, formulation of the Company's capital operation proposal and implementation of resolutions approved at general meetings.

The Board is responsible for leading and controlling the Company as well as supervising the operations, strategic policy and performance of the Group. The Board also delegates authority and responsibility to the Management to manage the Group. In addition, the Board delegates responsibilities to special committees under the Board. Details of those committees are set out in the Report.

(2) Composition of the Board

According to the Articles of Association, all Directors (including independent non-executive Directors) are elected by the general meeting with a term of three years. Directors may be re-elected upon the expiration of their terms. The terms of the independent non-executive Directors shall be the same with the other Directors, but their consecutive tenure shall not exceed six years.

During the Reporting Period, the composition of the Board was as follows:

Executive Directors:
Mr. REN Yongqiang (任永強)
Mr. ZHU Maijin (朱邁進)

Non-executive Directors:
Mr WANG Shuqing (汪樹青)
Mr. WANG Wei (王威)
Ms. WANG Songwen (王松文) (Resigned on 30 June 2025[1])
Ms. ZHOU Chongyi (周崇沂) (Appointed on 30 June 2025[2])
Ms. MA Yuanru (馬媛茹) (Appointed on 23 December 2025[2])

Independent non-executive Directors:
Mr. Victor HUANG (黃偉德)
Mr. LI Runsheng (李潤生)
Mr. ZHAO Jinsong (趙勁松)
Mr. WANG Zuwen (王祖溫)

Notes:

1. Due to reaching the statutory retirement age, Ms. WANG Songwen tendered her resignation to the Board, voluntarily resigning from her position as a non-executive Director of the Company, with effect from 30 June 2025.

2. The extraordinary general meeting of the Company approved the appointments of Ms. ZHOU Chongyi and Ms. MA Yuanru as non-executive Directors of the Company. Their respective terms of office commence on the date of approval by the general meeting and will expire on 28 June 2027.

Members of the Board, including the Chairman and the CEO, do not have any financial, business, family or other major/related relationship with one another. Such a balanced structure ensures the solid independence of the entire Board. Its composition has complied with the requirement under the Listing Rules that at least one third of the members of the Board shall be independent non-executive Directors. The biographies of all Directors are set out on pages 252 to 254 of the Report and contain details on the diversified skills, expertise, experience and qualifications of all Directors.

The Board adopted the board diversity policy (the "**Board Diversity Policy**") in accordance with the requirement set out in the Corporate Governance Code. Such policy aims to set out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates shall be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision shall be based on merit and contribution that the selected candidates shall bring to the Board. As at the end of the Reporting Period, the Board of Directors consisted of 2 female Directors among the 10 Directors. The Board aims to maintain at least the current level of female representation in the Board. For more details of the diverse background, age, experience and qualifications of the Board members, please refer to the profiles of Directors and the Senior Management on pages 252 to 256 of the Report. The Board and the Nomination Committee consider that the composition of the Board and the background of its members are in compliance with the requirements of the Listing Rules in relation to diversity of directors and objectives of the Company's regarding board diversity (including gender diversity). The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy. The Board will also review annually the implementation and effectiveness of the Board Diversity Policy.

Measurable objectives

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

1) Independence: The Board should have a majority of non-executive Directors (including independent non-executive Directors) on the Board. The independent non-executive Directors shall be of sufficient calibre and stature for their views to carry weight.

2) Skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities.

3) Gender equality: The Board current consists of 2 female Director.

Apart from the above objectives, the composition of the Board has complied with the following objectives with the Listing Rules:

1) Rules 3.10A: at least one third of the members of the Board shall be independent non-executive Directors;

2) Rules 3.10(1): at least three of the members of the Board shall be independent non-executive Directors; and

3) Rules 3.10(2): at least one independent non-executive Director shall have obtained appropriate professional qualifications or accounting or related financial management expertise.

The Board has achieved such measurable objectives for board diversity and complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules.

To maintain board diversity (including gender diversity) in the coming years, the Nomination Committee will continue to give an adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board.

By the end of the Reporting Period, the Senior Management of the Company (excluding Directors) consisted of 4 males and 3 females; the fair gender structure of the shore-based employees indicates a total of 612 (approximately 68.76%) male employees and 278 (approximately 31.24%) female employees. In light of the Company's business nature and operation needs, the Board considers that the management and employees of the Company are gender-diverse.

(3) The responsibility of Directors

The Board ensures that each newly appointed Director has proper understanding of the operations and businesses of the Group and is fully aware of his/her responsibilities under the relevant rules and regulations and the common law, the Listing Rules, applicable statutory requirements and other regulatory requirements and the business and governance policy of the Company. Directors should closely follow the changes in legislations and compliance, operations and markets as well as the strategic development of the Group and be continuously updated about the relevant knowledge so as to perform their duties. Independent non-executive Directors play an active role in Board meetings and can make contribution to the formulation of strategies and policies and make reliable judgement on strategy, policy, performance, accountability, resources, major appointment and code of conduct. They also serve as members of various Board committees to monitor the overall performance of the Group in achieving pre-determined corporate objectives and benchmarks and preparing reports on such performance.

4. Performance of Independent Non-Executive Directors' Duties

The Company has adopted the rules and procedures on independent non-executive Directors' work. During the Reporting Period, the Company had four independent non-executive Directors, exceeding one-third of the total number of Directors, in compliance with the minimum number of independent non-executive directors required under the Listing Rules. The four independent non-executive Directors possess respective expertise in finance, corporate management, law and maritime affairs, with extensive professional experience in these fields. Mr. Victor HUANG, an independent non-executive Director, has appropriate accounting and financial experience as required under Rule 3.10 of the Listing Rules. For the biographical details of Mr. Victor HUANG, please refer to the section headed "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" in the Report. The four independent non-executive Directors do not hold other positions in the Company. They perform their duties in accordance with the Articles of Association and the relevant requirements under the applicable laws and regulations.

In 2025, the independent non-executive Directors of the Company earnestly and diligently performed their duties in accordance with the relevant laws and regulations and the Articles of Association. The independent non-executive Directors actively attended Board meetings during the Reporting Period, thoroughly reviewed all proposals submitted by the Company, provided independent and objective opinions to safeguard the legitimate rights and interests of the Company and all its Shareholders as a whole, played a crucial balancing role in the decision-making process of the Board. The independent non-executive Directors conscientiously examined the Company's periodic reports, maintained regular communications with external auditors in regular and special meetings before and after their year-end auditing. Such meetings were held prior to Board meetings. During the Reporting Period, the independent non-executive Directors did not raise any objection to the Board's proposals or other matters.

The Company has received confirmation from each of the independent non-executive Directors about their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that the independent non-executive Directors are completely independent of the Company, its substantial Shareholders and its affiliates and comply fully with the requirements concerning the independent non-executive Directors under the Listing Rules.

5. Mechanisms to Ensure Independent Views

The Company ensures independent views and input are available to the Board via the below mechanisms:

(1) The Board composition and the independence of the independent non-executive Directors should be reviewed by the Nomination Committee on an annual basis, in particular the portion of the independent non-executive Directors.

(2) A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.

(3) In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions in relation to the transactions with the controlling shareholders and/or its associates.

(4) The chairman of the Board shall meet with independent non-executive Directors at least once annually.

(5) All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the company policy (if necessary).

The Board reviews the implementation and effectiveness of the mechanisms for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice. The Board considers that the above mechanisms and implementation are effective to ensure independent views and inputs are available to the Board.

6. Securities Transactions by Directors

The Company has adopted a code of conduct regarding directors' and relevant employees' securities transactions in accordance with the required standard set out in the Model Code set out in Appendix C3 of the Listing Rules. Having made specific enquiries of all Directors, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the Reporting Period.

7. Board Meetings

According to the provisions of the Articles of Association and the Rules of Procedure for Board Meetings, during the Reporting Period, the Board convened a total of 17 meetings, at which a total of 84 proposals were reviewed or considered and resolutions were passed, in order to evaluate the Company's financial and operational performance. The Chairman of the Board also held meetings with the independent non-executive Directors without the attendance of other Directors. The following table shows the attendance of the Directors at the Board meetings and general meetings.

	Rate of attendance for Board meeting	Rate of attendance for general meeting
Executive Directors:		
Mr. REN Yongqiang (任永強) (Chairman)	17/17	4/4
Mr. ZHU Maijin (朱邁進) (CEO)	17/17	4/4
Non-executive Directors:		
Mr. WANG Shuqing (汪樹青)	17/17	4/4
Mr. WANG Wei (王威)	17/17	4/4
Ms. WANG Songwen[1] (王松文)	8/8	0/0
Ms. ZHOU Chongyi[2] (周崇沂)	9/9	3/3
Ms. MA Yuanru[2] (馬媛茹)	1/1	1/1
Independent non-executive Directors:		
Mr. Victor HUANG (黃偉德)	17/17	4/4
Mr. LI Runsheng (李潤生)	17/17	4/4
Mr. ZHAO Jinsong (趙勁松)	17/17	4/4
Mr. WANG Zuwen (王祖溫)	17/17	4/4

Notes:

1. Due to reaching the statutory retirement age, Ms. WANG Songwen tendered her resignation to the Board, voluntarily resigning from her position as a non-executive Director of the Company, with effect from 30 June 2025.

2. The extraordinary general meeting of the Company approved the appointments of Ms. ZHOU Chongyi and Ms. MA Yuanru as non-executive Directors of the Company. Their respective terms of office commence on the date of approval by the general meeting and will expire on 28 June 2027.

All Board meetings were attended by dedicated minute-takers to document the proceedings, and all approved matters were formally recorded as resolutions. These records are properly archived in accordance with relevant laws, regulations, and the Articles of Association.

8. **Chairman and CEO**

The positions of the Chairman of the Board and the CEO are assumed by different individuals so as to maintain independence and balanced judgment views. The Board has appointed Mr. REN Yongqiang as the Chairman. The Chairman is responsible for execution and leading the Board so that the Board can operate and perform its duties effectively and handle all important and appropriate issues in a timely manner. Mr. ZHU Maijin, being the CEO and an executive Director, is responsible for executing the business policy and decisions on management and operations of the Group.

9. **The Professional Committees of the Board**

In compliance with the Code Provisions set out in the Corporate Governance Code in Appendix C1 of the Listing Rules, the Company has established five professional committees under the Board, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the Risk Control and Compliance Management Committee.

(1) Audit Committee

As of the end of the Reporting Period, the Audit Committee comprised two independent non-executive Directors and one non-executive Director with Mr. Victor HUANG being the Chairman. The duties of the Audit Committee mainly include the review of the Company's financial reports, consideration of the appointment of independent domestic and international auditors, approval of audit-related services, supervision over the Company's internal financial reporting procedures and management policies. At least four meetings of the Audit Committee are convened annually to review the accounting policies, risk management and internal control system adopted by the Company and the relevant financial issues, so as to ensure the completeness, fairness and accuracy of the Company's financial statements and other relevant information.

The following table shows the attendance of members of the Audit Committee during the Reporting Period:

Members of the Audit Committee	Rate of attendance
Mr. Victor HUANG (黃偉德) (Chairman)	7/7
Mr. WANG Wei (王威)	7/7
Mr. ZHAO Jinsong (趙勁松)	7/7

The following are the work reports prepared by the Audit Committee in respect of the performance of its responsibilities relating to the interim and annual results and the review of the internal control system and the performance of the other responsibilities set out in the Corporate Governance Code during the Reporting Period.

In 2025, the Audit Committee held a total of 7 meetings, during which it reviewed and considered 17 proposals (reports). The proposals were as follows:

1) Proposal on the Revision of *the Internal Audit Work System*

2) Proposal on the Company's 2025 Plan for Currency-related Financial Derivatives Business

3) Proposal on the Company's Key 2024 Final Financial Accounts Data

4) Report on SHINEWING regarding the 2024 Audit Work

5) Proposal on the Company's 2024 Internal Control Evaluation Report

6) Proposal on the Company's 2024 Internal Audit Work and the 2025 Internal Audit Project Plan

7) Proposal on the Audit Committee's 2024 Work Report

8) Proposal on the Company's 2024 Annual Report (A Shares/H Shares)

9) Proposal on the Company's 2024 Connected Transaction Report

10) Proposal on the Company's 2025 First Quarterly Report

11) Proposal on the Re-appointment of the Company's Financial Controller

12) Proposal on the Appointment of the Auditors for 2025

13) Proposal on the Revision of *the Rules of Procedure of the Audit Committee*

14) Proposal on the Company's 2025 Interim Financial Report and Review Report

15) Proposal on the Company's 2025 Interim Report and Interim Results Announcement

16) Proposal on the Company's 2025 Third Quarterly Report

17) Proposal on the Company's 2025 A + H Shares Audit Work Plan

The Audit Committee holds at least two meetings with the external auditors each year to discuss any issues in the course of the auditing and management is not allowed to attend the meeting. In 2025, the Audit Committee held 2 meetings with the external auditors. The Audit Committee reviews the interim and annual reports before submitting the results to the Board. When reviewing the interim and annual reports, the Audit Committee not only pays attention to changes in the accounting policies and practices but also complies with the relevant requirements, under such accounting policies, the Listing Rules and relevant laws. There was no disagreement between the Board and the Audit Committee regarding the selection and appointment of the external auditors.

(2) Remuneration and Appraisal Committee

As of the end of the Reporting Period, the Remuneration and Appraisal Committee comprised three independent non-executive Directors with Mr. LI Runsheng being the Chairman. The Remuneration and Appraisal Committee has adopted the provisions of the Corporate Governance Code. Its principal responsibilities are as follows:

1) to make recommendations to the Board on the overall remuneration policy and structure of the Directors and Senior Management of the Company; and to make recommendations to the Board on the establishment of a formal and transparent procedure for formulating such remuneration policy; to review and approve the Senior Management's remuneration proposals with reference to the Board's corporate goals and objectives; and

2) to recommend to the Board regarding the remuneration packages of individual executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments (including those relating to loss or termination of office or appointment), to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules and to make recommendations to the Board on the remuneration of non-executive Directors. The Remuneration and Appraisal Committee should consider the factors such as remuneration paid by comparable companies, time required for the Directors and their duties, the employment conditions of other positions within the Group and the desirability of performance-based remunerations.

The following table shows the attendance of members of the Remuneration and Appraisal Committee during the Reporting Period:

Members of the Remuneration and Appraisal Committee	**Rate of attendance**
Mr. LI Runsheng (李潤生) (Chairman)	3/3
Mr. Victor HUANG (黃偉德)	3/3
Mr. WANG Zuwen (王祖溫)	3/3

In 2025, the Remuneration and Appraisal Committee held a total of 3 meetings, during which it reviewed and considered 4 proposals. The proposals were as follows:

1) Proposal on the Remuneration of Senior Management for 2024

2) Proposal on the Remuneration Scheme for Directors for 2025

   2.1 Remuneration Scheme for non-independent Directors

   2.2 Remuneration Scheme for Independent Directors (Committee members abstained from voting on proposals concerning their respective remuneration schemes)

   2.3 Procurement of Liability Insurance for the Company's Directors, Supervisors and Senior Management

3) Proposal on the Revision of *the Rules of Procedure of the Remuneration and Appraisal Committee*

4) Proposal on the Signing of Documents Supporting the Term-based and Contractual Management System for Management Members for 2025-2027

(3) Nomination Committee

Pursuant to the Articles of Association, election and replacement of Directors of the Company shall be proposed to a general meeting for approval. Shareholders whose shareholding represents 1% or more of the voting shares of the Company are entitled to make such proposal and request the Board to authorize the Chairman to consolidate a list of Director candidates nominated by the Shareholders who are entitled to make a proposal. As authorized by the Board, the Chairman shall consolidate a list of Director candidates and order the Secretariat of the Board together with the relevant departments to prepare the relevant procedural documents.

Pursuant to the Articles of Association, the Company is required to give notice of a general meeting to Shareholders in writing 20 days (if it is an annual general meeting) and 15 days (if it is an extraordinary general meeting) in advance and dispatch a circular to the Shareholders. Pursuant to Rule 13.51(2) of the Listing Rules, the list, resume and emoluments of the candidates for directorship must be set out in a circular to the Shareholders to facilitate voting by Shareholders. The new Directors must be approved by more than half of the total voting shares held by the Shareholders present in person or by proxy at the general meeting.

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to the Shareholders for election as Directors at general meetings. When the Nomination Committee considers it appropriate, it invites nominations of candidates from Board members or any person and makes recommendations for the Board's consideration and approval.

In assessing the suitability of a proposed candidate, the Nomination Committee would consider factors including without limitation the following:

1) reputation for integrity;

2) experience in shipping industry and/or business strategy, management, legal and financial aspects;

3) whether the proposed candidate is able to assist the Board in effective performance of its responsibilities;

4) the perspectives and skills that the proposed candidate is expected to bring to the Board;

5) diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

6) commitment in respect of available time and relevant interest; and

7) in the case of selection for independent non-executive Directors, the independence of the proposed candidate.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

As of the end of the Reporting Period, the Nomination Committee comprised three independent non-executive Directors and one non-executive Director with Mr. WANG Zuwen being the Chairman.

The following table shows the attendance of members of the Nomination Committee during the Reporting Period:

Members of the Nomination Committee	Rate of attendance
Mr. WANG Zuwen (王祖溫) (Chairman)	4/4
Ms. ZHOU Chongyi[1] (周崇沂)	3/3
Mr. Victor HUANG (黃偉德)	4/4
Mr. LI Runsheng (李潤生)	4/4

Note:

1. On 30 June 2025, the Board approved the co-option of Ms. ZHOU Chongyi, non-executive Director, as a member of the Nomination Committee.

In 2025, the Nomination Committee held 4 meetings, during which it reviewed and considered 8 proposals. The proposals were as follows:

1) Proposal on the Re-appointment of the General Manager

2) Proposal on the Re-appointment (Appointment) of the Deputy General Managers and the Financial Controller

3) Proposal on the Re-appointment of the Company Secretary

4) Proposal on the Appointment of Ms. ZHOU Chongyi as a Non-executive Director of the Company

5) Proposal on the Revision of *the Rules of Procedure of the Nomination Committee*

6) Proposal on the Appointment of New Deputy General Managers

7) Proposal on the Appointment of Ms. MA Yuanru as a Non-executive Director of the Company

8) Proposal on the Appointment of the General Counsel

(4) Strategy Committee

The Strategy Committee is responsible for studying the Company's medium to long-term development strategies and plans, major investment decisions, and significant strategic matters affecting the Company's business development direction. It also guides the formulation of sustainable development strategies, objectives, and management policies, with responsibility for regularly monitoring related progress. As at the end of the Reporting Period, The Strategy Committee consisted of seven Directors, including two executive Directors, three non-executive Directors, and two independent non-executive Directors with Mr. REN Yongqiang was the Chairman. Independent non-executive Directors, namely Mr. LI Runsheng and Mr. ZHAO Jinsong leveraged their extensive professional expertise in petrochemical and maritime law domains, along with their distinguished work experience, to provide strategic counsel for the Company's sustainable development, serving as key advisors and think-tank contributors.

The following table shows the attendance of members of the Strategy Committee during the Reporting Period:

Members of the Strategy Committee	Rate of attendance
Executive Directors:	
Mr. REN Yongqiang (任永強) (Chairman)	4/4
Mr. ZHU Maijin (朱邁進)	4/4
Non-executive Directors:	
Mr. WANG Shuqing (汪樹青)	4/4
Mr. WANG Wei[2] (王威)	4/4
Ms. WANG Songwen[1] (王松文)	3/3
Ms. ZHOU Chongyi[1] (周崇沂)	1/1
Ms. MA Yuanru[2] (馬媛茹)	0/0
Independent non-executive Directors:	
Mr. LI Runsheng (李潤生)	4/4
Mr. ZHAO Jinsong (趙勁松)	4/4

Notes:

1. On 30 June 2025, the Board approved the co-option of Ms. ZHOU Chongyi, non-executive Director, as a member of the Strategy Committee; on the same day, Ms. WANG Songwen resigned from her positions as a non-executive Director and member of the Strategy Committee.

2. On 26 December 2025, the Board approved the co-option of Ms. MA Yuanru, non-executive Director, as a member of the Strategy Committee; on the same day, Mr. WANG Wei, non-executive Director, ceased to be a member of the Strategy Committee.

In 2025, the Strategy Committee held 4 meetings, during which it reviewed and considered 7 proposals. The proposals were as follows:

1) Proposal on the Proposed Issuance of A Shares to Specific Target Subscribers by the Company in 2025

2) Proposal on the Preliminary Plan for the Issuance of A Shares to Specific Target Subscribers in 2025

3) Proposal on the Discussion and Analysis Report on the Proposal of the Issuance of A Shares to Specific Subscribers by the Company in 2025

4) Proposal on the Feasibility Analysis Report on the Use of Proceeds from the Proposed Issuance of A Shares to Specific Target Subscribers by the Company in 2025

5) Proposal on the 2025 Investment Plan and Disposal Plan

6) Proposal on the 2024 Sustainability Report

7) Proposal on the Revision of *the Rules of Procedure of the Strategy Committee*

The Strategy Committee, together with the Board, participates in the formulation and review of policies and practices relating to the sustainable development and environmental, social and corporate governance ("**ESG**") matters of the Company. It also monitors ESG material topics that may affect the Company's business, operations, and shareholders and other stakeholders' interests and assumes full responsibility for ESG strategies and reporting.

In 2025, given both internal and external changes and current development of the Company, the Strategy Committee, together with the Board, re-evaluated material topics and their ranking, prioritized 18 material topics related to governance, economy, and environment, as well as society to address stakeholder concerns.

In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Strategy Committee, together with the Board, focus on the key factors affecting climate change in the shipping industry to identify climate change-related risks and opportunities and their potential financial impact in the short, medium and long run; and ultimately, to enhance our adaptability to uncertain climatic conditions.

For more details of our ESG performance, please refer to the Company's 2025 Sustainability Report.

(5) Risk Control and Compliance Management Committee

In order to effectively to promote the rule of law of listed companies as required by supervisory agencies at home and abroad, and to give full play of the functions of special committees of the Board in the rule of law and risk control management, the Company has established the Risk Control and Compliance Management Committee under the Board. As of the end of the Reporting Period, the Risk Control and Compliance Management Committee consisted of three Directors, two of whom are independent non-executive Directors, with Mr. ZHAO Jinsong being the Chairman.

The following table shows the attendance of members of the Risk Control and Compliance Management Committee during the Reporting Period:

Members of the Risk Control Committee	**Rate of attendance**
Mr. ZHAO Jinsong (趙勁松) (Chairman)	4/4
Mr. REN Yongqiang (任永強)[1]	4/4
Mr. WANG Wei (王威)[1]	0/0
Mr. WANG Zuwen (王祖溫)	4/4

Note:

1. On 26 December 2025, the Board approved the co-option of Mr. WANG Wei, non-executive Director, as a member of the Risk Control and Compliance Management Committee, and Mr. REN Yongqiang, executive Director, ceased to be a member of the Risk Control and Compliance Management Committee on the same day.

In 2025, the Risk Control and Compliance Management Committee held a total of 4 meetings, during which it reviewed and considered 8 proposals. The proposals were as follows:

1) Proposal on the Revision of Three Policies Including *the Internal Control and Risk Management Policy*

2) Proposal on the Company's 2025 Plan for Currency-related Financial Derivatives Business

3) Proposal on the 2024 Internal Control System Work Report

4) Proposal on the Ongoing Risk Assessment Report for COSCO Shipping Finance Co., Ltd.

5) Proposal on the Company's 2024 Safety Work Report

6) Proposal on the 2025 Forecast and Assessment Report on Major Operational Risks

7) Proposal on the Revision of *the Rules of Procedure of the Risk Control and Compliance Management Committee*

8) Proposal on the Ongoing Risk Assessment Report for COSCO Shipping Finance Co., Ltd.

10. Accountability and Audit

(1) Financial Reporting

The Board recognises the importance of integrity of financial information and acknowledges its responsibility for preparing interim financial information and annual consolidated financial statements that give a true and fair view of the Group's affairs and its consolidated financial performance and its consolidated cash flows in accordance with the HKFRS and have been properly prepared in compliance with the disclosure requirements of Companies Ordinance (Cap. 622 of the Laws of Hong Kong) ("**Hong Kong Companies Ordinance**"). In presenting the financial information, as well as price-sensitive announcements and other financial disclosures as required by regulations, the Board endeavors to present in a timely manner to Shareholders and other stakeholders a balanced and understandable assessment of the Company's performance, position and prospects. Accordingly, appropriate accounting policies are selected and applied consistently, and judgements and estimates made by management for financial reporting purpose are prudent and reasonable. Prior to the adoption of the financial statements and the related accounting policies, the relevant financial information is discussed between the external auditors and management, and then submitted to the Audit Committee for review.

Management provides relevant explanations and information to the Board so that the Board can make informed assessments on the financial and other information submitted to it for approval.

The Board has confirmed its responsibility for preparing financial reports that can reflect the consolidated financial position of the Group in a true and fair way for each financial year. When submitting quarterly results, interim financial information and annual consolidated financial statements and announcement to Shareholders, Directors shall strive to submit a balanced and easily comprehensible assessment on the present conditions and prospects of the Group.

The Board is not aware of any material uncertainties on events or conditions which cast significant doubt on the sustained operating capability of the Group. Therefore, the Board will continue to adopt the sustained operating basis in preparation of the consolidated financial statements.

The Board has confirmed its responsibility for providing balanced, clear and easily comprehensible assessments in the Company's annual reports and interim reports, other price-sensitive announcements and other financial disclosures required by the Listing Rules and reporting to the regulatory bodies.

All Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2025. ShineWing Certified Public Accountants LLP ("**ShineWing**") and SHINEWING (HK) CPA Limited ("**SHINEWING Hong Kong**"), the domestic and international auditors of the Company respectively, acknowledge reporting responsibilities in the auditor's reports on the consolidated financial statements for the year ended 31 December 2025.

(2) Reappointment of Auditors

In accordance with the relevant regulations of the State-owned Assets Supervision and Administration Commission of the State Council ("**SASAC**") of the PRC and the Ministry of Finance of the PRC, and pursuant to the resolution passed at the Company's 2024 Annual General Meeting held on June 30 2025, the Company reappointed ShineWing and SHINEWING Hong Kong as the domestic auditor and overseas auditor of the Company for 2025, respectively.

For the years from 2022 to 2023, the domestic auditor and overseas auditor of the Company were ShineWing and PricewaterhouseCoopers, respectively. In 2024, taking into account the Company's business conditions and audit service needs, and with the approval of its Shareholders, the Company changed the appointment of its overseas auditor for 2024 to SHINEWING Hong Kong. For 2025, the Company continued to engage these firms, thereby maintaining the continuity and stability of its audit work. Save as aforesaid, there are no other changes in the auditors of the Company in the preceding three years.

(3) External Auditors and Their Remuneration

External auditors provide an objective assessment of the financial information presented by management and are regarded as one of the essential elements for ensuring effective corporate governance. Approved at the Company's 2024 Annual General Meeting, the review/audit fees for 2025 payable to ShineWing and SHINEWING Hong Kong were RMB3.1 million (tax inclusive, including fees for the internal control audit) and RMB2.376 million (tax inclusive), respectively.

Based on the above engagement, during 2025, the Company paid review/audit fees of RMB2.46 million and internal control audit fees of RMB0.64 million to ShineWing, and paid review/audit fees of RMB2.376 million to ShineWing Hong Kong.

In addition to the above, during the year of 2025, the Company paid non-audit fees of RMB893 thousand and RMB0 to ShineWing and SHINEWING Hong Kong, respectively.

(4) Internal Control and Risk Management

The Board is responsible for maintaining an adequate system of internal control and risk management and reviewing its effectiveness. The internal control and risk management system is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorized use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations. Further, the internal control and risk management system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against any material misstatement or loss.

During the year, the Audit Committee, as delegated by the Board, has reviewed the adequacy and effectiveness of the Group's internal controls, risk management and internal audit function, including financial, operational and compliance controls and risk management. It has also considered the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting functions and their training programs and budgets.

The Company considers the risk management and internal control system effective and adequate during the Reporting Period.

(5) Internal Audit

The Group has continued to engage the internal audit department to perform internal audits for the Group. The internal audit department performs independent internal audit reviews for all business units and functions in the Group on a systematic and ongoing basis. The frequency of review of individual business units or functions is determined after an assessment of the risks involved. The Audit Committee endorses the internal audit plan annually. The internal audit department has unrestricted access to all parts of the business and direct access to any level of management including the chairman of the Board and the chairman of the Audit Committee as it considers necessary. It submits regular reports for the Audit Committee's review in accordance with the approved internal audit plan. Concerns which have been reported by the internal audit department are monitored by management by taking appropriate remedial actions.

(6) Inside Information

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under Part XIVA of the SFO (Cap. 571 of the Laws of Hong Kong) and the Listing Rules and has established the inside information disclosure policy with close regard to the "*Guidelines on Disclosure of Inside Information*" (《內幕信息披露指引》) issued by the Securities and Futures Commission.

11. Delegation by the Board

Management is authorized to carry out daily management of the Company. Department heads are responsible for various aspects of the operations. The major corporate matters delegated by the Board to management include the preparation of quarterly results, interim and annual reports and announcements (for approval by the Board before publication), the execution of business strategies and measures adopted by the Board, the implementation of the internal control system and risk management procedure and compliance with relevant statutory requirements, rules and regulations.

12. Directors' and Company Secretary's Continuing Professional Development Program

Each newly appointed Director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations.

Directors' training is an ongoing process. During 2025, Directors were provided with Weekly/monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the Reporting Period, a summary of training received by the Directors is as follows:

Directors	Continuous Professional Development Program
Executive Directors:	
Mr. REN Yongqiang (任永強) (Chairman)	A, B, C
Mr. ZHU Maijin (朱邁進) (CEO)	A, B, C
Non-executive Directors:	
Mr. WANG Shuqing (汪樹青)	A, B, C
Mr. WANG Wei (王威)	A, B, C
Ms. WANG Songwen (王松文)	A, B, C
Ms. ZHOU Chongyi (周崇沂)	A, B, C, D
Ms. MA Yuanru (馬媛茹)	A, B, C, D
Independent non-executive Directors:	
Mr. Victor HUANG (黃偉德)	A, B, C
Mr. LI Runsheng (李潤生)	A, B, C
Mr. ZHAO Jinsong (趙勁松)	A, B, C
Mr. WANG Zuwen (王祖溫)	A, B, C

Notes:

A: Literally learning the materials from the Company relating to latest regulatory information

B: Video training for Directors provided by SASAC, the Shanghai Stock Exchange, and the Listed Companies Association

C: On-site training programs arranged by the Company and external service providers

D: Ms. ZHOU Chongyi and Ms. MA Yuanru attended initial director training on 26 June 2025 and 16 December 2025, respectively. An external legal advisor provided legal advice on Hong Kong laws concerning the provisions of the Listing Rules applicable to them as directors of a listed company, their directors' duties and responsibilities, and the consequences of making false declarations or providing false information to regulatory authorities. Ms. ZHOU Chongyi and Ms. MA Yuanru acknowledged that they understood the information provided by the legal advisor.

In 2025, the Company Secretary took no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

13. **Directors' Insurance**

The Company has arranged appropriate insurance cover in respect of potential legal actions against the Directors.

14. **Adjustments to the Supervisory Committee and Internal Supervision Mechanism**

(1) *Operation of the Supervisory Committee during the Reporting Period*

Prior to 10 October 2025 (the effective date of the change), the Company had a Supervisory Committee consisting of four supervisors (the "**Supervisor(s)**", including two employee representatives). During the Reporting Period, the Supervisory Committee performed its supervisory duties in accordance with the Articles of Association and relevant regulatory requirements, reviewing matters such as the Company's financial condition, connected transactions, and compliance with laws and regulations. The Chairman of the Supervisory Committee was Mr. WENG Yi, and its members included Mr. YANG Lei, Mr. CHEN Hua (employee representative) and Mr. WANG Zhenming (employee representative). From 1 January 2025 until the date the Supervisory Committee ceased to perform its duties, it held 6 meetings and effectively fulfilled its supervisory role.

(2) *Optimization and Adjustment of the Internal Supervision Mechanism*

In response to the requirements of *the Company Law of the People's Republic of China* (the "**Company Law**") and regulatory authorities regarding the optimization of corporate governance, the Company completed the optimization and adjustment of its corporate governance structure on 10 October 2025. The amended Articles of Association completed the change registration and filing procedures with the Shanghai Municipal Administration for Market Regulation. The Company no longer has a Supervisory Committee or supervisors, and the functions and powers of the Supervisory Committee as stipulated in the Company Law are now exercised by the Audit Committee of the Board. *The Rules of Procedure of the Supervisory Committee* ("監事會議事規則") was concurrently abolished. The abolition of the Supervisory Committee complies with the relevant provisions of the Company Law and has no adverse impact on the Company's corporate governance, daily management, production and operations, or solvency.

Following this adjustment, the Audit Committee is responsible for supervising the Company's financial reporting, internal control and risk management, as well as overseeing the performance of duties by the Directors and Senior Management, in accordance with laws and regulations, the Articles of Association and *the Rules of Procedure of the Audit Committee* ("《董事會審計委員會實施細則》"). The Audit Committee consists of three Directors, the majority of whom are independent non-executive Directors, and its chairman is an independent non-executive Director with accounting professional qualifications. This adjustment helps to streamline governance powers and responsibilities, enhance decision-making and supervision efficiency, and is in the overall interests of the Company and all its shareholders.

15. **Dividend Policy**

The Company seeks to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow Shareholders to share the Company's profit and for the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Company would consider various factors including the Company and the Group's actual and expected financial performance, general economic and financial conditions, business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and the Company's future expansion plan.

As at the date of the Report, the Company was not aware that any Shareholder had waived or agreed to waive any dividends of the Company.

16. **Investor Relations**

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

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

The Company has maintained open communication channels with the capital markets, upholding principles of integrity and professionalism to establish and reinforce a positive capital market image. During the Reporting Period, the Company conducted approximately 292 investor engagement activities through various formats including offline roadshows, conference calls, investors' visits to the Company, brokerage strategy sessions, and online results briefings, reaching a cumulative total of about 1,814 participants. The Company also secured coverage from over ten leading domestic and international brokerages, laying a solid foundation for effective value communication. Meanwhile, the Company maintained accessible communication channels through the SSE E-Interaction platform, dedicated IR phone lines, and IR email addresses to actively address the communication needs of retail investors.

During the Reporting Period, the Company collaborated with multiple prominent domestic and international brokerages to host results briefings, providing truthful and objective disclosures about the Company's performance and future market prospects. Concurrently, the Company conducted dedicated domestic and international roadshows in connection with specific capital operation projects, actively organized online results briefings through the SSE Roadshow Center, conducted "I Am a Shareholder" investor visitation programs, and leveraged major events such as the COSCO SHIPPING Group Capital Markets Day and the London overseas roadshow organised by the Shanghai Stock Exchange. Through these efforts, the Company endeavoured to extend its investor relations coverage to all investor segments, including both institutional investors and minority Shareholders, thereby deepening the understanding of the Group among domestic and international investors, while effectively strengthening its investor base.

Shareholders may direct enquiries about their shareholdings to the Company's Share Registrars. During the Reporting Period, having considered the above multiple channels of communication, the Company considers that it has strictly and effectively implemented such shareholders' communication policies according to *the Inventor Relations Management System* ("《投資者關係管理制度》").

In order to further improve the information disclosure management system, to enhance the quality of annual report disclosure and transparency of the Company, the Company has, in accordance with relevant state laws and regulations, regulatory documents and the Articles, formulated *the Annual Report Disclosure of Major Accountability System* ("《年報資訊披露重大責任追究制度》"). Accordingly, if there are significant errors in information disclosure of annual report, the person concerned should be held accountable and make the appropriate treatment.

The Board hereby presents their report and the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Group is principally engaged in investment holding, oil shipment along the coast of the PRC and internationally, international liquefied natural gas shipment, liquefied petroleum gas shipment, chemicals shipment and vessel chartering.

SUMMARY FINANCIAL INFORMATION

A summary of the consolidated results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and restated as appropriate, is set out below.

Results	2025 RMB'000	2024 RMB'000 (Restated*)	2023 RMB'000 (Restated*)	2022 RMB'000	2021 RMB'000
	For the year ended 31 December				
Continuing operations					
Revenues	**23,701,066**	23,158,728	22,553,297	19,081,551	12,644,700
Operating costs	**(17,594,479)**	(16,904,639)	(15,950,640)	(15,576,917)	(16,734,169)
Gross profit	**6,106,587**	6,254,089	6,602,657	3,504,634	(4,089,469)
Other income and other gains, net	**1,101,313**	614,109	889,939	352,372	403,695
Marketing expenses	**(113,899)**	(83,908)	(76,996)	(57,273)	(50,335)
Administrative expenses	**(1,185,939)**	(1,127,319)	(1,003,536)	(969,982)	(905,495)
(Provision for)/reversal of impairment losses on financial and contract assets	**(17,352)**	3,612	(225,300)	(4,656)	33,777
Impairment losses on property, plant and equipment and right-of-use assets	**(449,131)**	–	–	–	–
Other expenses	**(4,656)**	(168,002)	(107,621)	(43,180)	(61,824)
Share of profits of associates	**487,563**	540,227	457,602	317,497	254,727
Share of profits of joint ventures	**774,341**	632,496	730,288	725,255	714,288
Impairment losses on investment in joint ventures	**–**	–	(984,111)	–	–
Impairment loss on goodwill	**–**	–	(1,429)	–	–
Finance costs	**(1,342,413)**	(1,415,218)	(1,475,844)	(997,593)	(826,672)
Profit/(loss) before tax	**5,356,414**	5,250,086	4,805,649	2,827,074	(4,527,308)
Income tax expense	**(933,520)**	(858,313)	(1,097,383)	(973,701)	(139,800)
Profit/(loss) for the year	**4,422,894**	4,391,773	3,708,266	1,853,373	(4,667,108)
Profit/(loss) for the year attributable to:					
Equity holders of the Company	**4,037,075**	4,043,330	3,390,275	1,519,378	(4,985,386)
Non-controlling interests	**385,819**	348,443	317,991	333,995	318,278
	4,422,894	4,391,773	3,708,266	1,853,373	(4,667,108)
	RMB cents	RMB cents	RMB cents	RMB cents	RMB cents
Earnings per share					
Basic	**82.62**	84.75	71.06	38.88	(104.68)
Diluted	**82.62**	84.75	71.06	38.82	(104.68)

	For the year ended 31 December				
	2025	2024	2023	2022	2021
Assets, liabilities and non-controlling interests	**RMB'000**	RMB'000 (Restated*)	RMB'000 (Restated*)	RMB'000	RMB'000
Total assets	**92,078,580**	81,812,423	74,224,964	69,413,947	59,388,937
Total liabilities and non-controlling interests	**(45,673,398)**	(45,424,810)	(38,546,094)	(37,201,539)	(30,797,891)
Equity attributable to equity holders of the Company	**46,405,182**	36,387,613	35,678,870	32,212,408	28,591,046

This summary does not form part of the audited consolidated financial statements.

Notes:

1. The consolidated results the Group for the year ended 31 December 2021 are extracted from the Company's 2022 annual report. The consolidated results the Group for the year ended 31 December 2022 are extracted from the Company's 2024 annual report. The consolidated results for each of the years ended 31 December 2023 are the Company's restated data following the merger accounting for business combination under common control. The consolidated results for each of the years ended 31 December 2025 and 2024 are prepared in accordance with the consolidated statement of profit or loss and other comprehensive income set out on pages 124 to 125 of the consolidated financial statements.

2. The consolidated total assets, total liabilities and non-controlling interests of the Group as at 31 December 2021 are extracted from the Company's 2021 annual report. The consolidated total assets, total liabilities and non-controlling interests of the Group as at 31 December 2022 are extracted from the Company's 2024 annual report. The total assets, total liabilities and non-controlling interests as at 31 December 2025, 2024 and 2023 are prepared in accordance with the consolidated statement of financial position set out on pages 126 to 128 of the consolidated financial statements.

3. The basic earnings per share for the year ended 31 December 2025 is calculated based on the profit attributable to owners of the Company of RMB4,037,075,000 and weighted average number of 5,465,220,839 ordinary shares in issue during the year.

4. The basic earnings per share for the year ended 31 December 2024 is calculated based on the profit attributable to owners of the Company of RMB4,043,330,000 (as restated) and weighted average number of 4,770,776,395 ordinary shares in issue during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2025 and the consolidated financial position of the Group at that date are set out in the consolidated financial statements on pages 126 to 128.

For the year ended 31 December 2025, no net profit has been transferred to the statutory surplus reserve as the Company's statutory surplus reserve has reached the statutory minimum standard. According to the relevant laws and regulations, the Company's distributable reserves are calculated based on the lower of the amount determined under the Accounting Standards for Business Enterprises in the PRC and the amount determined under HKFRS.

The Board recommends the payment of a final dividend of RMB38 cents per share in respect of the year ended 31 December 2025. None of the Shareholders of the Company have waived or agreed to any dividend arrangement. The payment of this final dividend is subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting and therefore the dividend has not been recognised as a liability at the end of the Reporting Period.

The Company will separately announce the arrangement in relation to the closure of the H share register of members of the Company and the annual general meeting of the Company in due course. The final dividend will be distributed within two months (expected by 31 August 2026) from the date of approval by the forthcoming annual general meeting.

BUSINESS REVIEW

Under *the Disclosure of Financial Information* set out in Appendix D2 to the Listing Rules, the Company is required to include a business review in the Report of the Directors. According to Schedule 5 to *the Hong Kong Companies Ordinance*, a business review shall cover certain aspects, the details of which are as follows:

1. **A Fair Review of the Group's Business**

   Please refer to the section of "ANALYSIS OF THE INTERNATIONAL AND DOMESTIC ENERGY TRANSPORTATION MARKET DURING THE REPORTING PERIOD" and "REVIEW OF OPERATING RESULTS DURING THE REPORTING PERIOD" on pages 9 to 19 of the Report.

2. **A Description of the Principal Risks and Uncertainties Facing the Group**

   (1) The Risk of Macroeconomic Fluctuations

   The shipping of energy products, such as oil, LNG, LPG and chemicals operated by the Group are significantly affected by macroeconomic fluctuations. When the macro-economy is booming, the demand for energy products will increase rapidly, which will lead to the increment of the shipping demand for these products. On the contrary, when the macro-economy is in recession, the shipping demand for the aforesaid products will be affected inevitably. In addition, geopolitical events, natural disasters and accidents may possibly cause fluctuations in the shipping industry.

(2) The Risk of International Economy and Politics

Amid intensifying major-country rivalry and geopolitical conflicts, uncertainties surrounding the international trade order and the security of shipping lanes are on the rise. The trend towards a multipolar restructuring of the global trade landscape is compelling a reshaping of energy transportation trade flows, introducing uncertainties across freight rates, safety, and investment and financing in the global energy shipping market. Consequently, the business layout, market expansion, and route planning across the Group's various business segments may face pressure for systematic adjustments.

(3) Risk of Change in Energy Structure

The global energy transition triggered by the carbon peaking and carbon neutrality targets, the gradual increase in worldwide environmental requirements such as the reduction of carbon emissions, and the rise of new energy sources such as clean energy. All of these will have a profound impact on the changes in energy transportation demand and bring challenges to the Company's business planning and business layout.

(4) The Risk of Fuel Price Fluctuations

The costs of principal operations of the Group mainly include, among other things, fuel costs, port charges, depreciation charges and crew expenses, of which fuel costs account for the largest proportion. In recent years, international crude oil prices have fluctuated within a relatively wide range. Concurrently, domestic and international requirements concerning vessel emissions continue to evolve and become more stringent. These factors will affect the Group's bunker procurement costs, thereby impacting the operating costs and profitability of its principal activities.

In recent years, the Group has reduced fuel consumption through various methods, including promoting the extensive utilization of vessel energy-saving technology and adopting economic shipping speed, and has reduced the fuel purchasing costs by enhancing fuel purchase and supply management, adopting diversified purchasing methods and responding timely to new conditions in the fuel market.

(5) The risk of safety in shipping

Ships may encounter various types of accidents, such as running aground, fire, collision, sinking, pirate, environmental incidents, in the course of shipping at sea, as well as the possibility of bad weather and natural disaster, these will cause losses to the vessels and the cargoes carried on board and pose certain challenges to the Group's safety management. The Group has purchased insurance actively to control risk as far as possible.

Moreover, events such as changes in international relations, regional conflicts, wars and terrorist attacks may also have impact on the safety of shipping and normal operations of vessels.

3. Particulars of Important Events affecting the Group that have occurred since the end of the Reporting Period

Except for (i) the entering into of shipbuilding contracts for the construction of nineteen vessels on 12 December 2025 (such transactions were approved at the extraordinary general meeting of the Company held on 27 January 2026); and (ii) the consequential amendments to the Articles of Association following the completion of the issuance of A Shares to specific target subscribers, there were no other significant matters affecting the Group subsequent to the end of the Reporting Period.

4. An Indication of Potential Development in the Group's Business

Please refer to the section of "OUTLOOK AND HIGHLIGHTS FOR 2026" under the "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 32 to 38 of the Report.

5. An Analysis using Financial Key Performance Indicators

(1) Revenue

Please refer to the section of "REVIEW OF OPERATING RESULTS DURING THE REPORTING PERIOD" under the "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 13 to 19 of the Report.

(2) Costs and Expenses

Please refer to the section of "COSTS AND EXPENSES ANALYSIS" under the "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 20 to 21 of the Report.

(3) Other Income and Net Gains

Other income and net gains of the Group resulted from the continuing operations of 2025 was approximately RMB1.101 billion (2024: restated approximately RMB614 million).

(4) Share of Profits of Associates and Joint Ventures

Please refer to the section of "OPERATING RESULTS OF THE JOINT VENTURES AND THE ASSOCIATES" under the "MANAGEMENT DISCUSSION AND ANALYSIS" on page 21 of the Report.

(5) Income Tax

Income tax of the Group resulted from the continuing operations of 2025 was approximately RMB934 million (2024: restated approximately RMB858 million).

6. **The Company's Environmental Policies and Performance**

The shipping industry serves as a critical pillar of global trade, with its development being intrinsically linked to climate change and ecological conservation. COSCO SHIPPING Energy has consistently upheld sustainable development principles, accelerating the transition of its fleet structure toward green and low-carbon vessel types. The Company is fully committed to advancing low- and zero-carbon shipping operations to establish competitive advantages in environmental performance, demonstrating its sustainability commitment through concrete actions. The Group has established long-term decarbonization targets: "Using 2020 as the baseline year, we aim to peak carbon emissions from our owned tanker fleet by 2030 and achieve carbon neutrality by 2050." In 2025, the Group actively advanced the construction of its green fleet by ordering eight methanol dual-fuel oil tankers and one LNG dual-fuel ethylene carrier. In addition, the Group actively promoted research on alternative fuels and the development and application of new vessel types, completing the design and development of the first domestic X62 methanol dual-fuel main engine, conducting research on ammonia-fuel carrier designs, and obtaining AIP (Approval in Principle) certification for the design scheme of a new multi-energy power MR tanker, thereby driving the green and low-carbon transformation and upgrading of its fleet through continuous exploration and practice.

7. **Compliance with Relevant Laws and Regulations with a Significant Impact on the Company**

The Group's main business is the shipping of crude oil, product oil, LNG, LPG and chemicals. The business of the Company and its subsidiaries is subject to a number of laws and regulations – mainly *the Civil Code of the People's Republic of China*, the Company Law, *the Securities Law of the People's Republic of China, the Maritime Law of the People's Republic of China, the Port Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, the International Shipping Regulations of the People's Republic of China, the Regulations on the Administration of Domestic Waterway Transport, the Regulations on the Administration of Domestic Waterway Transport* and other applicable regulations, policies and regulatory legal documents promulgated under or in relation to such laws and regulations. The Group has compliance procedures in place to ensure compliance with applicable laws, regulations and regulatory legal documents. The Group will inform its relevant staff and the relevant operating team from time to time of any changes to the applicable laws, regulations and regulatory legal documents in relation to its competent business.

In addition, provisions under other relevant laws and regulations are also applicable to the Group (e.g. *the Labour Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, the Listing Rules, *the Companies Ordinance* (Chapter 622 of the Laws of Hong Kong) and *the Employment Ordinance* (Chapter 57 of the Laws of Hong Kong), etc.). The Group has committed specific resources at all levels of the Group to ensure compliance with these requirements through various measures such as internal controls and approval procedures, training and supervision of different business units. Although these measures require significant internal resources and incur additional operating costs, the Group takes seriously the importance of ensuring compliance with applicable laws and regulations.

During the Reporting Period, the Group was in compliance with relevant laws and regulations that have a significant impact on the Group.

8. **Key Relationships with Employees, Customers, Suppliers and Others**

The Group is not aware of any key relationships between itself and its employees, customers, suppliers and others that have a significant impact on the Company and on which the Company's success depends.

CHARITABLE DONATIONS

The Group made the donation of approximately RMB8 million during 2025 (2024: RMB10 million).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 35 to the consolidated financial statements.

During the Reporting Period, the Company completed the issuance of 694,444,444 A Shares to specific target subscribers in 2025 (the "**Issuance**"). The subscribers of the Issuance comprised seven parties, including COSCO SHIPPING.

The issue price was RMB11.52 per A Share, resulting in gross proceeds of RMB7,999,999,994.88. After deducting total issuance expenses (excluding value-added tax) of RMB20,489,715.56, the net proceeds from the Issuance amounted to RMB7,979,510,279.32. The Company has placed the proceeds in designated bank accounts and has entered into a proceeds supervision agreement with the sponsor and the banks where the proceeds accounts are maintained.

Upon completion of the Issuance, the total number of shares of the Company increased from 4,770,776,395 shares to 5,465,220,839 shares. Among these, the total number of A Shares increased from 3,474,776,395 shares to 4,169,220,839 shares, while the total number of H Shares remained unchanged at 1,296,000,000 shares. As at the date of the Report, the registered capital has been changed to RMB5,465,220,839, and the total number of issued shares is 5,465,220,839 shares.

COSCO SHIPPING, the Company's indirect controlling Shareholder, subscribed for 347,222,222 shares in the Issuance. As a result, its aggregate direct and indirect shareholding percentage in the Company increased from 46.46% prior to the Issuance to 46.90% after the Issuance.

On 22 October 2025, procedures for the registration, custody and trading restrictions of the newly issued shares were completed with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

PRE-EMPTIVE RIGHTS

According to the Articles of Association, Shareholders do not have pre-emptive rights when the Company issues new Shares to increase its registered capital, unless otherwise provided by the stock exchange where the Company's Shares are listed, the Articles of Association, or a resolution of a general meeting decides that Shareholders shall have pre-emptive rights.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Note 36 to the consolidated financial statements and consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, as determined based on the lower of the amount determined under SAC and the amount determined under HKFRS, amounted to RMB7,643,949,000 before the proposed final dividend.

In addition, according to the Company Law, an amount of approximately RMB19,419,814,000 standing to the credit of the Company's share premium account was available for distribution by way of future capitalization issues.

BANK AND OTHER BORROWINGS

Details of the interest-bearing bank and other borrowings of the Group are set out in Note 32 to the consolidated financial statements.

MAJOR CUSTOMERS

During the Reporting Period, the five largest customers of the Group combined accounted for 58.87% of the Group's total turnover. The largest customer is China Petrochemical Corporation ("中國石油化工集團有限公司") and the sales to it accounted for 23.30% (in 2024: China Petrochemical Corporation was the largest customer of the Group and represented a sales percentage of 20.30%) (note: customers who are under the control of the same controller have been treated as one customer). None of the Directors, their close associates, or any Shareholders, which, to the best knowledge of the Directors, owns 5% or more of the Company's issued share capital, had any beneficial interest in the five largest customers of the Group.

MAJOR SUPPLIERS

During the Reporting Period, the five largest suppliers of materials and services to the Group combined accounted for 63.88% of the Group's total purchases. The largest supplier is COSCO SHIPPING, and the purchases from it accounted for 44.14% (in 2024: COSCO SHIPPING was the largest supplier of the Group and representing a supply proportion of 52.00%) (note: suppliers who are under the control of the same supplier have been treated as one supplier). Except as mentioned above, none of the Directors, their close associates, or any Shareholders, who, to the best knowledge of the Directors, owns 5% or more of the Company's issued share capital, had any beneficial interests in the five largest suppliers of the Group.

DIRECTORS

The Directors during the Reporting Period were:

Executive Directors:
Mr. REN Yongqiang (任永強)
Mr. ZHU Maijin (朱邁進)

Non-executive Directors:
Mr. WANG Shuqing (汪樹青)
Mr. WANG Wei (王威)
Ms. WANG Songwen (王松文) (Resigned on 30 June 2025[1])
Ms. ZHOU Chongyi (周崇沂) (Appointed on 30 June 2025[2])
Ms. MA Yuanru (馬媛茹) (Appointed on 23 December 2025[2])

Independent non-executive Directors:
Mr. Victor HUANG (黃偉德)
Mr. LI Runsheng (李潤生)
Mr. ZHAO Jinsong (趙勁松)
Mr. WANG Zuwen (王祖溫)

Pursuant to the Articles of Association, all the Directors are appointed for a term of three years.

The Company has received annual confirmations of independence from, four independent non-executive Directors, Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen as at the date of the Report and still considers them to be independent.

Notes:

1. Due to reaching the statutory retirement age, Ms. WANG Songwen tendered her resignation to the Board, voluntarily resigning from her position as a non-executive Director of the Company, with effect from 30 June 2025.

2. The extraordinary general meeting of the Company approved the appointment of Ms. ZHOU Chongyi and Ms. MA Yuanru as non-executive Directors of the Company. Their respective terms of office commence on the date of approval by the general meeting and will expire on 28 June 2027.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the Senior Management of the Company are set out on pages 252 to 256 of the Report. Save as disclosed in the Report, no other changes in the information of Directors and the chief executive which shall be subject to disclosure according to Rule 13.51B(1) of the Listing Rules since the date of publication of 2025 interim report of the Company.

SERVICE CONTRACT OF DIRECTORS

Each Director has entered into a service contract with the Company, which will expire on 28 June 2027 (or the date of the Company's annual general meeting in 2027, whichever occurs earlier), except for Mr. Victor HUANG, Mr. LI Runsheng, and Mr. ZHAO Jinsong, whose terms will end on 21 June 2026, and is subject to termination by either party giving not less than three months' written notice.

No Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to Shareholders' approval at the general meeting. Other emoluments are determined by the Board of the Company with reference to Directors' duties, responsibilities and performance and the results of the Group.

REMUNERATION BY BANDS

The emoluments paid or payable to the Directors, Supervisors and Senior Management during the Reporting Period fell within the following bands:

Remuneration by bands	Number of Directors[1]	Number of Supervisors[2]	Number of Senior Management[3]
RMB nil to RMB500,000	6	–	–
RMB500,001 to RMB1,000,000	–	2	–
RMB1,000,001 to RMB1,500,000	–	–	1
RMB1,500,001 to RMB2,000,000	–	–	2
RMB2,000,001 to RMB2,500,000	–	–	6
RMB2,500,001 to RMB3,000,000	2	–	–
RMB3,000,001 and above	–	–	–

Notes:

1. One Senior Management member concurrently serves as an executive Director, and his remuneration has been included in Directors' remuneration and is not duplicated in the remuneration for Senior Management.

2. The two employee Supervisors (Ms. CHEN Hua and Mr. WANG Zhenming) served during the Reporting Period (from 1 January 2025 until the date the Supervisory Committee ceased to perform its duties). They concurrently held administrative positions or other specific roles in the Company and received remuneration corresponding to those positions, which has been included in the above banding. The Shareholder representative Supervisors (Mr. WENG Yi and Mr. YANG Lei) did not receive any remuneration from the Company and are therefore not included in the above statistics.

3. The number of Senior Management includes both current personnel and those who resigned during the Reporting Period. During the Reporting Period, Mr. QIN Jiong resigned on and Mr. CHEN Jianrong resigned on 30 June 2025 and 30 October 2025, respectively, both due to job changes.

4. The above remuneration represents the total remuneration payable to the Company's Directors, Supervisors and Senior Management for the 2025 financial year, presented on a pre-tax basis, and does not include pension and housing provident fund contributions made by the Company.

REMUNERATION AND APPRAISAL COMMITTEE

The Remuneration and Appraisal Committee comprised three independent non-executive Directors with Mr. LI Runsheng being the Chairman. The Remuneration and Appraisal Committee has adopted terms of reference which are in line with the Corporate Governance Code contained in Appendix C1 of the Listing Rules. The Remuneration and Appraisal Committee reviews and makes recommendations on the remuneration policy and packages for the Directors and Senior Management, reviews and approves performance assessment and incentive schemes, and ensures that the procedures for determining remuneration are standardised, transparent and compliant.

MANAGEMENT CONTRACTS

Pursuant to the services agreement as described in Note 44 to the consolidated financial statements, COSCO SHIPPING Group (excluding the Group) provided miscellaneous management and other services to the Group during the year for a total fee of RMB67,964,000 (2024: RMB65,042,000), for 3 years commencing from 1 January 2025 to 31 December 2027.

PERMITTED INDEMNITY PROVISIONS

No permitted indemnity provision is in force for the benefit of one or more Directors, or the directors of an associated company of the Company.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at the 31 December 2025, so far as was known to the Directors or the chief executive of the Company, the interests or short positions of the Shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or which have been notified to the Company and the Stock Exchange were as follows:

Name of substantial shareholders	Class of Shares[1]	Number of Shares held[1]	Percentage of the total number Shares of the relevant class[2]	Percentage of the total number of issued Shares[2]
China Shipping[3]	A	1,536,924,595 (L)	36.86%	28.12%
COSCO SHIPPING[3]	A	2,563,294,576 (L)	61.48%	46.90%
Pacific Asset Management Co., Ltd.	H	116,986,000 (L)	9.03%	2.14%

Notes:

(1) A – A Shares
H – H Shares
L – Long position

(2) As at 31 December 2025, the total issued share capital of the Company was 5,465,220,839 Shares, of which 1,296,000,000 were H Shares and 4,169,220,839 were A Shares.

(3) China Shipping directly holds 1,536,924,595 A Shares in its capacity as beneficial owner. COSCO SHIPPING directly holds 1,026,369,981 A Shares in its capacity as beneficial owner, accounting for approximately 24.62% and 18.78% of the A Shares and of the total issued share capital of the Company as at 31 December 2025, respectively. COSCO SHIPPING is the sole shareholder of China Shipping. Therefore, COSCO SHIPPING (itself and through its subsidiaries) is interested in 2,563,294,576 A Shares in total.

(4) As at 31 December 2025, according to the information disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, Pacific Asset Management Co., Ltd. held 116,986,000 H Shares (long position) as the other capacity.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the report of the Directors (including but not limited to the connected transactions and continuing connected transactions stated below), during the Reporting Period and as at 31 December 2025, none of the Directors, or an entity connected with a Director, had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding companies, subsidiaries or fellow subsidiaries was a party.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 31 December 2025, the Directors and the chief executive of the Company who had an interest or a short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO that was required to be entered into the register kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

1. Long positions in the Shares, underlying Shares or debentures of the Company

Name of Director	Nature of interest	Class of Shares(1)	Number of Shares held(2)	Approximate percentage of the total number of Shares of the relevant class(3)	Approximate percentage of the total number of issued Shares(3)
ZHU Maijin	Beneficial owner	A	102,980 (L)	0.0025%	0.0019%
ZHAO Jinsong	Beneficial owner	H	6,000 (L)	0.0005%	0.0001%

Notes:

(1) A – A Shares
H – H Shares

(2) L – Long position

(3) As at 31 December 2025, the total issued share capital of the Company was 5,465,220,839 Shares, of which 1,296,000,000 were H Shares and 4,169,220,839 were A Shares.

As at 31 December 2025, save as disclosed above, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be entered into the register kept by the Company pursuant to section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 31 December 2025, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	**Position held in COSCO SHIPPING and/or its subsidiaries**
REN Yongqiang	the General Manager Assistant of China COSCO SHIPPING Corporation Limited
ZHU Maijin	the chairman and the party secretary of the committee of COSCO SHIPPING Investment Dalian Co., Ltd.
WANG Shuqing	A director of each of COSCO SHIPPING Seafarer Management Co., Ltd. and COSCO SHIPPING (Korea) Co., Ltd.
WANG Wei	A director of each of COSCO SHIPPING Specialized Carriers Co., Ltd. (stock code: 601428.SH), COSCO SHIPPING Bulk Co., Ltd. and COSCO SHIPPING Heavy Industry Co., Ltd.
ZHOU Chongyi	the deputy general manager of the Financial Management Department and a director of the Financial Service Center of China COSCO SHIPPING Corporation Limited

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2025, none of the Directors had any interest in any business which competes or may compete with the business of the Group.

CONTINGENT LIABILITIES AND GUARANTEE

Details of the Group's contingent liabilities and guarantee as at 31 December 2025 are set out in Note 41 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, the Group did not have any individual investment with a fair value of 5% or more of its total assets. Accordingly, during the Reporting Period, the Group did not hold any significant investments and also did not have any immediate plans for material investments and capital assets.

CONNECTED TRANSACTIONS

Details of those related party transactions set forth under Note 44 to the consolidated financial statements, which also constitute non-exempt connected transactions or continuing connected transactions of the Company, are disclosed below, and are in compliance with Chapter 14A of the Listing Rules.

1. Major Transactions and Continuing Connected Transactions

(1) 2024 Financial Services Framework Agreement

On 30 October 2024, the Company entered into the 2024 Financial Services Framework Agreement with COSCO SHIPPING Finance (a company controlled by COSCO SHIPPING), pursuant to which COSCO SHIPPING Finance agreed to provide a series of financial services to the Group for the three years ending 31 December 2027, which may, subject to the Listing Rules, be renewed for a further three years from 1 January 2028 by written agreement between the parties. The 2024 Financial Services Framework Agreement became effective after being approved by the independent Shareholders at the extraordinary general meeting held on 30 December 2024.

Pursuant to the 2024 Financial Services Framework Agreement, COSCO SHIPPING Finance will provide a series of financial services to the Group, including (i) deposit services, (ii) loan services, (iii) clearing services, (iv) foreign exchange services and (v) other financial services approved by the National Financial Regulatory Administration (NFRA), for a term of three years. For the three years ending 31 December 2025, 2026 and 2027, the annual caps for deposit services and loan services under the 2024 Financial Services Framework Agreement are RMB14 billion and RMB16 billion, respectively.

According to the 2024 Financial Services Framework Agreement:

1) COSCO SHIPPING Finance may receive deposits from the Group or the Company's associates. The interest rates shall not be lower than, and shall be no less favorable than, the market rates (referring to interest rates offered by independent third-party commercial banks in the same or neighboring regions for similar types of deposits in the ordinary course of business on normal commercial terms). In addition, when determining the interest rates, COSCO SHIPPING Finance shall also refer to (i) market rates and (ii) the interest rates offered by COSCO SHIPPING Finance to the COSCO SHIPPING Group (excluding the Group) for similar types of deposits;

2) COSCO SHIPPING Finance may provide loans to the Group or the Company's associates. The interest rates shall not be higher than the market rates (referring to interest rates offered by independent third-party commercial banks in the same or neighboring regions for similar types of loans in the ordinary course of business on normal commercial terms). In addition, when determining the interest rates, COSCO SHIPPING Finance shall also refer to (i) market rates and (ii) the interest rates offered by COSCO SHIPPING Finance to other companies within the COSCO SHIPPING Group for similar types of loans;

3) COSCO SHIPPING Finance will not charge the Group or the Company's associates any fees for the clearing services provided from time to time; and

4) The fees charged by COSCO SHIPPING Finance for the provision of foreign exchange services and other financial services shall (i) comply with the requirements stipulated by the People's Bank of China or the NFRA or their dispatched agencies for similar types of financial services (if applicable); (ii) not be higher than the fees charged by independent third-party commercial banks to the Group and the Company's associates for similar types of services; and (iii) not be higher than the fees charged by COSCO SHIPPING Finance to independent third parties with the same credit rating for similar types of services.

(2) 2024 Vessel Services Framework Agreement

On 30 October 2024, the Company entered into the 2024 Vessel Services Framework Agreement with COSCO SHIPPING, pursuant to which the Company and COSCO SHIPPING agreed to provide, for the three years ending 31 December 2027, vessel supplies and services to each other's group (and/or associates of COSCO SHIPPING). Subject to the Listing Rules, this term may, by written agreement between the parties, be renewed for a further three years from 1 January 2028. The 2024 Vessel Services Framework Agreement became effective after being approved by the independent shareholders at the extraordinary general meeting held on 30 December 2024.

Pursuant to the 2024 Vessel Services Framework Agreement, the Company and COSCO SHIPPING will provide to each other's group (and/or associates of COSCO SHIPPING) vessel supplies and services necessary for their continuing transportation businesses, including the supply of lubricating oil, the provision of marine fuel, the provision of vessel supplies and related repair services, and other services, for a term of three years. For the three years ending 31 December 2025, 2026 and 2027, the annual caps for the provision of vessel supplies and services by the Group to the COSCO SHIPPING Group (excluding the Group) and/or its associates under the 2024 Vessel Services Framework Agreement are RMB150 million, and the annual caps for the procurement of vessel supplies and services by the Group from the COSCO SHIPPING Group (excluding the Group) and/or its associates are RMB11.5 billion.

The fees for the vessel supplies and services are determined by reference to the prevailing market prices for similar types of vessel supplies and/or services.

(3) 2024 Sea Crew Services Framework Agreement

On 30 October 2024, the Company entered into the 2024 Sea Crew Services Framework Agreement with COSCO SHIPPING, pursuant to which COSCO SHIPPING (and/or its associates) agreed to provide crew services to the Group for the three years ending 31 December 2027. Subject to the Listing Rules, this term may, by written agreement between the parties, be renewed for a further three years from 1 January 2028. The 2024 Sea Crew Services Framework Agreement became effective after being approved by the independent shareholders at the extraordinary general meeting held on 30 December 2024.

Pursuant to the 2024 Sea Crew Services Framework Agreement, COSCO SHIPPING (and/or its associates) will provide crew services to the Group, including crew management, training, employment and related services, for a term of three years. For the three years ending 31 December 2025, 2026 and 2027, the annual cap for the sea crew services to be received by the Group under the 2024 Crew Services Framework Agreement is RMB2.6 billion.

The fees for the Sea crew services are determined by reference to the prevailing market prices for similar types of crew services.

(4) 2024 Services Framework Agreement

On 30 October 2024, the Company entered into the 2024 Services Framework Agreement with COSCO SHIPPING, pursuant to which COSCO SHIPPING (and/or its associates) agreed to provide miscellaneous services to the Group for the three years ending 31 December 2027. Subject to the Listing Rules, this term may, by written agreement between the parties, be renewed for a further three years from 1 January 2028. The 2024 Services Framework Agreement became effective after being approved by the independent shareholders at the extraordinary general meeting held on 30 December 2024.

Pursuant to the 2024 Services Framework Agreement, COSCO SHIPPING (and/or its associates) will provide necessary miscellaneous services to the Group, including computer and software maintenance services, accommodation, transportation and conference services, and other services, for a term of three years. For the three years ending 31 December 2025, 2026 and 2027, the annual cap for the miscellaneous services to be received by the Group under the 2024 Services Framework Agreement is RMB150 million.

The fees for the miscellaneous services are determined by reference to the prevailing market prices for similar types of services.

(5) 2024 Lease Framework Agreement

On 30 October 2024, the Company entered into the 2024 Lease Framework Agreement with COSCO SHIPPING, pursuant to which the Company and COSCO SHIPPING agreed to provide lease services to each other's group (and/or associates of COSCO SHIPPING) for the three years ending 31 December 2027. Subject to the Listing Rules, this term may, by written agreement between the parties, be renewed for a further three years from 1 January 2028. The 2024 Lease Framework Agreement became effective after being approved by the independent shareholders at the extraordinary general meeting held on 30 December 2024.

Pursuant to the 2024 Lease Framework Agreement, the Company and COSCO SHIPPING will provide leasing services (including property and land use rights leasing services) to each other's group (and/or associates of COSCO Shipping), for a term of three years. For the three years ending 31 December 2025, 2026 and 2027, the annual cap for the leasing services to be provided by the Group to the COSCO SHIPPING Group (excluding the Group) and/or its associates under the 2024 Lease Framework Agreement is RMB1 million, and the annual cap for the leasing services to be received by the Group from the COSCO SHIPPING Group (excluding the Group) and/or its associates is RMB25 million.

The rental for the leasing services is determined by reference to the prevailing market prices.

(6) 2024 Trademark License Agreement

On 30 October 2024, the Company entered into the 2024 Trademark License Agreement with COSCO SHIPPING, pursuant to which COSCO SHIPPING agreed to grant to the Company and its subsidiaries a non-exclusive license, with the right to sub-license, to use certain trademarks for the three years ending 31 December 2027, at a nominal fee of RMB1.00 per annum, for a term of three years.

As at 31 December 2025, COSCO SHIPPING held approximately 46.90% of the issued share capital of the Company. Accordingly, COSCO SHIPPING is a controlling shareholder (as defined in the Listing Rules) of the Company. Therefore, COSCO SHIPPING is a connected person (as defined in the Listing Rules) of the Company. COSCO SHIPPING Finance is a company controlled by COSCO SHIPPING and is therefore also a connected person of the Company.

As the 2024 Financial Services Framework Agreement, the 2024 Vessel Services Framework Agreement, the 2024 Sea Crew Services Framework Agreement, the 2024 Services Framework Agreement, the 2024 Lease Framework Agreement and the 2024 Trademark License Agreement were entered into with COSCO SHIPPING or COSCO SHIPPING Finance, transactions conducted pursuant to these agreements constitute continuing connected transactions of the Company.

The Group, in its treasury activities, from time to time places deposits with and obtains financial services from commercial banks to meet its business needs in the ordinary and usual course of business. The Board believes that obtaining deposit and loan services from COSCO SHIPPING Finance for the three years ending 31 December 2027 will ensure the Group can secure funding at a reasonable cost and mitigate working capital risks.

The terms of the 2024 Vessel Services Framework Agreement, the 2024 Sea Crew Services Framework Agreement and the 2024 Services Framework Agreement were negotiated on an arm's length basis. The Board considers that procuring vessel supplies and services, crew services and miscellaneous services from the COSCO SHIPPING Group (excluding the Group) (which are experienced service providers in the shipping industry) and/or its associates helps to strengthen the Group's competitiveness.

Given the continuing demand of both the Group and the COSCO SHIPPING Group (excluding the Group) and/or its associates for properties and land use rights of these types over the next three years, and the competitive rentals that both parties are willing to pay, the Board considers that the 2024 Lease Framework Agreement establishes a framework and streamlines the procedures for property leasing between members of the Group and the COSCO SHIPPING Group (excluding the Group) and/or its associates.

The following table sets out the relevant annual caps and the actual transaction amounts for the year ended 31 December 2025 in relation to the non-exempt continuing connected transactions of the Group:

Transactions	**Annual cap for the year ended 31 December 2025** (RMB'000)	**Actual transaction amount for the year ended 31 December 2025** (RMB'000)
1. 2024 Financial Services Framework Agreement		
(a) Maximum daily outstanding balance of deposits (including accrued interest and handling fee) to be placed by the Group with COSCO SHIPPING Finance	14,000,000	5,183,262
(b) Maximum daily outstanding balance of loans (including accrued interest and handling fee) to be granted by COSCO SHIPPING Finance	16,000,000	6,012,875
2. 2024 Vessel Services Framework Agreement		
(a) Proposed annual caps for provision of the shipping materials and services by the Group to the COSCO SHIPPING Group (excluding the Group) and/or its associates	150,000	60,441
(b) Proposed annual caps for receipt of the shipping materials and services by the Group from the COSCO SHIPPING Group (excluding the Group) and/or its associates	11,500,000	6,978,287
3. 2024 Sea Crew Framework Agreement		
(a) Proposed annual caps for receipt of the sea crew services by the Group from the COSCO SHIPPING Group (excluding the Group) and/or its associates	2,600,000	2,165,463
4. 2024 Services Framework Agreement		
(a) Proposed annual caps for receipt of the miscellaneous services by the Group from the COSCO SHIPPING Group (excluding the Group) and/or its associates	150,000	67,964
5. 2024 Lease Framework Agreement		
(a) Proposed annual caps for provision of the leasing services by the Group to the COSCO SHIPPING Group (excluding the Group) and/or its associates	1,000	181
(b) Proposed annual caps for receipt of the leasing services by the Group from the COSCO SHIPPING Group (excluding the Group) and/or its associates	25,000	5,993
6. 2024 Trademark License Agreement		
COSCO SHIPPING granted to the Company and its subsidiaries a non-exclusive license with rights to use certain trademarks	RMB1.00	RMB1.00

The independent non-executive Directors have reviewed the connected transactions and continuing connected transactions set out in Note 44 to the consolidated financial statements, and have confirmed that, during the Reporting Period, such transactions were entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and

(3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Each of the independent non-executive Directors has further confirmed that, the values of all connected transactions and continuing connected transactions between the Group and its connected persons which are subject to annual caps have not exceeded their respective annual caps.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged its international auditor to perform certain factual finding procedures in respect of the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported the factual findings on these procedures to the Board and confirmed that in respect of the disclosed continuing connected transactions:

(1) nothing has come to the auditor's attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;

(2) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(3) nothing has come to the auditor's attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) with respect to the aggregate amount of each of the continuing connected transactions set out in Note 44 to the consolidated financial statements, nothing has come to the auditor's attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company and disclosed in the previous announcement dated 30 October 2024 made by the Company in respect of the disclosed continuing connected transactions.

2. **Continuing Connected Transaction – Entrustment Management Services for 2025**

In November 2024, the Company entered into entrustment management agreements with COSCO SHIPPING and COSCO Shipping (Shanghai) Co., Ltd. ("中遠海運（上海）有限公司" or "**COSCO Shipping (Shanghai)**", a wholly-owned subsidiary of COSCO SHIPPING), respectively, to manage, on an entrustment basis, COSCO SHIPPING Dalian Investment Co., Ltd. ("中遠海運大連投資有限公司" or "**COSCO SHIPPING Investment Dalian**") held by COSCO SHIPPING and Shanghai Yisheng Shipping Storage Co., Ltd., ("上海億升海運倉儲有限公司" or "**Yisheng Storage**"), Shanghai COSCO Marine Transportation and Storage Co., Ltd., ("上海中遠海運倉儲有限公司" or "**Marine Storage**") and Fujian COSCO SHIPPING Petrochemical Terminal Co., Ltd., ("福建中遠海運化工碼頭有限公司" or "**Fujian Terminal**") held by Shanghai COSCO Shipping (collectively, the "**Entrusted Assets**"). The term of each entrustment agreement is three years.

The above transactions aim to centrally manage the high-quality resources within the Group through the listed company platform, thereby accelerating the construction of the energy and chemical logistics supply chain. During the entrustment period, the Company exercises the Shareholder's rights in the Entrusted Assets and is responsible for their operation, management, financial supervision, etc. The entrustment does not change the ownership of the Entrusted Assets, nor will it result in any change to the Company's scope of consolidation.

Pricing principle: The entrustment fees are determined based on the necessary management costs incurred by the Company in fulfilling its duties in managing the Entrusted Assets, as negotiated and agreed between the entrusting parties and the Company.

Transaction amount and settlement method: The entrustment fee for COSCO SHIPPING Investment Dalian is RMB8 million per annum (excluding VAT); the aggregate entrustment fee for Yisheng Storage, Marine Storage and Fujian Terminal is RMB2.6 million per annum (excluding VAT). The above entrustment fees are payable annually, and the entrusting parties are required to pay the fee for the preceding year by 10 January each year.

For the year 2025, the entrustment fee income recognised by the Company in respect of the above entrustment arrangements was RMB8 million and RMB2.6 million, respectively. As at the date of the Report, the amounts have not yet been fully settled. The relevant transactions are priced on a fair and reasonable basis and do not prejudice the interests of the Company and its minority Shareholders.

3. **Connected Transaction – Issuance of A Shares to Specific Target Investors and the COSCO Shipping Subscription**

On 24 January 2025, the Company entered into a *Conditional Share Subscription Agreement* for the Issuance of A Shares to Specific Target Subscribers with COSCO SHIPPING, pursuant to which COSCO SHIPPING undertook to subscribe for 50% of the number of A Shares to be issued by the Company in the Issuance. As at 10 October 2025, the Company had issued 694,444,444 shares, with total gross proceeds of RMB7,999,999,994.88. COSCO SHIPPING actually subscribed for 347,222,222 shares, with an aggregate subscription amount of approximately RMB4.00 billion. On 22 October 2025, procedures for the registration, custody and lock-up of the newly issued shares were completed with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

For details of the COSCO SHIPPING Subscription, please refer to the Company's announcements dated 24 January 2025, 11 April 2025 and 23 October 2025, and the Company's circular dated 25 March 2025.

4. **Discloseable and Connected Transactions – Construction of Six Oil Tankers**

On 14 February 2025, the Company and its subsidiaries entered into shipbuilding contracts with shipyards owned by COSCO SHIPPING Heavy Industry Co., Ltd. ("**COSCO SHIPPING Heavy Industry**") for the construction of six oil tankers, with an aggregate consideration of RMB3.392 billion. The newbuilding oil tankers will assist the Group in optimizing the age profile of its oil tanker fleet, steadily increasing the proportion of vessels powered by clean energy, and enhancing its competitive advantages in both domestic and international oil transportation.

Buyers	Sellers	Subject matter
The Company	COSCO SHIPPING Heavy Industry (Dalian) Co., Ltd.* ("**COSCO SHIPPING Heavy Industry (Dalian)**")	Construction of 2 Panamax crude oil/product oil tankers (methanol fuel ready), with a contracted consideration (tax inclusive) of RMB456 million each
COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd.* ("**Hainan COSCO Energy**"), a subsidiary of the Company	COSCO SHIPPING Heavy Industry (Yangzhou) Co., Ltd.* ("**COSCO SHIPPING Heavy Industry (Yangzhou)**")	Construction of 2 Aframax crude oil tankers (methanol dual fuel), with a contracted consideration (tax inclusive) of RMB610 million each
Hainan COSCO Energy	COSCO SHIPPING Heavy Industry (Yangzhou)	Construction of 2 LR2 crude oil/product oil tankers (methanol dual fuel), with a contracted consideration (tax inclusive) of RMB630 million each

The Company and its subsidiaries will fund the newbuilding investments through a combination of internal resources and external financing. For details of the construction of the six oil tankers, please refer to the Company's announcements dated 14 February 2025 and 11 April 2025, and the Company's circular dated 25 March 2025. Each of the sellers is a subsidiary of COSCO SHIPPING and therefore a connected person of the Company.

The Directors (including the independent non-executive Directors) are of the view that the shipbuilding contracts and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group, and the terms thereof are fair and reasonable and on normal commercial terms or better, and are in the overall interests of the Company and its Shareholders.

5. **Connected Transaction – Acquisition of the Entire Equity Interest of the Target Company**

The Company, Dalian COSCO Energy, its wholly-owned subsidiary, acquired by cash the 100% equity interest in COSCO SHIPPING LPG Transportation (Shanghai) Co., Ltd.* ("上海中遠海運液化氣運輸有限公司" or "**Shanghai Liquefied Gas**") held by COSCO SHIPPING Dalian Investment, at a consideration of RMB598.2895 million. This acquisition assists the Group in integrating its LPG transportation business, reducing connected transactions and potential horizontal competition, and positively contributes to the Company's efforts in building an energy and chemical logistics supply chain.

As at 31 December 2025, the equity transfer agreement for Shanghai Liquefied Gas has been signed, the transaction consideration has been paid, and the target company has been included within the scope of the Company's consolidated financial statements. For details of the acquisition of the 100% equity interest of Shanghai Liquefied Gas, please refer to the Company's announcement dated 28 October 2025. COSCO SHIPPING Investment Dalian is a subsidiary of COSCO SHIPPING and is therefore a connected person of the Company.

The terms of the Shanghai Liquefied Gas Equity Transfer Agreement were agreed by the parties after arm's length negotiations. The Directors (including the independent non-executive Directors) are of the view that, although the acquisition of the equity interest was not entered into in the ordinary and usual course of business of the Group, it was conducted on normal commercial terms which are fair and reasonable, and is in the overall interests of the Company and its shareholders.

6. **Discloseable and Connected Transaction and Continuing Connected Transaction – Charter Party Agreements**

On 5 November 2025, Pan Cosmos Shipping & Enterprises Co., Ltd. ("寰宇船務企業有限公司"), a wholly-owned subsidiary of the Company, entered into bareboat charter party agreements with Hainan COSCO SHIPPING Development Co., Ltd., a wholly-owned subsidiary of COSCO SHIPPING Development Co., Ltd.* ("中遠海運發展股份有限公司" or "**COSCO SHIPPING Development**"), for six VLCCs. The charter arrangement comprises three tankers under a fixed bareboat charter rate and three tankers under a floor rate with profit-sharing mechanism. The maximum charter term for each tanker is 240 months ± 90 days from its delivery date. The average fixed daily rent for the six VLCCs is RMB134,871/vessel (excluding tax). For three of the VLCCs, the variable lease payments are linked to the TCE for the Middle East to China route (TD3C) as published by the Baltic Exchange, with the aggregate annual variable hire for these three tankers not exceeding RMB131 million. The six tankers will be delivered progressively between 30 April 2027 and 30 November 2028.

The pricing terms of the charter party agreements were determined by the Company through processes including inquiry, price comparison and negotiation, after considering prevailing market hire quotations from independent third-party leasing companies based on key commercial factors, and were finalized after arm's length negotiations between the parties. Utilizing an operating lease structure for this chartering matter assists the Company in optimizing its capital structure and cash flow management, enhancing its operational resilience, implementing its strategy for autonomous vessel management, supplementing and optimizing its tonnage structure, and positioning for future growth.

For details of the charter party agreements, please refer to the Company's announcements dated 30 October 2025 and 23 December 2025, and the Company's circular dated 5 December 2025. Hainan COSCO SHIPPING Development is a company indirectly controlled by COSCO SHIPPING through COSCO SHIPPING Development, and is therefore also a connected person of the Company.

The Directors (including the independent non-executive Directors) are of the view that the charter party agreements and the acquisition of right-of-use assets contemplated thereunder were entered into in the ordinary and usual course of business of the Group, and the terms of the charter party agreements are fair and reasonable, on normal commercial terms, and in the overall interests of the Company and its shareholders.

7. **Discloseable and Connected Transactions – Construction of Nineteen Vessels**

On 12 December 2025, the Company and its subsidiaries entered into shipbuilding contracts with shipyards under COSCO Shipping Heavy Industry for the construction of nineteen vessels, with an aggregate contract price (tax inclusive) of RMB7.882 billion. The newbuilding vessels will further enhance the resilience and security capabilities of the Group's energy supply chain, and optimise its fleet structure and market competitiveness.

Buyers	Sellers	Subject matter
Dalian COSCO Energy	COSCO SHIPPING Heavy Industry (Dalian)	Construction of 1 ethylene carrier of 9,000 cubic metres, with a contracted consideration (tax inclusive) of RMB327.98 million
Hainan COSCO Energy	COSCO SHIPPING Heavy Industry (Yangzhou)	Construction of 2 Aframax crude oil tankers (methanol dual fuel), with a contracted consideration (tax inclusive) of RMB610 million each
Hainan COSCO Energy	COSCO SHIPPING Heavy Industry (Yangzhou)	Construction of 2 LR2 product oil/crude oil tankers (methanol dual fuel), with a contracted consideration (tax inclusive) of RMB630 million each
The Company	COSCO SHIPPING Heavy Industry (Dalian)	Construction of 2 LR1 product oil/crude oil tankers, with a contracted consideration (tax inclusive) of RMB456 million each
The Company	COSCO SHIPPING Heavy Industry (Dalian)	Construction of 3 MR product oil/crude oil tankers, with a contracted consideration (tax inclusive) of RMB349 million each
The Company	COSCO Shipping Heavy Industry (Guangdong) Co., Ltd.	Construction of 5 MR product oil/crude oil tankers, with a contracted consideration (tax inclusive) of RMB349 million each
The Company	COSCO SHIPPING Heavy Industry (Dalian)	Construction of 4 MR crude oil tankers, with a contracted consideration (tax inclusive) of RMB342.5 million each

The Company and its subsidiaries will fund the newbuilding investments through a combination of internal resources and external financing. For details of the construction of the nineteen vessels, please refer to the Company's announcement dated 12 December 2025 and the Company's circular dated 9 January 2026. Each of the sellers is a subsidiary of COSCO SHIPPING and is therefore a connected person of the Company.

The Directors (including the independent non-executive Directors) are of the view that the shipbuilding contracts and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group, and the terms thereof are fair and reasonable and on normal commercial terms or better, and are in the overall interests of the Company and its Shareholders.

The above transactions were approved at the extraordinary general meeting of the Company held on 27 January 2026.

Details of related party transactions conducted in the ordinary course of business are set out in Note 44 to the consolidated financial statements. Except for the matters disclosed above, none of the related party transactions disclosed in Note 44 to the consolidated financial statements constitute connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules. During the Reporting Period, the Company has fully complied with the disclosure requirements under Chapter 14A of the Listing Rules.

EMPLOYEES

As at 31 December 2025, the Company had 7,979 employees. Adjustment of employee remuneration are calculated in accordance with the Company's turnover and profitability and is determined by assessing the correlation between the total salary paid and the economic efficiency of the enterprise. Under this mechanism, management of employee remuneration will be more efficient while employees will be motivated to work hard to bring encouraging results to the Company. Save for the remuneration disclosed above and the Incentive Scheme, the Company does not maintain any share option scheme for its employees and the employees are not entitled to enjoy any bonus. The Company regularly provides for its administrative personnel training on various subjects, including operation management, foreign languages, computer skills, industry know-how and policies and laws. Trainings are provided in different forms including seminars, site visits and interview.

During the Reporting Period, the total staff costs were approximately RMB3.613 billion (2024: approximately RMB3.670 billion).

EMPLOYEE HOUSING

According to the relevant local laws and regulations in the PRC, both the Group and its employees in the PRC are required to contribute to an accommodation fund according to a certain percentage of the salaries and wages of the employees. There are no other significant contributory obligations beyond the contributions to the said fund.

MEDICAL INSURANCE SCHEME

As required by the regulations of the local government in the PRC effective from 1 July 2001, the Company participates in a defined contribution medical insurance scheme organized by local social security authorities. Under the scheme, the Company is required to make monthly contributions at the rate of 12% of the total salaries of the employees. In addition, pursuant to the aforementioned regulations, the contributions are accounted for as staff welfare payables accrued by the Company. The Company has no obligation for the payment of medical benefits beyond such contributions to the registered insurance companies.

PENSION AND ENTERPRISE ANNUITY SCHEMES

Details of the pension and enterprise annuity schemes of the Group are set out in Note 40 to the consolidated financial statements.

No forfeited contributions were available as at 31 December 2024 to reduce future contributions.

SHARE OPTION INCENTIVE SCHEME

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

The Incentive Scheme will automatically expire in 7 years from the date of the approval at the relevant general meeting. Specifically, the exercise periods for the Initial Grant and the Reserved Grant of share options (the "**Share Options**" or "**Options**") are from 11 May 2024 to 10 May 2031, and from 31 December 2024 to 30 December 2031, respectively. As of the date of this Report, the remaining term of the Incentive Scheme is 5 years and 1 months.

1. **Purpose of the Incentive Scheme**

   (1) to enhance Shareholders' value and safeguard equity owners' interest;

   (2) to develop an interest and risk sharing mechanism between Shareholders, the Company and the employees, in order to sufficiently motivate the activeness of the middle and senior management members and core talents of the Company;

   (3) to assist the management to balance short-term objectives and long-term objectives, to support the implementation of the Company's strategy and long-term sustainable development;

   (4) to attract and retain quality management talents and essential business caliber, to ensure the long-term development of the Company.

2. **Determination and Allocation of Participants of the Incentive Scheme**

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

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

Names	Position(s)	Share Options Granted (ten thousand)	Proportion to the total Share Options in the Initial Grant	Proportion to the total share capital of the Company as of the date of this Report[(1)]
REN Yongqiang	Executive Director, Chairman	28.32	1.2694%	0.0052%
ZHU Maijin	Executive Director, General Manager	26.93	1.2071%	0.0049%
TIAN Chao	Financial Controller, Chief Accountant	19.68	0.8821%	0.0036%
ZHANG Yong	Deputy General Manager	31.27	1.4016%	0.0057%
XU Wei	Deputy General Manager	27.56	1.2353%	0.0050%
ZHANG Lei	Deputy General Manager	17.58	0.7880%	0.0032%
Li Xuhua	General Counsel	28.27	1.2672%	0.0052%
NI Yidan	Secretary to the Board	16.49	0.7391%	0.0030%
Subtotal for Directors and Senior Management (8 persons)		196.10	8.7899%	0.0359%
Other core management and technical personnel[(2)] (99 persons)		2,034.86	91.2101%	0.3723%
Total Initial Grant (107 persons)		2,230.96	100.0000%	0.4082%

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

Names	Position(s)	Share Options Granted (ten thousand)	Proportion to the total Share Options in the Reserved Grant	Proportion to the total share capital of the Company as of the date of this Report[1]
YU Zhenghong	Deputy General Manager	22.98	4.9571%	0.0042%
Subtotal for Directors and Senior Management (1 person)		22.98	4.9571%	0.0042%
Other core management and technical personnel (23 persons)		440.60	95.0429%	0.0806%
Total Reserved Grant (24 persons)		463.58	100.0000%	0.0848%

Notes:

(1) As of the date of the Report, the Company's total issued Shares (excluding treasury shares, if any) were 5,465,220,839.

(2) Mr. QIN Jiong and Mr. CHEN Jianrong, who resigned from the positions of Senior Management of the Company during the Reporting Period, are included in the category of "Other core management and technical personnel".

(3) Any discrepancy in the last digit of the above total amount and the sum of all breakdowns is a result of rounding.

3. The Number of Share Options Proposed to be Granted under the Incentive Scheme

The number of the subject shares involved in the total number of Share Options granted to the Participants under the Incentive Scheme is 26,945,400 Shares, representing approximately 0.493% of the total issued share capital of the Company of 5,465,220,839 Shares as of the date of the Report, not exceeding 10% of the total issued share capital (4,770,776,395 Shares) and not exceeding 10% of the total number of A Shares (3,474,776,395 Shares) of the Company as at the date of approval of the Incentive Scheme. Among which, the total number of Share Options granted initially is 22,309,600 Shares, representing approximately 0.642% and 0.468% of the A Shares and the total issued share capital of the Company, respectively, as of 10 May 2024, and representing approximately 82.80% of the total number of Share Options under the Incentive Scheme. The total number of Reserved Options is 4,635,800 Shares, representing approximately 0.133% and 0.097% of the A Shares and the total issued share capital of the Company, respectively, as of 30 December 2024, and representing approximately 17.20% of the total number of Share Options under the Incentive Scheme.

During the Reporting Period, no Share Options were adjusted, exercised or cancelled under the Incentive Scheme. The total number of Shares available for issue at the beginning and end of the Reporting Period was 26,945,400 A shares, representing approximately 0.493% of the total shares of the Company as at the date of this Report. No Grants were made under the Incentive Scheme during the Reporting Period. As at 31 December 2025, there were no remaining Share Options available for grant under the Incentive Scheme.

The A Shares that may be issued in respect of Share Options granted under the Incentive Scheme during the Reporting Period divided by the weighted average number of A Shares (being the Shares of the relevant class in issue: 4,169,220,839 A Shares) for the Reporting Period is 0.750%.

The number of the Share Options to be granted to each Participant under the Incentive Scheme shall not exceed 1% of the total share capital of the Company as of 10 May 2024. Unless approved by special resolution at a shareholders' meeting, the accumulated number of the Shares of the Company involved in the interest granted (including those exercised and not exercised) to any of the Participants under all equity incentive schemes within their validity period shall not exceed 1% of the total share capital of the Company and not exceed 1% of the total number of A Shares of the Company.

4. **Maximum Entitlement of Each Participant**

The number of Options to be granted to each Participant under the Incentive Scheme shall not exceed 1% of the total share capital of the Company as of 10 May 2024.

5. **Schedule of the Incentive Scheme**

(1) Validity Period

The Validity Period for the exercise of the Share Options granted under the Incentive Scheme shall be seven years from the date of grant (the "**Date of Grant**"), which means that the employees can exercise on the pre-determined effective and exercise schedule within seven years from the Date of Grant. Share Options not exercised will lapse after seven years from the Date of Grant. In particular, the Exercise Periods for the Initial Grant and the Reserved Grant are from 11 May 2024 to 10 May 2031 and from 31 December 2024 to 30 December 2031, respectively.

(2) Vesting Period

Vesting Period represents the period from the Date of Grant to the Exercise Date of a Share Option, which shall be a period of 24 months pursuant to the relevant requirements of the SASAC.

(3) Exercise Date

Share Options for the Initial Grant and Reserved Grant can be exercised after 24 months from the Date of Grant. Exercise Date must be a trading day.

During the exercise period (as defined hereinafter), upon the fulfilment of effective conditions required by the Scheme, the Share Options granted to the Participants can be exercised in tranches according to the arrangement set out in the following table:

Exercise Period ("Exercise Period")	Exercise Time	Exercise Proportion
First Exercise Period	Commencing on the first trading day after expiry of 24 months (after the second full year) from the Date of Grant and ending on the last trading day of the 36 months from the Date of Grant	33%
Second Exercise Period	Commencing on the first trading day after expiry of 36 months (after the third full year) from the Date of Grant and ending on the last trading day of the 48 months from the Date of Grant	33%
Third Exercise Period	Commencing on the first trading day after expiry of 48 months (after the fourth full year) from the Date of Grant and ending on the last trading day of the 84 months from the Date of Grant	34%

If the current effective conditions are not fulfilled, the Share Options shall not be exercised or deferred to become exercisable in the next Exercise Period, and the respective Share Options shall be cancelled by the Company. The portion that fails to be exercised within each Exercise Period shall not be exercised subsequently. After the expiration of the current Exercise Period, all Share Options not exercised shall lapse, and shall be recalled and cancelled by the Company collectively.

6. Performance Conditions for the Share Options to become Effective

(1) Performance Conditions on Company Level

The number of the Share Options to be effective in each effective year under the Grant shall be adjusted according to the performance coefficient on company level for the last year: Number of actual effective Share Options on company level = Number of the Share Options planned to be effective for the period × performance coefficient of the Company.

Performance targets for each effective year are as follows:

Performance Targets	First Exercise Period (One year immediately preceding the Share Options coming into effect, being 2024)	Second Exercise Period (One year immediately preceding the Share Options coming into effect, being 2025)	Third Exercise Period (One year immediately preceding the Share Options coming into effect, being 2026)
EOE attributable to owners of the Company[(1)]	No less than 22.0%, and no less than the 75th percentile of Benchmark Enterprises	No less than 24.0%, and no less than the 75th percentile of Benchmark Enterprises	No less than 26.0%, and no less than the 75th percentile of Benchmark Enterprises
Compound growth rate of the total profit compared to 2022[(2)]	No less than 24.1%, and no less than the 75th percentile of Benchmark Enterprises	No less than 24.3%, and no less than the 75th percentile of Benchmark Enterprises	No less than 24.5%, and no less than the 75th percentile of Benchmark Enterprises
Economic value added (EVA)	Completion of targets delegated to the Group by the SASAC and disintegrated to the Company		

Notes:

(1) EOE attributable to owners of the Company, the formula is: EBITDA after extraordinary profit and loss for the period ÷ [(net assets attributable to shareholders of the listed company at the beginning of the period + net assets attributable to shareholders of the listed company at the end of the period) ÷ 2] × 100%.

(2) Compound growth rate of the total profit is calculated with the total profit of the Company for the period compared with that of the Company for the financial year ended 31 December 2022.

(2) Performance Targets of the Participants

Comprehensive appraisal and assessment ranking for the year immediately preceding the Share Options becoming effective	Excellent or qualified	Basically qualified	Unqualified
Individual performance coefficient	100%	80%	0

Number of individual actual effective Share Options = Number of individual expected effective Share Options for the period × Performance coefficient of the Company × Individual performance coefficient.

7. Exercise price of the Share Options and Basis of Determination

The Exercise Price of the Share Options granted initially shall be RMB13.00 per Share, and shall be determined based on the highest of the followings:

(1) the average trading price of the A Share on the last trading day immediately preceding 26 October 2023 (the date of the announcement of the Company in relation to the proposed adoption of the Incentive Scheme), being RMB12.91 per Share;

(2) one of the average trading prices of the A Share for the last 20/60/120 trading days immediately preceding 26 October 2023 (the average trading price of the preceding 20/60/120 trading days is RMB13.58 per Share, RMB13.55 per Share, RMB13.00 per Share respectively);

(3) unit nominal value of an A Share (RMB1).

The Exercise Price of the Reserved Options shall be RMB12.09 per Share, and shall be determined based on the highest of the following:

(1) the average trading price of the A Share on the last trading day immediately preceding 30 December 2024 (the date of the resolution of the Board to consider the Grant of Reserved Options), being RMB12.03 per Share;

(2) one of the average trading prices of the A Share for the last 20/60/120 trading days immediately preceding 30 December 2024 (the average trading price of the preceding 20/60/120 trading days is RMB12.09 per Share, RMB12.88 per Share, RMB13.24 per Share respectively);

(3) unit nominal value of an A Share (RMB1).

If before the date of exercising the Share Options by the Participants, in the event of any ex-rights and ex-dividend issues, such as capitalization issue, sub-division or consolidation of the Shares, rights issue or declaration of dividends of the Company, the Exercise Price of the Share Options shall be adjusted accordingly.

8. Movement of Options Granted under the Incentive Scheme

During the Reporting Period and up to the date of the Report, details of movement of the Options granted under the Incentive Scheme were as follows:

Name or category of Participants	Date of Grant	Vesting period	Exercise period	Exercise Price (RMB)	Number of Share Options: As at 1 January 2025 (ten thousands)	Granted during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Outstanding options as at 31 December 2025 and as at the date of the Report (ten thousands)
I. Directors, chief executive and senior management of the Company and/or their respective associate(s), if any											
REN Yongqiang (Chairman of the Board)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	28.32	–	–	–	–	–	28.32
ZHU Maijin (Director and General Manager)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	26.93	–	–	–	–	–	26.93
YU Zhenhong (Deputy General Manager)[1]	30 December 2024	2 years from the Date of Grant	31 December 2026 to 30 December 2031	12.09	22.98	–	–	–	–	–	22.98
TIAN Chao (Financial Controller, Chief Accountant)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	19.68	–	–	–	–	–	19.68
ZHANG Yong (Deputy General Manager)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	31.27	–	–	–	–	–	31.27
XU Wei (Deputy General Manager)[1]	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	27.56	–	–	–	–	–	27.56
ZHANG Lei (Deputy General Manager)[1]	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	17.58	–	–	–	–	–	17.58
Li Xuhua (General Counsel)[1]	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	28.27	–	–	–	–	–	28.27
NI Yidan (Secretary to the Board)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	16.49	–	–	–	–	–	16.49
II. Other Participants											
Other essential management and core technical personnel[1] (99 Participants)	10 May 2024	2 years from the Date of Grant	11 May 2026 to 10 May 2031	13.00	2,034.86	–	–	–	–	–	2,034.86
Other essential management and core technical personnel (23 Participants)	30 December 2024	2 years from the Date of Grant	31 December 2026 to 30 December 2031	12.09	440.60	–	–	–	–	–	440.60
Total					2,694.54						2,694.54

Notes:

(1) Ms. YU Zhenhong, Mr. XU Wei and Mr. ZHANG Lei were appointed as Deputy General Managers of the Company with effect from 29 April 2025, 17 November 2025 and 17 November 2025, respectively; Ms. LI Xuhua was appointed as General Counsel with effect from 26 December 2025; Mr. QIN Jiong and Mr. CHEN Jianrong, who stepped down from their positions as Senior Management of the Company during the Reporting Period due to job changes, are included in the category of " Other essential management and technical personnel under the initial grant (99 persons)".

(2) All of the above grants made by the Company are subject to performance targets described under "6. Performance Conditions for the Share Options to become Effective" in the Report.

(3) The closing price per A Share quoted on the Shanghai Stock Exchange immediately before the Share Options granted on 10 May 2024 and 30 December 2024 (i.e. the respective grant dates) were RMB16.44 and RMB12.05, respectively.

(4) The fair value of the Share Options at the respective Date of Grant of the Initial Grant and Reserved Grant are RMB8.53 per Share and RMB4.92 per Share. The accounting standard, assumptions, inputs and policy adopted in the assessment of the aforementioned fair value are set out in Note 47 to the consolidated financial statements.

(5) Save for those listed above, there were no other Share Options granted or to be granted under the Incentive Scheme to (i) Directors, supervisors, chief executives or substantial Shareholders of the Company, or their respective associates; (ii) any Participant with Share Options granted and to be granted in excess of the aforesaid 1% limit; (iii) other employee Participants or any related entity participant and service provider during the Reporting Period.

(6) The number of exercisable Share Options set out in the above table represents the number granted by the Company. The final number of exercisable Share Options is subject to adjustment as reviewed and approved by the Board, and reasonable differences may exist between such final number and the data presented in the notes to the audit report.

COMPLETION OF A SHARE ISSUANCE UNDER A SPECIFIC MANDATE

On 22 October 2025, the Company completed the proposed issuance of A Shares to specific target subscribers under a specific mandate (the "**Proposed A Share Issuance**" or the "**Issuance**"). Upon completion of the Issuance, an aggregate of 694,444,444 A Shares were issued at an issue price of RMB11.52 per A Share. The 694,444,444 A Shares issued under the Issuance represented approximately 12.71% of the issued share capital of the Company immediately following completion of the Issuance. After the Issuance, the total number of Shares increased from 4,770,776,395 Shares to 5,465,220,839 Shares, and the total number of A Shares increased from 3,474,716,395 Shares to 4,169,220,839 Shares.

The proceeds from the Issuance were used for the construction of six VLCCs, two LNG carriers and three Aframax crude oil tankers. Basic information of the Proposed A Share Issuance is as follows:

1. Class of shares: RMB ordinary shares (A Shares);

2. Par value per share: RMB1.00/A Share;

3. Number of shares issued: 694,444,444 Shares;

4. Issue price: RMB11.52/A Share;

5. Net price: RMB11.49/A Share;

6. Market price of A Shares on the pricing date (24 September 2025): RMB12.27/A Share;

7. Gross proceeds: RMB7,999,999,994.88;

8. Issuance expenses: RMB20,489,715.56 (excluding VAT);

9. Net proceeds (the “**Net Proceeds**”): RMB7,979,510,279.32;

10. Reasons and benefits: The Issuance is conducive to the Company’s ability to grasp industry development trends, optimise the age profile of its fleet, expand its LNG capacity, and further enhance its competitive advantages in both domestic and international oil transportation.

Set out below are the results of the Proposed A Share Issuance and certain information on the subscribers:

No.	**Name of Subscriber**	**Number of A Shares Subscribed** (shares)	**Subscription Amount** (RMB)	**Lock-up Period** (months)
1	China COSCO SHIPPING Corporation Limited (中國遠洋海運集團有限公司)	347,222,222	3,999,999,997.44	18
2	National Green Development Fund Co., Ltd.* (國家綠色發展基金股份有限公司)	41,666,666	479,999,992.32	6
3	Guoxin Development Investment Management Co., Ltd.* (國新發展投資管理有限公司)	182,291,666	2,099,999,992.32	6
4	China State-owned Enterprise Structural Adjustment Fund II Co., Ltd.* (中國國有企業結構調整基金二期股份有限公司)	43,402,777	499,999,991.04	6
5	Cinda Securities Co., Ltd.* (信達證券股份有限公司)	17,361,111	199,999,998.72	6
6	Hubei Railway Development Fund Co., Ltd.* (湖北省鐵路發展基金有限責任公司)	17,361,111	199,999,998.72	6
7	China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd.* (中國國有企業混合所有制改革基金有限公司)	45,138,891	520,000,024.32	6
	Total	694,444,444	7,999,999,994.88	

Apart from China COSCO SHIPPING Corporation Limited (which is referred to as “COSCO SHIPPING” in this Report), the subscribers in the Issuance also included private equity funds, securities firms which satisfy the relevant requirements of China Securities Regulatory Commission (the “**CSRC**”), and other corporate bodies which satisfy the relevant requirements of applicable laws and regulations.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the subscribers under the Issuance (other than COSCO SHIPPING) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

As at 31 December 2025, the use of such aforesaid Net Proceeds were as follows:

Unit: RMB in ten thousand

No.	Name of the Projects	Total Investment	Proposed Amount of Proceeds to be Invested	Amount Utilized as at 31 December 2025	Unutilized Amount as at 31 December 2025
1	Investment in construction of 6 VLCCs	574,800.00	459,840.00	0.00	459,840.00
2	Investment in construction of 2 LNG carriers	343,341.86	274,673.49	33,969.61	240,703.88(1)
3	Investment in construction of 3 Aframax crude oil tankers	173,700.00	63,437.54	0.00	63,437.54
	Total	1,091,841.86	797,951.03	33,969.61	763,981.42

Expected timetable for the use of proceeds from the Issuance:

Unit: RMB in ten thousand

	For the financial years ending 31 December			
Projects	2026	2027	2028	Total
Investment in construction of 6 VLCCs	19,160.00	134,120.00	306,560.00	459,840.00
Investment in construction of 2 LNG carriers	51,501.28	188,838.02	–	240,339.30(1)
Investment in construction of 3 Aframax crude oil tankers	57,900.00	5,537.54	–	63,437.54
Total	128,561.28	328,495.56	306,560.00	763,616.84

Notes:

(1) For the project "Investment in construction of 2 LNG carriers", the proposed amount of proceeds to be invested is RMB2,746.7349 million (converted at the exchange rate of USD1 = RMB7.1889 as stated in the Prospectus). In 2025, the Company made two carriers progress payments aggregating RMB339.6961 million using the proceeds (calculated at the prevailing exchange rates on the respective payment dates). As at the end of 2025, due to exchange rate fluctuations, the unused proceeds for this project exceeded the expected amount by RMB3.6458 million. This difference is attributable to exchange rate movements and does not affect the total investment amount of the project.

(2) The above table presents an indicative timetable. As at the latest practicable date, the expected delivery schedule for the six VLCCs is from the third quarter of 2027 to the fourth quarter of 2028. The two LNG carriers are expected to be delivered in the second half of 2027. The three Aframax crude oil tankers are expected to be delivered on 31 December 2026, 30 September 2027 and 30 November 2027, respectively.

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of the Report.

By order of the Board
REN Yongqiang
Chairman

Shanghai, the PRC
26 March 2026

DUTY PERFORMANCE REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

We, as independent non-executive Directors of COSCO SHIPPING Energy Transportation Co., Ltd., now prepare and disclose the Duty Performance Report of Independent Non-executive Directors in 2025 in accordance with the format and requirement provided in Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號一規範運作》) as below, and will report to the Shareholders at the annual general meeting of the Company.

I. PROFILE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

As independent non-executive Directors of the eleventh Board of the Company, we are familiar with the basic knowledge of the operation of listed companies and the relevant laws and regulations, and possess the work experience and qualification necessary for due performance of the duties as independent non-executive Directors. There is no relation with the Company which would impact our independence, and that none of us are identified by the CSRC as personnels whose entry into the securities market is banned and the ban has not been lifted so far. We undertake again that any one of us will voluntarily resign as an independent non-executive Director in case of any disqualification to act as an independent non-executive Director during our tenure.

As at 31 December 2025, the Board comprises ten Directors, including two executive Directors, four non-executive Directors and four independent non-executive Directors. The constitution is in compliance with the minimum number of independent non-executive Directors required under the Shanghai Stock Exchange Listing Rules and the Listing Rules. The four independent non-executive Directors are Mr. Victor HUANG, Mr. LI Runsheng, Mr. ZHAO Jinsong and Mr. WANG Zuwen, and they are professionals with work experience in finance, business administration, maritime law, and marine engineering, respectively and meet with the duty requirement as verified and confirmed by the relevant securities regulatory institutions of independent directors. Mr. Victor HUANG, Mr. LI Runsheng, Mr. WANG Zuwen and Mr. ZHAO Jinsong act as Chairman of the relevant committee (as the case may be), in four professional committees, i.e., the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Risk Control and Compliance Management Committee under the Board, respectively. Following the abolition of the Supervisory Committee, the Audit Committee of the Board has legally assumed the relevant functions and powers of the Supervisory Committee as stipulated in the Company Law, thereby further strengthening the supervision over the Company's financial affairs, internal control, and the performance of duties by directors and senior management.

For further information of the biographical details of the four independent non-executive Directors, please refer to the section headed "BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT" disclosed in the Report.

II. PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS' DUTIES

Our four independent non-executive Directors all earnestly performed the duties with independent judgment by fulfilling the statements and undertakings we made during selection since the date on which we were selected and appointed at the general meeting of the Company. We acted independently of the substantial shareholders and the ultimate controlling shareholder of the Company or other entities or individuals who have a stake in the Company, protecting the legitimate rights and interests of Shareholders as a whole according to law.

1. Attendance of General Meetings and Board Meetings

In 2025, the Company convened a total of 4 general meetings, during which 29 proposals and their sub-proposals were reviewed and approved; additionally, convened 17 Board meetings (13 meetings of which were held via correspondence), resulting in the approval of 84 proposals. Our attendance in person at these general meetings and board meetings was as follows:

	Attendance record of Board meetings				Attendance record of general meetings		
Name of independent non-executive Director(s)	Required attendance	Attended in person	Attended by proxy	Absent	Required attendance	Attended in person	Absent
Victor HUANG (黃偉德)	17	17	0	0	4	4	0
LI Runsheng (李潤生)	17	17	0	0	4	4	0
ZHAO Jinsong (趙勁松)	17	17	0	0	4	4	0
WANG Zuwen (王祖溫)	17	17	0	0	4	4	0

At the general meetings, we listened carefully to the issues of concern raised by the attending Shareholders and their questions regarding the Company's production and operations, and studied them as matters to be addressed in the course of performing our duties. At the Board meetings, we diligently reviewed each proposal, actively participated in discussions and exercised independent judgment, providing professional and constructive advice on the Company's major decisions. We exercised our voting rights on each proposal independently and prudently, safeguarding the legitimate rights and interests of the Company and all its shareholders. During the year, we voted in favour of all proposals submitted to the Board for consideration.

At the 2024 annual general meeting, we reported our annual duty performance reports, which were published on designated media including the Company's website and the Shanghai Stock Exchange disclosure platform.

II. PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS' DUTIES (Continued)

2. Attendance at Board Professional Committees and Independent Directors' Special Meetings

In compliance with the Code Provisions set out in the Code in Appendix C1 of the Listing Rules, the Company has established five professional committees under the Board, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the Risk Control and Compliance Management Committee. The table below outlines the positions held by our four independent non-executive Directors across these committees:

Board Committee / Director(s)	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	Risk Control and Compliance Management Committee
Victor HUANG (黃偉德)	C	M	M		
LI Runsheng (李潤生)		C	M	M	
ZHAO Jinsong (趙勁松)	M			M	C
WANG Zuwen (王祖溫)		M	C		M

Notes:

C: Chairman of the relevant Board committee
M: Member of the relevant Board committee

We strictly performed our duties in accordance with the provisions of the relevant Rules of Procedure of the Board Committees (the "**Rules of Procedure**"), gaining a comprehensive understanding of the Company's operating and financial conditions. We assisted the Board in enhancing the quality of financial reporting, reviewed the Company's financial reports, guided internal and external audit work, and improved the implementation of the Company's internal control systems. We reviewed the remuneration plans for Directors and Senior Management, as well as the supporting documents relating to the term-based and contractual management system for Management members. We reviewed the qualifications and appointment procedures for recommended candidates for Directors and Senior Management. We studied major capital operation scheme, investment decisions, and the sustainable development strategy in relation to ESG matters, and provided recommendations. We guided and supervised the Company's compliance management efforts, and provided decision-making support to the Board in areas such as internal control and strategic management. At the independent Directors' special meetings, we discussed and considered matters such as the Company's discloseable connected transactions.

II. PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS' DUTIES (Continued)

2. Attendance at Board Professional Committees and Independent Directors' Special Meetings (Continued)

In 2025, the Audit Committee held a total of 7 meetings, reviewing 17 proposals (reports); the Remuneration and Appraisal Committee held a total of 3 meetings, reviewing 4 proposals; the Nomination Committee held a total of 4 meetings, reviewing 8 proposals; the Strategy Committee held a total of 4 meetings, reviewing 7 proposals; the Risk Control and Compliance Management Committee held a total of 4 meetings, reviewing 8 proposals. The independent Directors' special meetings held a total of 7 meetings, and we conducted pre-review of 23 proposals requiring Board consideration.

In all five Board committees and the independent Directors' special meetings, we performed our duties diligently and prudently, expressed agreement on all proposals, fully shared our opinions and suggestions, and exercised our voting rights independently, objectively and prudently. All our recommendations were adopted, contributing to the improvement of the Board's scientific decision-making. We attended all the above meetings without any unexcused absences.

3. Communication and Collaboration with the Internal Audit Department and the Auditors Engaged for the Company's Audit

In 2025, we closely monitored the Company's internal audit work, reviewing the annual internal audit work summary and audit plan. At the same time, we maintained close communication with the domestic and overseas auditors engaged by the Company, effectively supervising the quality and impartiality of the external audit by participating in pre-audit communication meetings, reviewing key audit matters, and discussing significant risk points identified during the audit process. Furthermore, through hearing management reports, the independent directors continuously monitored and guided the construction of the Company's internal control system, thereby promoting the continuous enhancement of the Company's corporate governance standards.

At the 2025 annual report communication meeting, the Audit Committee reviewed the integrated audit plan for A+H Shares presented by the annual auditor, held in-depth discussions with the certified public accountants in charge of the annual audit concerning all audit-related issues and reached consensus on the 2025 annual report audit arrangements.

4. Engagement with Minority Shareholders

In 2025, we actively communicated with minority Shareholders through general meetings and results briefings etc., safeguarded their legitimate rights and interests, and relayed their feedback to management.

II. PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS' DUTIES (Continued)

5. Approach and Situation of On-site Work

In 2025, we maintained close contact with other Directors, senior management and relevant staff of the Company by attending meetings of the Board and its committees, general meetings and academic forums on-site or by video, exchanging information with the internal/external auditors, and exchanging emails, etc. We conducted thorough inspections of the Company's actual operating conditions, internal controls, and financial status, enabling us to stay informed about the progress of all major corporate matters and fully exercise our guidance and oversight responsibilities. Additionally, we participated in Directors' investigations organized by the Company, during which we actively engaged in discussions with the Company6s subsidiaries/entrusted entities, connected shipyards and partners in the energy industry chain regarding strategic planning and business development topics. We fully leveraged our professional expertise to share work experience and insights during these exchanges.

6. Training and Company Support for Independent Directors' Work

In 2025, we actively participated in training organised by regulatory authorities and industry associations, continuously enhancing our performance capabilities in areas such as compliance management, internal control and financial anti-fraud, thereby strengthening the supervisory role of independent Directors. Additionally, the Company coordinated with external institutions to conduct corporate governance and ESG training sessions which would better integrate ESG principles into the Company's strategy and actively respond to the ESG disclosure requirements of global investors and regulatory authorities.

In 2025, the Company fully supported the work of independent Directors by safeguarding our right to information. Prior to convening various meetings, the Company consistently provided us with meeting materials and relevant annexes in advance, ensuring us sufficient time for thorough analysis and understanding of related issues. The Company also engaged in necessary pre-meeting communications and responded truthfully to our inquiries, thereby facilitating and supporting the effective performance of our duties.

III. KEY CONCERNS IN THE ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

1. Related Party Transactions

The Company strictly adheres to the Articles and COSCO SHIPPING Energy Related Party Transaction Management System (《中遠海能關聯交易管理制度》), pursuant to which, the related party (connected) transactions business was operated according to law and regulation. Relevant matters are reviewed and approved at duly convened Board meetings and general meetings at which the related directors and shareholders abstain from voting with relevant transactions approved by non-connected directors or shareholders. Independent non-executive Directors all make statements and express independent opinions, which eradicates the occurrence of related party (connected) transactions conducted by substantial shareholders in violation of relevant regulations. We confirm that all related party transactions of the Company follow the principles of fairness, impartiality, voluntariness, and good faith, complying with applicable laws and regulations, undergo legally valid review procedures, feature arm's length pricing and contain commercially reasonable terms. No transaction has been identified that would harm the interests of the Company or minority shareholders.

2. External Guarantees and Funds Occupation

The Company strictly complies with the Articles of Association, COSCO SHIPPING Energy External Guarantee Management System (《中遠海能對外擔保管理制度》) and COSCO SHIPPING Energy Measures for the Administration of Preventing Funds Occupation by Controlling Shareholder and Related Parties (《中遠海能防範控股股東及關聯方資金佔用管理辦法》) in conducting external guarantee activities in accordance with laws and regulations, thereby ensuring the security of corporate funds. The Company rigorously implements approval procedures for external guarantees and diligently fulfills relevant information disclosure obligations. Upon verification, as of the date of the Report, the Company has not engaged in any non-compliant guarantee activities and no instances of fund occupation by controlling shareholders or other related parties have occurred. The Company's external guarantee activities arise from ordinary production and operational requirements, facilitating stable business development, and are conducted without detriment to the Company's or Shareholders' interests, demonstrated both necessity and commercial rationality.

3. Periodic Reports and Financial Information

In 2025, the Company simultaneously disclosed four periodic reports on both the Shanghai Stock Exchange and the Stock Exchange of Hong Kong, and released the 2024 annual profit forecast announcement.

We have conducted thorough reviews of the financial information contained in these financial reports and periodic reports. It is our professional opinion that the financial information presented in these reports and accounts is truthful, complete and accurate, fairly reflecting the Company's financial position and operating results for the relevant reporting periods and no false records, misleading statements or material omissions have been identified.

III. KEY CONCERNS IN THE ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

4. Appointment or Replacement of Auditors

The Company re-appointed ShineWing and SHINEWING Hong Kong as its domestic auditor and overseas auditor for 2025, respectively.

ShineWing possesses the securities and futures-related business qualifications issued by the competent national authorities, and is a leading firm in China in terms of business scale, audit quality and reputation, with extensive experience and professional capability in providing quality audit services to the Company. SHINEWING Hong Kong has sufficient independence, professional competence and investor protection capability, and complies with the regulatory requirements for professional liability insurance. Neither SHINEWING Hong Kong nor its personnel have any circumstances that would violate the independence requirements under the Hong Kong Code of Ethics.

We are of the view that having ShineWing and its member firm SHINEWING Hong Kong responsible for the audit of the Company's domestic and overseas financial reports for 2025 facilitates the integration of audit resources, reduces audit costs and enhances efficiency. The Company's decision-making process was legally compliant and did not harm the interests of the Company or its minority Shareholders.

5. Issuance of A Shares to Specific Target Subscribers in 2025

In 2025, the Company completed the Issuance of 694,444,444 A Shares to 7 subscribers, including COSCO SHIPPING, the Company's indirect controlling shareholder, with total gross proceeds of approximately RMB8.0 billion. We are of the view that this Issuance was conducive to improving the Company's asset quality and solvency, reducing financial risks, optimising its capital structure, and promoting its sustainable development, thereby serving the interests of the Company and all its Shareholders.

6. Implementation of Internal Controls

The Company has established an internal control system that has been effectively implemented. The Company's 2025 Internal Control Evaluation Report comprehensively, truthfully and accurately reflects the actual status of the Company's internal controls. No violations of the Basic Standard for Enterprise Internal Control (《企業內部控制基本規範》) or the Company's relevant internal control policies were identified during the Reporting Period.

III. KEY CONCERNS IN THE ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

6. Implementation of Internal Controls (Continued)

In 2025, seizing the opportunity presented by the integration of the chemical logistics and supply chain, the Company adhered to the principle of system integration and comprehensively revised its Corporate Risk and Internal Control Manual (《風險與內部控制手冊》). A total of 40 compliance risk points were identified, embedding compliance requirements and risk prevention measures deeply into 212 internal control processes. This not only addressed prominent issues and weak links, but also extended the coverage of internal control process management to all areas of corporate governance. Furthermore, for key areas such as newbuilding investments, long-term leases, and vessel disposals, the Company formulated and revised compliance due diligence standards and checklists, achieving in-depth integration and synergy among its internal control, compliance, and risk management systems.

7. Nomination and Remuneration of Directors and Senior Management

In 2025, the general meeting elected Ms. ZHOU Chongyi and Ms. MA Yuanru as non-executive Directors. The Board approved the reappointment of Mr. ZHU Maijin as General Manager; the reappointment of Mr. QIN Jiong (who resigned with effect from 30 June 2025), Mr. CHEN Jianrong (who resigned with effect from 30 October 2025) and Mr. ZHANG Yong as Deputy General Managers; the reappointment of Mr. TIAN Chao as the Financial Controller; and the reappointment of Ms. NI Yidan as the Board Secretary. The Board also newly appointed Ms. YU Zhenhong, Mr. XU Wei and Mr. ZHANG Lei as Deputy General Managers, and newly appointed Ms. LI Xuhua as the General Counsel. Having reviewed the personal resumes, work experience and other relevant information of the above-mentioned Directors and Senior Management, we are of the opinion that none of the relevant individuals are subject to any disqualification from serving as Directors and Senior Management as stipulated by laws and regulations, and that their qualifications and nomination procedures are in compliance with laws, regulations and the provisions of the Articles of Association.

In 2025, the Company's remuneration policies and framework for Directors and Senior Management were formalized and transparent, with an incentive mechanism linked to operational performance. In accordance with the COSCO SHIPPING Energy Senior Management 2025 Operating Performance Responsibility Statement, the Company conducted annual performance evaluations for Senior Management. Based on our review of their 2025 performance and fulfillment of duties, we conclude that the performance-based incentive mechanism effectively motivates senior management, favorable to the Company's operational development.

III. KEY CONCERNS IN THE ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

8. Cash Dividends and Other Investor Returns

In 2025, the Board proposed the 2025 final dividend. We confirm that these profit distributions comply with the dividend policy stipulated in the Articles and the Company's disclosed shareholder return framework, serve the overall interests of all Shareholders and contribute to the Company's sustainable long-term development.

9. Fulfillment of Undertakings by the Company and Shareholders

China Shipping, the direct controlling shareholder of the Company, and COSCO SHIPPING, the indirect controlling shareholder of the Company, successively made the commitments of non-competition, avoidance and reduction of related party transactions, profit forecasting and compensation, capital security, independence, etc. to the Company.

From then to date, no breach of the undertaking was committed.

10. Implementation of Information Disclosure

The Company has earnestly fulfilled the obligation of information disclosure through better consideration of the difference in the areas of laws and regulations, listing rules, disclosure procedures, habit of domestic and overseas investors between Shanghai and Hong Kong to make information disclosure in a timely, legal, truthful and complete manner, which has effectively integrated the information disclosure between the PRC and Hong Kong. In the meantime, the Company has promoted the investor relations management and the exchange and communication with investors at home and abroad, and has disclosed information according to laws and regulations to improve the transparency of the Company, in order to ensure the informed right of the investors from domestic and abroad.

III. KEY CONCERNS IN THE ANNUAL DUTY PERFORMANCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

11. Operation of the Board and its Professional Committees

The Board features a well-structured composition with clearly defined responsibilities and robust governance systems. The independent director working mechanism has been effectively implemented, with all procedures, rules and systems stipulated in the *COSCO SHIPPING Energy Rules and Procedures for Board Meetings* (《中遠海能董事會議事規則》) strictly followed.

The Company has established the professional committees under the Board, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Strategy Committee and the Risk Control and Compliance Management Committee. These committees convene regular and ad hoc meetings in accordance with their respective Rules of Procedure, conduct specialized discussions and researches on major proposals prior to the Board for consideration and approval, which ensures the quality of matters submitted to the Board, enhances communication between the Company, independent non-executive Directors and relevant intermediaries, improves Board operation efficiency, facilitates scientific decision-making on significant matters, and promotes standardized operations of the Company.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

In 2025, we maintained regular communication with management of the Company and, while attending relevant meetings held by the Company, developed a comprehensive understanding of the Company's production operations and standardised operation by talking with employees, paying site visits to the workplaces and communicating with accountants. We actively attended general meetings, Board meetings and meetings of professional committees of the Board, expressed fair and objective independent opinions on relevant significant matters discussed by the Board and fully leveraged our professional expertise, thereby giving our advice on the long-term development of the Company. Adhering to the principle of serving the interests of all shareholders of the Company, we performed our duties independently and diligently in strict compliance with the requirements of applicable laws and regulations.

In 2026, the four independent non-executive Directors will continue to act diligently and in good faith to fulfill their duties, comply with laws, regulations and the provisions of the Articles of Association, continuously study relevant normative documents, gain in-depth understanding of the Company's operations, provide more constructive opinions and suggestions for the Company's compliance and prudent development by leveraging their professional knowledge and experience, consciously accept the supervision of securities regulatory authorities, and safeguard the legitimate rights and interests of all shareholders, particularly minority Shareholders, in accordance with the law.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS (Continued)

Our four independent non-executive Directors are unanimously of the view that the Company's compliance and corporate governance practices meet the requirements of relevant national laws, regulations and other normative documents. During 2025, we did not raise any objection to any of the Board's proposals or other non-Board matters. We will continue to monitor the Company's information disclosure work, and promptly report to the Board any matters of concern raised by the public shareholders that we become aware of through various channels, so as to protect the right to information of investors, especially minority shareholders, and safeguard the interests of the Company and its shareholders.

We hope that in the coming year, the Company will further expand its market presence, strive for robust business development, and reward its shareholders with good performance.

It is noteworthy that, pursuant to the Articles of Association and relevant regulatory requirements, three of the Company's four independent non-executive directors (Mr. Victor HUANG, Mr. LI Runsheng and Mr. ZHAO Jinsong) will complete their six-year term in June 2026. The Company has initiated the selection process for new independent director candidates and will strictly follow the requirements of laws, regulations and the Listing Rules to ensure a compliant and smooth transition, achieve orderly succession of Board members, and perform its information disclosure obligations in a timely manner. The independent Directors will continue to uphold their professionalism, support the ongoing improvement of the Company's governance, and safeguard the continuity and independence of the Board's decision-making.

We would like to take this opportunity to express our respect and gratitude to the Board, the Management team and relevant staff of the Company for their positive and effective cooperation and support for our performance of duties.

Independent Non-executive Directors:
Victor HUANG
LI Runsheng
ZHAO Jinsong
WANG Zuwen

26 March 2026

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE MEMBERS OF COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of COSCO SHIPPING Energy Transportation Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") set out on pages 124 to 249, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (Continued)

Freight revenue for vessel voyages

Refer to Note 5 to the consolidated financial statements and the accounting policies on pages 248 to 249.

Key audit matter	How the matter was addressed in our audit
For year ended 31 December 2025, the Group recognises revenues of RMB23,701 million out of which RMB19,508 million was related to freight revenue. The Group recognises freight revenue on a percentage of completion basis, which is determined on the time proportion method of each individual vessel voyage with reference to the voyage details such as freight rates, port loading and discharging information. We focused on the recognition of freight revenue due to the calculations involved in the estimation of freight revenue for vessel voyages in progress.	Our procedures in relation to management's estimation of freight revenue for vessel voyages included: • Obtained an understanding of the management's process for freight revenue recognition and evaluated the design and effectiveness of the internal control systems; • Obtained an understanding of the Group's operation system and financial system and assessed the consistency of revenue data between the two systems; • Analysed the business data including vessel types, routes, and cargo volumes, and compared it with prior period data to check for anomalies or fluctuations. Additionally, examined the trends alongside publicly available industry reports and freight rate indices (WS) to assess the reasonableness of these change; • Tested freight revenue transactions on a sample basis to verify them against supporting documentation, such as ullage reports; • Recomputed the estimated freight revenue and calculations of vessels voyages in progress recorded in the Group's operation system and reconciled to the accounting records; and • Obtained confirmations and checked to subsequent settlements to identify the fraud risks and cut-off errors.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Kwan Chi Fung.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Kwan Chi Fung
Practising Certificate Number: P06614

Hong Kong
26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	For the year ended 31 December 2025 RMB'000	2024 RMB'000 (Restated)
Revenues	5	**23,701,066**	23,158,728
Operating costs	8	**(17,594,479)**	(16,904,639)
Gross profit		**6,106,587**	6,254,089
Other income and other gains, net	6	**1,101,313**	614,109
Marketing expenses	8	**(113,899)**	(83,908)
Administrative expenses	8	**(1,185,939)**	(1,127,319)
(Provision for)/reversal of impairment losses on financial and contract assets		**(17,352)**	3,612
Other expenses		**(4,656)**	(168,002)
Share of profits of associates	18	**487,563**	540,227
Share of profits of joint ventures	19	**774,341**	632,496
Impairment losses on property, plant and equipment and right-of-use assets		**(449,131)**	–
Finance costs	7	**(1,342,413)**	(1,415,218)
Profit before tax		**5,356,414**	5,250,086
Income tax expense	9	**(933,520)**	(858,313)
Profit for the year		**4,422,894**	4,391,773
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss, net of tax:			
Changes in the fair value of equity investments at fair value through other comprehensive income ("**FVOCI**")		**22,488**	102,279
Remeasurement of defined benefit plan payable		**7,050**	(9,359)
Remeasurement of defined benefit plan payable of an associate		**(64)**	–
Net gain on revaluation from transfer of property, plant and equipment to investment properties		**21,094**	–
Exchange differences from retranslation of financial statements of subsidiaries		**(37,221)**	23,180
Items that may be reclassified subsequently to profit or loss, net of tax:			
Exchange differences from retranslation of financial statements of subsidiaries, joint ventures and associates		**(349,137)**	191,074
Net (loss)/profit on cash flow hedges		**(86,432)**	227,215
Hedging loss reclassified to profit	7	**(48,708)**	(98,187)
Share of other comprehensive income/(loss) of associates		**36,259**	(38,897)
Share of other comprehensive (loss)/income of joint ventures		**(111,523)**	50,618
Other comprehensive (loss)/income for the year		**(546,194)**	447,923
Total comprehensive income for the year		**3,876,700**	4,839,696

	Note	2025 RMB'000	2024 RMB'000 (Restated)
		For the year ended 31 December	
Profit for the year attributable to:			
Equity holders of the Company		**4,037,075**	4,043,330
Non-controlling interests		**385,819**	348,443
		4,422,894	4,391,773
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**3,569,205**	4,365,168
Non-controlling interests		**307,495**	474,528
		3,876,700	4,839,696
Earnings per share	13		
– Basic (RMB cents/share)		**82.62**	84.75
– Diluted (RMB cents/share)		**82.62**	84.75

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000 (Restated)	1 January 2024 RMB'000 (Restated)
NON-CURRENT ASSETS				
Investment properties	14	**34,304**	2,050	2,259
Property, plant and equipment	15	**55,127,512**	54,956,505	51,509,850
Right-of-use assets	16	**597,868**	934,631	741,627
Goodwill	17	**85,850**	85,850	85,850
Investments in associates	18	**6,124,293**	5,983,345	5,011,950
Investments in joint ventures	19	**7,185,500**	6,572,370	5,069,962
Loan receivables	21	**1,243,079**	1,296,446	1,301,256
Financial assets at FVOCI	22(a)	**438,579**	412,123	291,794
Deferred tax assets	23(a)	**35,354**	33,502	36,028
Derivative financial instruments	31	**81,038**	202,052	92,083
Other non-current assets	26	**1,822,654**	1,472,037	34,021
		72,776,031	71,950,911	64,176,680
CURRENT ASSETS				
Current portion of loan receivables	21	**23,618**	20,603	18,979
Inventories	24	**978,118**	1,333,724	1,160,522
Contract assets	25	**1,947,578**	883,802	1,557,572
Trade and bills receivables	25	**654,635**	609,630	626,598
Prepayments, deposits and other receivables	26	**1,091,016**	1,180,966	609,638
Tax recoverable		**45,421**	1,624	7,790
Restricted bank deposits	27	**786**	783	781
Cash and bank	27	**14,421,861**	5,830,380	6,066,404
		19,163,033	9,861,512	10,048,284
Assets classified as held for sale	28	**139,516**	–	–
		19,302,549	9,861,512	10,048,284
TOTAL ASSETS		**92,078,580**	81,812,423	74,224,964

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)	1 January 2024 RMB'000 (Restated)
NON-CURRENT LIABILITIES				
Provision and other liabilities		**78,824**	87,720	29,613
Derivative financial instruments	31	**16,524**	–	9,426
Interest-bearing bank and other borrowings	32	**22,313,240**	27,256,140	23,321,511
Other loans	33	**2,025,414**	2,224,590	907,941
Defined benefit plan payable	34	**124,342**	238,746	201,743
Lease liabilities	16	**229,708**	619,344	810,765
Deferred tax liabilities	23(b)	**1,884,598**	1,627,214	1,468,403
		26,672,650	32,053,754	26,749,402
CURRENT LIABILITIES				
Trade payables	29	**2,072,845**	1,977,008	1,743,216
Other payables and accruals	30	**2,451,270**	1,539,513	1,429,732
Contract liabilities		**99,102**	102,615	99,780
Current portion of interest-bearing bank and other borrowings	32	**10,162,800**	5,515,707	4,917,388
Current portion of other loans	33	**215,079**	234,143	52,069
Current portion of defined benefit plan payable	34	**11,130**	19,827	11,790
Current portion of lease liabilities	16	**486,426**	564,815	406,736
Tax liability		**264,105**	299,180	337,829
		15,762,757	10,252,808	8,998,540
TOTAL LIABILITIES		**42,435,407**	42,306,562	35,747,942

As at 31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)	1 January 2024 RMB'000 (Restated)
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	35	**5,465,221**	4,770,776	4,770,776
Reserves	36	**40,939,961**	31,616,837	30,908,094
		46,405,182	36,387,613	35,678,870
Non-controlling interests		**3,237,991**	3,118,248	2,798,152
TOTAL EQUITY		**49,643,173**	39,505,861	38,477,022

The consolidated financial statements on pages 124 to 249 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

REN Yongqiang
Director

ZHU Maijin
Director

	Attributable to equity holders of the Company														
	Share capital RMB'000	Share premium RMB'000	Revaluation reserve RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Safety fund reserve RMB'000	General surplus reserve RMB'000	Hedging reserve RMB'000	FVOCI revaluation reserve RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024, as previously reported	4,770,776	12,143,104	273,418	89,446	289,165	2,877,435	2,495	93,158	419,481	56,032	347,932	13,800,965	35,163,407	2,798,152	37,961,559
Adoption of merger accounting (Note 39)	–	–	–	–	500,000	–	–	–	–	–	–	15,463	515,463	–	515,463
At 1 January 2024, as restated	4,770,776	12,143,104	273,418	89,446	789,165	2,877,435	2,495	93,158	419,481	56,032	347,932	13,816,428	35,678,870	2,798,152	38,477,022
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	4,043,330	4,043,330	348,443	4,391,773
Changes in the fair value of equity investments at FVOCI	–	–	–	–	–	–	–	–	–	52,162	–	–	52,162	50,117	102,279
Remeasurement of defined benefit plan payable	–	–	–	–	–	–	–	–	–	–	–	(9,359)	(9,359)	–	(9,359)
Currency translation differences	–	–	–	–	–	–	–	–	–	–	191,074	–	191,074	23,180	214,254
Net profit on cash flow hedges	–	–	–	–	–	–	–	–	120,049	–	–	–	120,049	107,166	227,215
Hedging loss reclassified to profit or loss	–	–	–	–	–	–	–	–	(52,569)	–	–	–	(52,569)	(45,618)	(98,187)
Share of other comprehensive (loss)/income of associates	–	–	–	–	–	–	–	–	(53,373)	4,080	19,156	–	(30,137)	(8,760)	(38,897)
Share of other comprehensive (loss)/income of joint ventures	–	–	–	–	–	–	–	–	(34,890)	–	85,508	–	50,618	–	50,618
Total comprehensive (loss)/income for the year	–	–	–	–	–	–	–	–	(20,783)	56,242	295,738	4,033,971	4,365,168	474,528	4,839,696
Accrual of safety fund reserve	–	–	–	–	–	–	234,646	–	–	–	–	(242,165)	(7,519)	7,519	–
Utilisation of safety fund reserve	–	–	–	–	–	–	(234,776)	–	–	–	–	240,599	5,823	(5,823)	–
Dividends paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	(287,934)	(287,934)
Dividends paid to shareholders of the Company	–	–	–	–	–	–	–	–	–	–	–	(2,719,343)	(2,719,343)	–	(2,719,343)
Fair value of share options granted	–	–	–	39,963	–	–	–	–	–	–	–	–	39,963	–	39,963
Effect of acquisition of a subsidiary under common control (Note 2)	–	–	–	–	(975,349)	–	–	–	–	–	–	–	(975,349)	–	(975,349)
Contribution from non-controlling interests of the subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	131,806	131,806
At 31 December 2024, as restated	4,770,776	12,143,104	273,418	129,409	(186,184)	2,877,435	2,365	93,158	398,698	112,274	643,670	15,129,490	36,387,613	3,118,248	39,505,861

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2025

	Attributable to equity holders of the Company														
	Share capital RMB'000	Share premium RMB'000	Revaluation reserve RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory surplus reserve RMB'000	Safety fund reserve RMB'000	General surplus reserve RMB'000	Hedging reserve RMB'000	FVOCI revaluation reserve RMB'000	Translation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025, as previously reported	4,770,776	12,143,104	273,418	129,409	(686,184)	2,877,435	2,365	93,158	398,698	112,274	643,670	15,108,786	35,866,909	3,118,248	38,985,157
Adoption of merger accounting (Note 39)	-	-	-	-	500,000	-	-	-	-	-	-	20,704	520,704	-	520,704
At 1 January 2025, as restated	4,770,776	12,143,104	273,418	129,409	(186,184)	2,877,435	2,365	93,158	398,698	112,274	643,670	15,129,490	36,387,613	3,118,248	39,505,861
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	4,037,075	4,037,075	385,819	4,422,894
Changes in the fair value of equity investments at FVOCI	-	-	-	-	-	-	-	-	-	11,469	-	-	11,469	11,019	22,488
Remeasurement of defined benefit plan payable	-	-	-	-	-	-	-	-	-	-	-	7,050	7,050	-	7,050
Currency translation differences	-	-	-	-	-	-	-	-	-	-	(349,137)	-	(349,137)	(37,221)	(386,358)
Net gain on revaluation from transfer of property, plant and equipment to investment properties	-	-	10,758	-	-	-	-	-	-	-	-	-	10,758	10,336	21,094
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	(43,277)	-	-	-	(43,277)	(43,155)	(86,432)
Hedging loss reclassified to profit or loss	-	-	-	-	-	-	-	-	(27,016)	-	-	-	(27,016)	(21,692)	(48,708)
Share of other comprehensive income/(loss) of associates	-	-	-	-	-	-	-	-	9,267	(3,628)	28,231	(64)	33,806	2,389	36,195
Share of other comprehensive loss of joint ventures	-	-	-	-	-	-	-	-	(67,335)	-	(44,188)	-	(111,523)	-	(111,523)
Total comprehensive income/(loss) for the year	-	-	10,758	-	-	-	-	-	(128,361)	7,841	(365,094)	4,044,061	3,569,205	307,495	3,876,700
Issuance of A shares	694,445	7,285,064	-	-	-	-	-	-	-	-	-	-	7,979,509	-	7,979,509
Accrual of safety fund reserve	-	-	-	-	-	-	267,528	-	-	-	-	(274,488)	(6,960)	6,960	-
Utilisation of safety fund reserve	-	-	-	-	-	-	(268,258)	-	-	-	-	275,290	7,032	(7,032)	-
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(187,680)	(187,680)
Dividends paid to shareholders of the Company	-	-	-	-	-	-	-	-	-	-	-	(1,001,863)	(1,001,863)	-	(1,001,863)
Fair value of share options granted	-	-	-	68,936	-	-	-	-	-	-	-	-	68,936	-	68,936
Effect of acquisition of a subsidiary under common control (Notes 2 and 39)	-	-	-	-	(598,290)	-	-	-	-	-	-	-	(598,290)	-	(598,290)
At 31 December 2025	5,465,221	19,428,168	284,176	198,345	(784,474)	2,877,435	1,635	93,158	270,337	120,115	278,576	18,172,490	46,405,182	3,237,991	49,643,173

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	For the year ended 31 December 2025 RMB'000	2024 RMB'000 (Restated)
NET CASH GENERATED FROM OPERATING ACTIVITIES	38(a)	**7,389,147**	8,665,149
INVESTING ACTIVITIES			
Interest received from loan receivables		**78,363**	89,102
Purchases of property, plant and equipment		**(5,635,137)**	(7,883,948)
Investments in associates		**(56,261)**	(781,345)
Investments in joint ventures		**(237,598)**	(1,222,368)
Proceeds from disposals of property, plant and equipment		**1,925,031**	225,194
Collection of loan receivables from associates		**20,592**	21,672
Dividends received from associates		**439,071**	311,280
Dividends received from joint ventures		**287,286**	403,074
Dividends received from financial assets at FVOCI		**20,615**	20,149
Loan to a fellow subsidiary		**–**	(150,015)
Interest received from loan to a fellow subsidiary		**1,468**	266
Repayment from a fellow subsidiary		**150,000**	–
Other investing activities		**–**	49,849
Increase in restricted bank deposits		**(3)**	(2)
NET CASH USED IN INVESTING ACTIVITIES		**(3,006,573)**	(8,917,092)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2025

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
FINANCING ACTIVITIES		
Interest paid	**(1,431,833)**	(1,515,471)
Proceeds from derivative financial instruments	**50,920**	99,359
Dividends paid to the Company's shareholders	**(1,001,863)**	(2,719,343)
Dividends paid to non-controlling interests of subsidiaries	**(187,680)**	(195,486)
Proceeds from other loans	**–**	1,522,765
Repayment of other loans	**(207,321)**	(39,186)
Increase in interest-bearing bank and other borrowings	**8,132,355**	10,659,734
Repayment of interest-bearing bank and other borrowings	**(8,012,855)**	(6,453,890)
Contribution from non-controlling interests of the subsidiary	**–**	39,358
Principal elements of lease payments	**(422,798)**	(526,543)
Borrowings acquisition costs	**–**	(24,760)
Acquisition of subsidiaries under common control	**(598,290)**	(1,050,341)
Proceeds from issue of shares	**7,980,493**	–
Other financing activities	**(639)**	74,435
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**4,300,489**	(129,369)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**8,683,063**	(381,312)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**5,829,640**	6,059,541
Effect of foreign exchange rate changes, net	**(98,816)**	151,411
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**14,413,887**	5,829,640

1. CORPORATE INFORMATION

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

During the year, the Company and its subsidiaries (together the "**Group**") were involved in the following principal activities:

(a) investment holding; and/or

(b) oil shipment along the PRC coast and international shipment; and/or

(c) vessel chartering; and/or

(d) liquefied natural gas ("**LNG**") shipping; and/or

(e) liquefied petroleum gas ("**LPG**") transportation; and/or

(f) chemical transportation.

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

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

These consolidated financial statements are presented in Renminbi ("**RMB**"), which is the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

These consolidated financial statements were approved for issue by the Board on 26 March 2026.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for certain financial assets and liabilities (including derivative instruments) and investment property measured at fair value or revalued amount.

Merger accounting for business combination involving entities under common control

(a) Acquisition during year ended 31 December 2025

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

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

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

The net assets of Shanghai Liquefied Gas are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustments to eliminate share/registered capital of the combining entity or business against the related investment costs have been made to merger reserve in the consolidated statement of changes in equity. The details of the restated balances have been disclosed in Note 39.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

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

(a) Acquisition during year ended 31 December 2025 (Continued)

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

(b) Acquisitions during year ended 31 December 2024

On 14 October 2024, the Board approved a plan to integrate the controlling shareholder's chemical logistics and supply chain businesses from COSCO SHIPPING Investment Dalian which focuses on LPG transportation, and COSCO Shipping (Shanghai) Co., Ltd.* ("中遠海運(上海)有限公司" or "**COSCO Shipping (Shanghai)**"), which specialises in chemical transportation.

1. The Company acquired 100% equity interest in China Shipping Chemical Carrier Co., Ltd.* ("中海化工運輸有限公司" or "**COSCO SHIPPING Chemical Carrier**") (Note(i)) and 100% equity interest in Shanghai COSCO SHIPPING (Hong Kong) Co., Ltd.* ("上海中遠海運(香港)有限公司" or "**Shanghai COSCO SHIPPING (Hong Kong)**") (Note (ii)) from COSCO Shipping (Shanghai); and

2. The Company's wholly-owned subsidiary, Dalian COSCO Energy acquired 70% equity interest in Shenzhen COSCO Longpeng LPG Transportation Co., Ltd.* ("深圳中遠龍鵬液化氣運輸有限公司" or "**Shenzhen Longpeng**") and 87% equity interest in Hainan Zhaogang Shipping Co., Ltd.* ("海南招港海運有限公司" or "**Hainan Zhaogang**") from COSCO SHIPPING Investment Dalian.

Notes:

(i) COSCO SHIPPING Chemical Carrier completed the change of company name on 25 December 2024 from "中海化工運輸有限公司" to "上海中遠海能化工運輸有限公司", and the English name was changed from "China Shipping Chemical Carrier Co., Ltd.*" to "Shanghai COSCO SHIPPING Chemical Carrier Co., Ltd.*" ("**Shanghai COSCO Chemical Carrier**").

(ii) Shanghai COSCO SHIPPING (Hong Kong) completed the change of company name on 2 April 2025 from "上海中遠海運(香港)有限公司" to "中遠海能化工運輸(香港)有限公司", and the English name was changed from "Shanghai COSCO SHIPPING (Hong Kong) Co., Ltd." to "COSCO SHIPPING Energy Chemical Carrier (Hong Kong) Co., Ltd.*" ("**Hong Kong Chemical Carrier**").

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

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

The total consideration for the acquisitions of the above equity interests is in aggregate approximately RMB1,050,341,000.

The acquisitions mentioned above were completed on 31 October 2024. As COSCO SHIPPING Investment Dalian and COSCO Shipping (Shanghai) are ultimately controlled by COSCO SHIPPING, the acquisition of Shenzhen Longpeng, Hainan Zhaogang, Shanghai COSCO Chemical Carrier and Hong Kong Chemical Carrier (together the "**Acquired Entities**") were respectively regarded as business combination under common control.

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

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

2.2 APPLICATION OF AMENDMENTS TO A HKFRS ACCOUNTING STANDARD

Application of amendments to a HKFRS Accounting Standard

In the current year, the Group has applied, for the first time, the following amendments to a HKFRS Accounting Standard by the HKICPA which are effective for the Group's financial year beginning on 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKAS 21 in the current year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 APPLICATION OF AMENDMENTS TO A HKFRS ACCOUNTING STANDARD (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective for annual periods beginning on or after a date to be determined.

The Group has not early adopted the above new standard and amendments and improvement to existing standards and interpretation. The Group is in the process of assessing the impact of the new standard on the Group's accounting policies and consolidated financial statements. The adoption of the above amendments and improvement to existing standards and interpretation is not expected to have a significant effect on the consolidated financial statements of the Group, except that the adoption of HKFRS 18 may have impact on the presentation of the Group's consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments include cash and bank, derivative financial instruments and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, contract assets and trade payables, which arise directly from its operations.

The Group also enters into interest rate swap transactions. The purpose is to manage the interest rate risk arising from the Group's operations and its sources of finance. It is, and has been, throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

3. FINANCIAL RISK MANAGEMENT (Continued)

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management regularly manages the financial risks of the Group. Management identifies, evaluates and mitigates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to United States Dollar ("**USD**") and Hong Kong Dollar ("**HKD**") against RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities.

Management monitors foreign exchange exposure and will consider hedging certain foreign currency exposure by using foreign exchange forward contracts when the need arises.

(ii) Interest rate risk

Other than the deposits placed with banks and financial institutions and loan receivables, the Group has no other significant interest-bearing assets. As the average interest rates applied to the deposits are relatively low, the Directors are of the opinion that the Group is not exposed to any significant interest rate risk for these assets held as at 31 December 2025 and 31 December 2024.

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

As at 31 December 2025, if interest rates had been 100 basis points higher/lower with all other variables held constant excluding variables with interest rate swap agreements, the Group's profit before tax for the year would have been approximately RMB221,271,000 lower/higher (31 December 2024: approximately RMB184,667,000 lower/higher), mainly as a result of higher/lower interest income on loan receivables and interest expenses on borrowings issued at floating rates.

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

Instruments used by the Group

Swaps currently in place cover approximately 15.48% (31 December 2024: 16.68%) of the variable loan principal outstanding. The fixed interest rates of the swaps range between 3.82% and 6.40% (31 December 2024: 3.82% and 6.40%) and the variable rates of the loans are between 1.66% and 2.45% above 3-month Secured Overnight Financing Rate ("**SOFR**") which at the end of the reporting period was 4.01% (31 December 2024: between 1.66% and 2.45% above 3-month SOFR which at the end of 31 December 2024 was 4.69%).

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates of swap contract amount of approximately USD585,414,000 (equivalent to approximately RMB4,114,758,000) coincide with the dates on which interest is payable on the underlying debt. The settlement dates of swap contract amount of approximately USD248,129,000 (equivalent to approximately RMB1,744,047,000) are incoincident with the dates on which interest is payable on the underlying debt.

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2025	2024
	RMB'000	RMB'000
Interest rate swaps		
Carrying amount	**64,514**	202,052
Principal amount	**4,446,967**	4,809,357
Maturity year	**2031-2035**	2031-2035
Hedge ratio	**1:1**	1:1
Change in fair value of outstanding hedging instruments since 1 January	**(135,140)**	119,395
Change in value of hedged item used to determine hedge in effectiveness	**135,140**	(131,486)
Weighted average hedged rate for the year	**4.90%**	4.90%

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(iii) Price risk

As at 31 December 2025, the Group's financial assets at FVOCI amounted to approximately RMB438,579,000 (31 December 2024: approximately RMB412,123,000) as disclosed in Note 22 to the consolidated financial statements are measured at fair value at the end of each reporting period. The Group closely monitors the pricing trends in the open market in determining their long-term strategic stockholding decisions.

(b) Credit risk

Credit risk is managed on a group basis. The Group's credit risk mainly arises from trade and bills receivables, contract assets, deposits and other receivables, loan receivables, financial guarantees, restricted bank deposits and cash and bank. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

The Group has put in place policies to ensure that provision of shipping services are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances. The Group's exposure to credit risk arising from default of counterparties is limited as most of the counterparties are large state-owned enterprises with good credit standing and the Group does not expect any significant loss from trade debtors and for uncollected advances to those entities that have not been provided for other than impairment of trade receivables and contract assets and impairment of other receivables as set out in Note 25 and Note 26 to the consolidated financial statements.

As at 31 December 2025, trade and bills receivables due from the top five debtors amounted to approximately RMB325,970,000 (31 December 2024: approximately RMB239,906,000), representing 49% (31 December 2024: 39%) of the total trade and bills receivables.

The Group has provided guarantees for shipbuilding and lease contracts entered into by certain associates and joint ventures in the normal course of their business operations. The Group controls its credit risk to non-performance by its counterparties through monitoring the credit rating of these counterparties. As at 31 December 2025, the Directors are of the opinion that the credit risk is minimal as the associates and joint ventures have good credit standing.

As at 31 December 2025 and 31 December 2024, the Group maintains most of its bank deposits in several major state-owned financial institutions in the PRC and a financial institution which is an associate of the Group. In view of strong state support provided to those state-owned financial institutions, the Directors are of the opinion that there is no significant credit risk on such assets being exposed.

3. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Group aims to maintain flexibility in funding by keeping credit lines available at all times.

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

	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years RMB'000	Total RMB'000
At 31 December 2025				
Trade payables	2,072,845	–	–	2,072,845
Other payables	1,736,255	–	–	1,736,255
Interest payable in relation to bank and other borrowings	138,113	15,521	–	153,634
Derivative financial instruments	–	–	16,524	16,524
Lease liabilities*	505,350	213,819	19,931	739,100
Interest-bearing bank and other borrowings	11,157,816	6,260,065	21,964,884	39,382,765
Other loans	277,504	269,933	2,132,258	2,679,695
Financial guarantee	–	–	1,666,002	1,666,002
	15,887,883	6,759,338	25,799,599	48,446,820

3. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (Continued)

	Within 1 year RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years RMB'000	Total RMB'000
At 31 December 2024 (Restated)				
Trade payables	1,977,008	–	–	1,977,008
Other payables	1,011,684	–	–	1,011,684
Interest payable in relation to bank and other borrowings	136,729	–	–	136,729
Lease liabilities*	602,972	458,896	179,040	1,240,908
Interest-bearing bank and other borrowings	6,587,396	9,083,657	24,777,919	40,448,972
Other loans	333,622	325,436	2,219,913	2,878,971
Financial guarantee	–	–	1,872,295	1,872,295
	10,649,411	9,867,989	29,049,167	49,566,567

* The amounts disclosed for the lease liabilities include cash flows relating to extension options if they have been included in the lease term, and therefore the measurement of the lease liability as disclosed in Note 49.22.

3. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. FINANCIAL RISK MANAGEMENT (Continued)

(d) Fair value measurement (Continued)

(i) *Financial assets and liabilities measured at fair value* (Continued)

Fair value hierarchy (Continued)

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2025				
Financial assets:				
Derivative financial instruments	**–**	**81,038**	**–**	**81,038**
Financial assets at FVOCI	**438,579**	**–**	**–**	**438,579**
Financial liabilities:				
Derivative financial instruments	**–**	**16,524**	**–**	**16,524**
At 31 December 2024				
Financial assets:				
Derivative financial instruments	–	202,052	–	202,052
Financial assets at FVOCI	412,123	–	–	412,123

During the years ended 31 December 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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

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

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

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at 31 December 2025 and 31 December 2024.

3. FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital structure

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

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

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

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

The Group's net debt-to-equity ratio as at 31 December 2025 and 31 December 2024 is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Total debts	**35,432,667**	36,414,739
Less: cash and bank	**(14,421,861)**	(5,830,380)
Net debt	**21,010,806**	30,584,359
Total equity	**49,643,173**	39,505,861
Net debt-to-equity ratio	**42%**	77%

3. FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital structure (Continued)

As at 31 December 2025, the balance of cash and bank amounted to approximately RMB14,421,861,000 representing an increase of approximately RMB8,591,481,000 and by 147% as compared to the end of last year. The Group's cash and bank are mainly denominated in RMB and USD, the remainder are denominated in Euro, Hong Kong dollar and other currencies.

As at 31 December 2025, the Group's net gearing ratio (i.e. net debts over total equity) was 42%, which was 35% less than that as at 31 December 2024. The decrease was primarily due to the proceeds from equity funding during the year, which led to a higher balance of cash and bank.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.1 Impairment of vessels

The Group's major operating assets represent vessels in property, plants and equipment and right-of-use assets. Management performs review for impairment of the vessels whenever events or changes in circumstances indicate that the carrying amounts of the vessels may not be recoverable. If there is any indication of impairment of an asset, its recoverable amount shall be estimated.

The recoverable amount shall be determined based on the higher of the net fair value of the asset after deducting disposal costs ("**FVLCD**") and the present value of the expected future cash flow ("**VIU**") of the asset. In case that the recoverable amount of the asset group is lower than the book value, the amount representing the difference between the recoverable amount of the asset group and the book value is recognised as asset impairment.

Determination of recoverable amounts of vessels, which is higher of FVLCD and VIU, involves significant management judgements and assumptions in particular forecast utilisation, daily time-charter equivalent ("**TCE**") rates, cost inflation rates and discount rates applied to the future cash flows forecasts which have been prepared according to the asset grouped at the lowest level (cash-generating units).

4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Freight revenue for vessel voyages

The Group recognises freight revenue on a percentage of completion basis, which is determined on the time proportion method of each individual vessel voyage with reference to the voyage details such as freight rates, port loading and discharging information.

4.3 Impairment of investments in associates and joint ventures

The Group determines whether investments in associates and joint ventures have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group defines the recoverable amounts as the higher of an asset's cash-generating unit's fair value less costs of disposal and its value in use. The determination of impairment indication requires significant judgment, and the calculations require the use of estimates which are subject to change of economic environment in future.

4.4 Estimated useful lives and residual values of vessels

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

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

Had the useful lives been extended/shortened by 10% from management's estimates as at 31 December 2025 with all other variables held constant, the estimated depreciation expenses of vessels for the year ended 31 December 2025 would have been decreased by approximately RMB302,553,000 (for the year ended 31 December 2024: approximately RMB302,628,000) or increased by approximately RMB369,787,000 (for the year ended 31 December 2024: approximately RMB369,879,000).

Had the residual values been increased/decreased by 10% from management's estimates as at 31 December 2025 with all other variables held constant, the estimated depreciation expenses of vessels for the year ended 31 December 2025 would have been decreased or increased by approximately RMB37,290,000 (for the year ended 31 December 2024: approximately RMB39,283,000).

4. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.5 Income taxes and withholding taxes

The Group is subject to income taxes and withholding taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes and withholding taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the year in which such determination is made.

Recognition of deferred tax assets, which principally relate to temporary differences, depend on the management's expectation of the timing of reversal and the taxable profit that will be available against which tax losses can be utilised. The outcome of their actual utilisation or reversal may be different (see Note 23).

4.6 Provision for impairment losses on trade and bills receivables, other receivables, contract assets, loan receivables and financial guarantee

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables and contract assets. For other receivables and loan receivables, management makes periodic assessments on a portfolio basis on the recoverability based on historical settlement records and past experiences and adjusts for forward looking information.

Management generally assesses whether, other receivables and loan receivables, have not had a significant increase in credit risks since initial recognition, if not, a 12 month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management.

The Group applies the HKFRS 9 to measure expected credit losses for financial guarantee. For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, cash shortfalls are the expected payments to reimburse the guarantor for a credit loss that it incurs less any amounts that the Group expects to receive from the debtor.

As at 31 December 2025, allowance for trade and bills receivables, other receivables, contract assets and loan receivables amounted to approximately RMB264,731,000 (31 December 2024: approximately RMB247,523,000).

5. REVENUES AND SEGMENT INFORMATION

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

The Group's business segments are categorised as follows:

(a) Oil transportation

- oil shipment
- vessel chartering

(b) LNG shipping

(c) LPG transportation

(d) Chemical transportation

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

5. REVENUES AND SEGMENT INFORMATION (Continued)

Business segments

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

	For the year ended 31 December			
	2025		2024	
	Revenues RMB'000	**Contribution RMB'000**	Revenues RMB'000 (Restated)	Contribution RMB'000 (Restated)
By principal activity:				
Oil transportation				
– Oil shipment	**18,897,196**	**4,194,346**	17,863,640	4,015,894
– Vessel chartering	**1,646,282**	**529,753**	2,521,139	1,047,451
	20,543,478	**4,724,099**	20,384,779	5,063,345
LNG shipping	**2,546,847**	**1,256,186**	2,229,170	1,075,550
LPG transportation	**277,430**	**78,160**	231,152	62,611
Chemical transportation	**333,311**	**48,142**	313,627	52,583
	23,701,066	**6,106,587**	23,158,728	6,254,089
Other income and other gains, net		**1,101,313**		614,109
Marketing expenses		**(113,899)**		(83,908)
Administrative expenses		**(1,185,939)**		(1,127,319)
(Provision for)/reversal of impairment losses on financial and contract assets		**(17,352)**		3,612
Other expenses		**(4,656)**		(168,002)
Share of profits of associates		**487,563**		540,227
Share of profits of joint ventures		**774,341**		632,496
Impairment losses on property, plant and equipment and right-of-use assets		**(449,131)**		–
Finance costs		**(1,342,413)**		(1,415,218)
Profit before tax		**5,356,414**		5,250,086

5. REVENUES AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

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

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

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

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

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Total segment assets		
Oil transportation	**52,501,412**	52,872,579
LNG shipping	**33,858,776**	23,284,330
LPG transportation	**1,897,070**	2,047,210
Chemical transportation	**1,103,497**	888,792
Others	**2,717,825**	2,719,512
	92,078,580	81,812,423
Total segment liabilities		
Oil transportation	**22,714,178**	25,016,592
LNG shipping	**18,287,833**	16,254,537
LPG transportation	**1,130,644**	620,154
Chemical transportation	**297,877**	410,933
Others	**4,875**	4,346
	42,435,407	42,306,562

5. REVENUES AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

As at 31 December 2025, the approximate total net carrying amount of the Group's oil tankers, LNG vessels, LPG tankers and chemical tankers were RMB27,526,331,000 (31 December 2024: approximately RMB30,894,347,000), RMB19,768,572,000 (31 December 2024: approximately RMB15,851,670,000), RMB1,153,927,000 (31 December 2024: approximately RMB912,567,000) and RMB966,016,000 (31 December 2024: approximately RMB831,394,000) respectively.

Geographical segments

	For the year ended 31 December			
	2025		2024	
	Revenues	**Contribution**	Revenues	Contribution
	RMB'000	**RMB'000**	RMB'000	RMB'000
			(Restated)	(Restated)
By geographical area:				
Domestic	**5,741,985**	**1,404,726**	6,101,998	1,518,415
International	**17,959,081**	**4,701,861**	17,056,730	4,735,674
	23,701,066	**6,106,587**	23,158,728	6,254,089

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

5. REVENUES AND SEGMENT INFORMATION (Continued)

Other information

	Oil transportation RMB'000	LNG shipping RMB'000	LPG transportation RMB'000	Chemical transportation RMB'000	Others RMB'000	Total RMB'000
Year ended 31 December 2025						
Additions to non-current assets	**2,596,252**	**3,765,512**	**251,518**	**80,352**	**2,118**	**6,695,752**
Depreciation and amortisation	**3,211,392**	**607,430**	**62,067**	**32,681**	**325**	**3,913,895**
Impairment losses on property, plant and equipment and right-of-use assets	**449,131**	**–**	**–**	**–**	**–**	**449,131**
Gains/(losses) on disposals of property, plant and equipment, net	**667,321**	**(17)**	**–**	**1,898**	**76**	**669,278**
Interest income	**141,023**	**25,294**	**4,148**	**1,008**	**–**	**171,473**
Year ended 31 December 2024 (Restated)						
Additions to non-current assets	2,037,091	4,330,877	216,326	315,567	–	6,899,861
Depreciation and amortisation	2,974,901	535,007	49,848	34,352	343	3,594,451
Gains/(losses) on disposals of property, plant and equipment, net	143,243	(10)	383	(23)	–	143,593
Interest income	160,590	18,693	6,068	216	158	185,725

The principal assets employed by the Group are located in the PRC and, accordingly, no geographical segment analysis of assets and expenditures has been prepared for the years ended 31 December 2025 and 2024.

6. OTHER INCOME AND OTHER GAINS, NET

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Other income		
Interest income from loan receivables	**78,910**	89,990
Bank interest income	**92,563**	95,735
Dividends received from financial assets at FVOCI	**20,615**	20,149
Rental income from investment properties	**565**	261
Subsidies	**178,080**	105,680
Others	**120,950**	11,402
	491,683	323,217
Other gains, net		
Exchange (losses)/gains, net	**(67,033)**	159,563
Gains on disposals of property, plant and equipment, net	**669,278**	143,593
Others	**7,385**	(12,264)
	609,630	290,892
	1,101,313	614,109

7. FINANCE COSTS

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Interest expenses on:		
– bank and other borrowings and other loans	**1,418,633**	1,506,472
– interest rate swaps: cash flow hedges, reclassified from other comprehensive income	**(48,708)**	(98,187)
– lease liabilities	**37,807**	47,775
– exchange losses, net	**6,292**	20,056
	1,414,024	1,476,116
Less: interest capitalised	**(71,611)**	(60,898)
	1,342,413	1,415,218

During the year, the capitalisation rates applied to funds borrowed and utilised for the vessels under construction were at rates of 2.39% to 5.12% (2024: 2.25% to 6.19%) per annum.

8. EXPENSES BY NATURE

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Bunker oil inventories consumed	**5,069,290**	5,420,305
Staff costs (a)	**3,623,041**	3,669,844
Depreciation of property, plant and equipment	**3,490,017**	3,286,346
Amortisation of right-of-use assets	**423,878**	308,105
Vessel operating lease rentals	**3,046,678**	2,583,621
Port fees	**1,096,317**	897,588
Repairs	**624,173**	635,808
Insurance expenses	**246,632**	224,881
Auditors' remuneration	**7,385**	7,393
– Audit services	**5,476**	5,702
– Non-audit services	**1,909**	1,691
Other expenses	**1,266,906**	1,081,975
Total operating costs, marketing expenses and administrative expenses	**18,894,317**	18,115,866

(a)

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Staff costs		
Wages, salaries, crew expenses and related expenses (including bonus and share-based payments)	**3,629,529**	3,583,243
Costs for defined benefit plan (Note 34)	**(57,050)**	42,420
Pension scheme contributions	**50,562**	44,181
	3,623,041	3,669,844

9 INCOME TAX EXPENSE

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income

	Notes	For the year ended 31 December 2025 RMB'000	2024 RMB'000 (Restated)
Current income tax			
PRC			
– provision for the year	(i)	**675,112**	799,200
– adjustments for current tax of prior years		**6,610**	(88,764)
Hong Kong			
– provision for the year		**2,465**	2,573
Other districts			
– provision for the year	(ii)	**1,492**	2,017
		685,679	715,026
Deferred income tax			
Increase in deferred tax assets (Note 23)		**(47,928)**	(13,100)
Increase in deferred tax liabilities (Note 23)		**295,769**	156,387
		247,841	143,287
Total income tax expense		**933,520**	858,313

Notes:

(i) PRC Corporate Income Tax

Under the Law of the PRC on Corporate Income Tax Law (the "**CIT Law**") and Implementation Regulation of the CIT Law, the tax rate of the entities within the Group established in the PRC is 25% (2024: 25%) except for those entities with tax concession.

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

9 INCOME TAX EXPENSE (Continued)

(b) **The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows:**

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Profit before tax	**5,356,414**	5,250,086
Calculated at a tax rate of 25% (for the year ended 31 December 2024: 25%)	**1,339,104**	1,312,522
Tax effect of difference tax rates of subsidiaries operating in other jurisdictions	**(304,981)**	(106,036)
Adjustments for current tax of prior years	**6,610**	(88,764)
Tax effect of share of profits of associates	**(116,829)**	(125,947)
Tax effect of share of profits of joint ventures	**(193,585)**	(158,124)
Tax effect of income not subject to tax	**(176,460)**	(142,676)
Tax effect of expenses not deductible for tax	**26,332**	27,155
Tax effect of temporary differences not recognised	**119,441**	770
Tax effect of utilisation of temporary differences previously not recognised	**(149,114)**	(123,880)
Tax effect of tax losses not recognised	**7,742**	2,421
Tax effect of different tax rate of dividends received from a joint venture	**71,821**	87,589
Tax effect of unremitted earnings	**303,439**	173,283
Income tax expense	**933,520**	858,313

9 INCOME TAX EXPENSE (Continued)

(b) The taxation on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of the home country of the Company as follows: (Continued)

Accounting for research and development tax credit

Companies within the Group are entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure under the Research and Development Tax Incentive regime in China. The Group accounts for these allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Implications of the Pillar 2

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

Pillar Two Rules has become effective in United Kingdom, Hong Kong and Singapore in which some of the group entities are incorporated. As the estimated effective income tax rates of all the jurisdictions in which the Group operates are higher than 15 per cent, after taking into account the adjustments under the Pillar Two Rules, the Board considers that the Group is not liable to top-up tax under the Pillar Two Rules.

10. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the remuneration of directors, supervisors and senior management are disclosed as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Independent non-executive directors (a)		
– fees	**878**	868
Executive and non-executive directors (excluded independent non-executive directors) (b)		
– salaries, allowances and benefits in kind	**2,039**	1,402
– discretionary bonus	**3,938**	3,642
– pension scheme contributions	**160**	142
– share-based payment expenses	**1,697**	989
	7,834	6,175
Supervisors (b)		
– salaries, allowances and benefits in kind	**1,212**	1,544
– discretionary bonus	**513**	561
– pension scheme contributions	**116**	137
	1,841	2,242
Senior management		
– salaries, allowances and benefits in kind	**4,903**	3,885
– discretionary bonus	**7,710**	7,643
– pension scheme contributions	**425**	401
– share-based payment expenses	**5,965**	2,307
	19,003	14,236
Total	**29,556**	23,521

10. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

Certain senior management are also executive directors and supervisors. The amounts disclosed above represented emoluments paid or receivable in respect of the executive directors and supervisors' other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

For the years ended 31 December 2025 and 2024, no share options were exercised by directors, supervisors and senior management.

(a) Details of the fees paid to each of the independent non-executive directors during the year were as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Mr. Victor HUANG	**334**	331
Mr. LI Runsheng	**180**	177
Mr. ZHAO Jinsong	**184**	181
Mr. WANG Zuwen	**180**	179
	878	868

10. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

(b) Details of the remuneration paid to each of the executive, non-executive directors (excluded independent non-executive directors) and supervisors during the year were as follows:

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Discretionary bonus RMB'000	Pension scheme contributions RMB'000	Share-based payments RMB'000	Total remuneration RMB'000
Year ended 31 December 2025						
Executive directors						
Mr. REN Yongqiang	–	1,010	1,875	71	870	3,826
Mr. ZHU Maijin	–	953	1,779	71	827	3,630
	–	1,963	3,654	142	1,697	7,456
Non executive directors						
Mr. WANG Shuqing (i)	–	52	159	12	–	223
Mr. WANG Wei	–	24	125	6	–	155
Ms. WANG Songwen (ii)	–	–	–	–	–	–
Ms. ZHOU Chongyi (iii)	–	–	–	–	–	–
Ms. MA Yuanru (iv)	–	–	–	–	–	–
	–	76	284	18	–	378
Supervisors						
Mr. YANG Lei (v)	–	–	–	–	–	–
Mr. WENG Yi (v)	–	–	–	–	–	–
Mrs. CHEN Hua (v)	–	676	163	59	–	898
Mr. WANG Zhenming (v)	–	536	350	57	–	943
	–	1,212	513	116	–	1,841

10. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

(b) **Details of the remuneration paid to each of the executive, non-executive directors (excluded independent non-executive directors) and supervisors during the year were as follows:** (Continued)

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Discretionary bonus RMB'000	Pension scheme contributions RMB'000	Share-based payments RMB'000	Total remuneration RMB'000
Year ended 31 December 2024						
Executive directors						
Mr. REN Yongqiang	–	730	1,792	71	507	3,100
Mr. ZHU Maijin	–	672	1,850	71	482	3,075
	–	1,402	3,642	142	989	6,175
Non executive directors						
Mr. WANG Shuqing (i)	–	–	–	–	–	–
Mr. WANG Wei	–	–	–	–	–	–
Ms. WANG Songwen (ii)	–	–	–	–	–	–
	–	–	–	–	–	–
Supervisors						
Mr. YANG Lei (v)	–	–	–	–	–	–
Mr. WENG Yi (v)	–	–	–	–	–	–
Mrs. CHEN Hua (v)	–	878	214	71	–	1,163
Mr. WANG Zhenming (v)	–	666	347	66	–	1,079
	–	1,544	561	137	–	2,242

10. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

(b) Details of the remuneration paid to each of the executive, non-executive directors (excluded independent non-executive directors) and supervisors during the year were as follows: (Continued)

Notes:

(i) Appointed on 30 December 2024.

(ii) Resigned on 30 June 2025.

(iii) Appointed on 30 June 2025.

(iv) Appointed in 23 December 2025.

(v) In accordance with the Company Law of the PRC, the Company held an extraordinary shareholders' meeting on 26 September 2025 and resolved to abolish the board of supervisors and announced the completion of the corresponding filing and registration on 10 October 2025.

Mr. ZHU Maijin is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

There were no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

(c) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year (2024: Nil).

(d) Directors' termination payments or benefits

No payment was made or benefit provided to directors as compensation for the early termination of the appointment or in respect of termination of the services of directors during the year (2024: Nil).

(e) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by any third party for making available the services of a person as a director of a company, or in any other capacity while as a director during the year (2024: Nil).

10. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (Continued)

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

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

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

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

11. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included two (for the year ended 31 December 2024: two) directors, details of whose emoluments are set out in Note 10 to the consolidated financial statements. Details of the emoluments of the remaining three (for the year ended 31 December 2024: three) highest paid non-director and non-supervisor individuals for the year were as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**2,431**	1,995
Discretionary bonus	**4,316**	4,141
Pension scheme contributions	**202**	212
Share-based payment expenses	**2,161**	1,284
	9,110	7,632

11. FIVE HIGHEST PAID INDIVIDUALS (Continued)

The emoluments of the three (for the year ended 31 December 2024: three) highest paid non-director and non-supervisor individuals fell within the following bands:

	Number of individuals	
	For the year ended 31 December	
	2025	2024
RMB2,290,001 to RMB2,748,000 (2024: RMB2,279,001 to RMB2,735,000) (equivalent to HKD2,500,001 to HKD3,000,000)	**1**	3
RMB2,748,001 to RMB3,206,000 (2024: RMB2,735,001 to RMB3,191,000) (equivalent to HKD3,000,001 to HKD3,500,000)	**1**	–
RMB3,206,001 to RMB3,664,000 (2024: RMB3,191,001 to RMB3,647,000) (equivalent to HKD3,500,001 to HKD4,000,000)	**1**	–

During the year, no remuneration were paid by the Group to any of the Directors, supervisors and senior management or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (for the year ended 31 December 2024: Nil).

12. DIVIDENDS

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Final dividend for 2024 – RMB0.21 (31 December 2024: Final dividend for 2023 – RMB0.35) per share	**1,001,863**	1,669,772
Interim profit distribution for 2025 – Nil (Interim profit distribution for 2024 – RMB0.22 per share)	**–**	1,049,571
	1,001,863	2,719,343

At the Board meeting held on 26 March 2026, the Board proposed a final dividend of approximately RMB2,076,784,000 representing RMB0.38 per share, in respect of the profits for the year ended 31 December 2025. This proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting, and accordingly has not been recognised as a liability at the end of the year.

13. EARNINGS PER SHARE

(a) Basic

	For the year ended 31 December	
	2025	2024 (Restated)
Profit attributable to equity holders of the Company (RMB'000)	**4,037,075**	4,043,330
Weighted average number of ordinary shares in issue (thousand)	**4,886,517**	4,770,776
Basic earnings per share (RMB cents/share)	**82.62**	84.75

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

(b) Diluted

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

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the years ended 31 December 2025 and 2024. The diluted earnings per share is equal to the basic earnings per share for both years.

14. INVESTMENT PROPERTIES

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

During the year ended 31 December 2025, the Group has transferred properties with fair value of approximately RMB25,195,000 from property, plant and equipment to investment properties due to the change in use, which evidenced by inception of operating leases to another parties. At the date of transfer, the properties are revalued by Shenzhen Changji Real Estate Appraisal Exchange Co., Ltd. (深圳長基資產評估房地產土地估價有限公司), an independent valuer, resulting in gains of approximately RMB24,817,000, which has been recognised in revaluation reserve for the year ended 31 December 2025.

As at 31 December 2025 and 31 December 2024, the Group's properties are leased to other parties under operating leases to earn rental income and are measured using the fair value model. As a result, these properties are classified and accounted for as investment properties. Movements of the investment properties during the year are set out below:

	31 December 2025 RMB'000	31 December 2024 RMB'000
At the beginning of the year	**2,050**	2,259
Transferred from property, plant and equipment	**378**	–
Net gain on revaluation recognised in other comprehensive income	**24,817**	–
Net gain/(loss) on revaluation recognised in profit or loss	**7,059**	(209)
At the end of the year	**34,304**	2,050

The Group's investment properties comprise certain commercial buildings located in the PRC, held under medium term lease. As at 31 December 2025 and 31 December 2024, the fair value of their investment properties is based on level 2 fair value hierarchy.

The fair value of these investment properties was determined based on the present value of the excepted cash flow and expected return. In estimating the fair value of these investment properties, the highest and best use of these investment properties is their current use.

The Group classifies cash outflows to acquire or construct investment property as investing and rental inflows as operating cash flows.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements RMB'000	Vessels RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Buildings RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2025							
Cost							
At 1 January 2025 (Restated)	46,943	82,307,526	132,764	18,172	1,590,980	5,217,489	89,313,874
Additions	9	–	24,862	–	–	6,416,390	6,441,261
Transfer in/(out)	15,904	7,061,905	2,820	–	–	(7,080,629)	–
Transfer to investment properties	–	–	–	–	(4,206)	–	(4,206)
Reclassified as held for sale	–	(528,270)	–	–	–	–	(528,270)
Others	–	(249,015)	–	–	–	–	(249,015)
Disposals	–	(3,142,918)	(852)	(655)	–	–	(3,144,425)
Currency translation differences	(130)	(1,105,137)	(121)	(14)	–	(63,134)	(1,168,536)
At 31 December 2025	62,726	84,344,091	159,473	17,503	1,586,774	4,490,116	90,660,683
Accumulated depreciation and impairment							
At 1 January 2025 (Restated)	44,459	33,817,548	94,362	15,255	385,745	–	34,357,369
Charge for the year	2,902	3,420,505	15,828	639	50,143	–	3,490,017
Impairment losses recognised in profit or loss	–	438,555	–	–	–	–	438,555
Transfer to investment properties	–	–	–	–	(3,828)	–	(3,828)
Reclassified as held for sale	–	(388,754)	–	–	–	–	(388,754)
Disposals	–	(1,984,238)	(804)	(626)	–	–	(1,985,668)
Currency translation differences	(26)	(374,371)	(109)	(14)	–	–	(374,520)
At 31 December 2025	47,335	34,929,245	109,277	15,254	432,060	–	35,533,171
Net book amount							
At 31 December 2025	15,391	49,414,846	50,196	2,249	1,154,714	4,490,116	55,127,512
At 31 December 2024 (Restated)	2,484	48,489,978	38,402	2,917	1,205,235	5,217,489	54,956,505

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold improvements RMB'000	Vessels RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Buildings RMB'000	Construction in progress RMB'000	Total RMB'000
At 31 December 2024							
Cost							
At 1 January 2024 (Restated)	45,506	77,485,177	106,109	17,886	1,473,640	3,429,601	82,557,919
Additions	1,397	207,013	8,780	1,255	117,340	6,022,021	6,357,806
Transfer in/(out)	–	4,258,041	18,847	–	–	(4,276,888)	–
Disposals	–	(464,589)	(1,179)	(978)	–	–	(466,746)
Currency translation differences	40	821,884	207	9	–	42,755	864,895
At 31 December 2024 (Restated)	46,943	82,307,526	132,764	18,172	1,590,980	5,217,489	89,313,874
Accumulated depreciation and impairment							
At 1 January 2024 (Restated)	42,454	30,572,885	81,899	15,489	335,342	–	31,048,069
Charge for the year	1,968	3,219,730	13,526	719	50,403	–	3,286,346
Disposals	–	(334,166)	(1,133)	(962)	–	–	(336,261)
Currency translation differences	37	359,099	70	9	–	–	359,215
At 31 December 2024 (Restated)	44,459	33,817,548	94,362	15,255	385,745	–	34,357,369
Net book amount							
At 31 December 2024 (Restated)	2,484	48,489,978	38,402	2,917	1,205,235	5,217,489	54,956,505
At 31 December 2023 (Restated)	3,052	46,912,292	24,210	2,397	1,138,298	3,429,601	51,509,850

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2025, the Group's certain vessels are leased to other parties under operating leases. Further details of the vessels under operating lease arrangements are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cost	**10,071,178**	11,132,166
Accumulated depreciation and impairment	**(4,959,701)**	(4,179,556)
Net carrying amount	**5,111,477**	6,952,610

Further details of the Group's operating lease arrangements as lessor are disclosed in Note 42 to the consolidated financial statements.

As at 31 December 2025, the Group's certain vessels and vessels under construction were pledged to secure bank and other borrowings and other loans granted to the Group (see Note 32 and 33).

During the year, interest expense capitalised in vessel costs were approximately RMB71,611,000 (for the year ended 31 December 2024: approximately RMB60,898,000).

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

Leasehold improvements	Over the shorter of the remaining useful life or the lease term
Vessels	22-30 years (Note)
Machinery and equipment	3-5 years
Motor vehicles	8 years
Buildings	8-40 years

Note: Used vessel acquired is depreciated over its estimated remaining useful life.

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

See Note 49.7 for the other accounting policies relevant to property, plant and equipment.

In 2025, the Board resolved to dispose of six vessels. However, market feedback indicated that the probability of selling MR-type vessels in the second-hand market was virtually nil. Consequently, the Group revised its disposal plan and intends to scrap these vessels upon the expiration of their useful lives. Due to impairment indicators arising from this event, the Group has reviewed the recoverable amount of these vessels. These vessels are used in the Group's Oil transportation reportable segment. The review led to the recognition of an impairment loss of approximately RMB438,555,000, which has been recognised in profit or loss. As the fair value less costs of disposal was difficult to obtain, the recoverable amount of the vessels was determined based on their value in use. Accordingly, the vessels were impaired to their recoverable amount based on value in use, which represents their carrying value at year end. The discount rate used in measuring value in use was ranged from 8.84%-9.56%. No impairment assessment was performed in 2024 as there was no indication of impairment.

16. LEASE

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

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Right-of-use assets		
Vessels	**527,743**	836,124
Prepaid land lease payments	**27,136**	28,433
Properties	**42,415**	69,763
Vehicles	**574**	311
	597,868	934,631
Lease liabilities		
Current	**486,426**	564,815
Non-current	**229,708**	619,344
	716,134	1,184,159

Additions to the right-of-use assets during the 2025 financial year were approximately RMB254,491,000 (2024: approximately RMB542,055,000).

16. LEASE (Continued)

(ii) Amounts recognised in the statement of profit or loss

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

	2025	2024
	RMB'000	RMB'000
		(Restated)
Impairment losses on right-of-use assets	**10,576**	–
Depreciation charge of right-of-use assets		
– Vessels	**404,228**	297,842
– Prepaid land lease payments	**1,297**	1,297
– Properties	**18,043**	8,629
– Vehicles	**310**	337
	423,878	308,105
Interest expense (included in finance cost)	**37,807**	47,775
Expense relating to short-term leases (included in operating costs and administrative expenses)	**3,064,784**	2,600,976

The total cash outflow for leases in 2025 was approximately RMB3,534,301,000 (2024: approximately RMB3,080,005,000).

See Note 49.22 for accounting policies relevant to leases.

17. GOODWILL

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cost		
At the beginning of the financial year and the end of the financial year	**87,279**	87,279
Accumulated impairment losses		
At the beginning of the financial year and the end of the financial year	**1,429**	1,429
Carrying amount		
At the end of the financial year	**85,850**	85,850

There were three cash generating units ("**CGU**") in the year related to oil shipment, vessel chartering services and LPG transportation. For the purpose of impairment testing, the recoverable amount of the CGU is determined based on a value in use calculation separately prepared for goodwill impairment assessment relating to Guangzhou Sanding Oil-Shipping Co., Ltd. of approximately RMB58,168,000 (31 December 2024: approximately RMB58,168,000), COSCO PetroChina SHIPPING Co., Ltd. ("**COSCO PetroChina SHIPPING**") of approximately RMB15,157,000 (31 December 2024: approximately RMB15,157,000) and Hainan Zhaogang of approximately RMB12,525,000 (31 December 2024: approximately RMB12,525,000) and calculation uses cash flow projections based on the most recent financial budgets of 5 years approved by management, cash flows beyond the 5-year-on-year are extrapolated using zero growth rate, and a discount rate of 7.86% (31 December 2024: 7.15%-7.40%). The growth rate for the extrapolation year is based on management's best estimates with consideration of both internal and external factors relating to the CGU. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of these subsidiaries to exceed their recoverable amount.

18. INVESTMENTS IN ASSOCIATES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Share of net assets	**5,289,188**	5,148,240
Goodwill	**835,105**	835,105
	6,124,293	5,983,345

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 10% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

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

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

See Note 49.1 for the other accounting policies relevant to equity accounting.

As at 31 December 2025, the Group had investments in the following associates which are all unlisted corporate entities whose quoted market price is not available:

Name	Place of incorporation and operating/legal status	Registered capital	Proportion of ownership interests held by the Group		Proportion of voting power held by the Group		Principal activities
			31 December 2025	31 December 2024	**31 December 2025**	31 December 2024	
Shanghai Beihai Shipping Company Limited ("**Shanghai Beihai**")	The PRC/Limited liability company	RMB763,750,000	**40%**	40%	**29%**	29%	Petroleum product transportation and vessel chartering
COSCO Shipping Finance Co., Ltd. ("**COSCO SHIPPING Finance**")	The PRC/Limited liability company	RMB19,500,000,000	**11%**	11%	**10%**	10%	Banking and related finance service
Aquarius LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**30%**	30%	**33%**	33%	LNG vessel chartering

18. INVESTMENTS IN ASSOCIATES (Continued)

Name	Place of incorporation and operating/legal status	Registered capital	Proportion of ownership interests held by the Group		Proportion of voting power held by the Group		Principal activities
			31 December 2025	31 December 2024	**31 December 2025**	31 December 2024	
Aries LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**30%**	30%	**33%**	33%	LNG vessel chartering
Capricorn LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**30%**	30%	**33%**	33%	LNG vessel chartering
Gemini LNG Shipping Limited	Hong Kong/Limited liability company	USD1,000	**30%**	30%	**33%**	33%	LNG vessel chartering
TRADEGO PTE. LTD. ("**TRADEGO**")	Singapore/Limited liability company	USD15,000,010	**11%**	11%	**10%**	10%	Development of Other Software and Programming Activities N.E.C.
Huaqiang LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	**25%**	25%	**25%**	25%	LNG vessel chartering
Huafu LNG Transport Pte. Limited	Singapore/Limited liability company	EUR51,000,000	**25%**	25%	**25%**	25%	LNG vessel chartering
Huawen LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	**25%**	25%	**25%**	25%	LNG vessel chartering
Huaming LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000	**25%**	25%	**25%**	25%	LNG vessel chartering
Huahe LNG Transport Pte. Limited	Singapore/Limited liability company	EUR50,000,000 (2024: EUR35,600,000)	**25%**	25%	**25%**	25%	LNG vessel chartering
Huaping LNG Transport Pte. Limited ("**Huaping LNG**") (Note)	Singapore/Limited liability company	EUR35,600,000	**25%**	25%	**25%**	25%	LNG vessel chartering
VEGA Ocean Transport Company	Liberia/Limited liability company	USD55,000,500	**49%**	49%	**50%**	50%	LNG vessel chartering
ALTAIR Ocean Transport Company	Liberia/Limited liability company	USD55,000,500	**49%**	49%	**50%**	50%	LNG vessel chartering
DENEB Ocean Transport Company	Liberia/Limited liability company	USD55,000,500	**49%**	49%	**50%**	50%	LNG vessel chartering
Dalian Xizhong Island Zhonglian Port Company Limited	The PRC/Limited liability company	RMB75,000,000	**15%**	15%	**20%**	20%	Port and shipping facilities engineering construction

Note: During the current year, the Group made additional capital contributions to Huaping LNG; however, Huaping LNG has not completed the registration of changes to its registered capital.

18. INVESTMENTS IN ASSOCIATES (Continued)

All of the above associates are accounted for using the equity method in the consolidated financial statements.

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

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

	Shanghai Beihai	
	31 December 2025	31 December 2024
	RMB'000	RMB'000
Non-current assets	**2,700,896**	3,030,320
Current assets	**1,059,707**	968,948
Non-current liabilities	**(686,711)**	(1,028,684)
Current liabilities	**(306,838)**	(221,294)
Net assets	**2,767,054**	2,749,290
Proportion of the Group's ownership interest	**40%**	40%
The Group's share of net assets	**1,106,822**	1,099,716
Goodwill	**835,105**	835,105
Carrying amount of the Group's interest in the associate	**1,941,927**	1,934,821

	2025	2024
	RMB'000	RMB'000
For the year ended 31 December		
Revenues	**2,612,860**	2,435,806
Profit for the year	**777,690**	789,216
Other comprehensive (loss)/income	**(14,926)**	8,633
Total comprehensive income for the year	**762,764**	797,849
Dividends received from the associate	**298,000**	240,000

18. INVESTMENTS IN ASSOCIATES (Continued)

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

	2025	2024
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**4,182,366**	4,048,524
For the year ended 31 December		
Aggregate amounts of the Group's share of:		
Profit for the year	**176,487**	224,540
Other comprehensive income/(loss)	**42,165**	(42,350)
Total comprehensive income for the year	**218,652**	182,190

19. INVESTMENTS IN JOINT VENTURES

	31 December 2025	31 December 2024
	RMB'000	RMB'000
Share of net assets	**7,697,239**	7,084,109
Less: impairment losses on investments in joint ventures	**(988,844)**	(988,844)
Goodwill	**477,105**	477,105
	7,185,500	6,572,370

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Investments in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

19. INVESTMENTS IN JOINT VENTURES (Continued)

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

Name	Place of incorporation and operating/legal status	Registered capital	Proportion of ownership interest, voting power and profit sharing attributable to the Group		Principal activities
			31 December 2025	31 December 2024	
China LNG Shipping (Holdings) Limited ("**CLNG**") (Note)	Hong Kong/ Limited liability company	USD687,419,346	**50%**	50%	Investment holding
Arctic Blue LNG Shipping Limited	Hong Kong/ Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Green LNG Shipping Limited	Hong Kong/ Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Purple LNG Shipping Limited	Hong Kong/ Limited liability company	USD1,000	**50%**	50%	Vessel holding
Arctic Red LNG Shipping Limited	Hong Kong/ Limited liability company	EUR 37,441,000 and USD1,000	**50%**	50%	Vessel holding
Arctic Orange LNG Shipping Limited	Hong Kong/ Limited liability company	EUR 37,861,000 and USD1,000	**50%**	50%	Vessel holding
Arctic Yellow LNG Shipping Limited	Hong Kong/ Limited liability company	EUR 37,701,000 and USD1,000	**50%**	50%	Vessel holding
Arctic Indigo LNG Shipping Limited	Hong Kong/ Limited liability company	EUR 37,940,000 and USD1,000	**50%**	50%	Vessel holding
Arctic Gold LNG Shipping Limited	Hong Kong/ Limited liability company	USD93,075,962	**50%**	50%	Vessel holding
Arctic Silver LNG Shipping Limited	Hong Kong/ Limited liability company	USD93,075,962	**50%**	50%	Vessel holding

19. INVESTMENTS IN JOINT VENTURES (Continued)

Name	Place of incorporation and operating/legal status	Registered capital	Proportion of ownership interest, voting power and profit sharing attributable to the Group		Principal activities
			31 December 2025	31 December 2024	
Arctic Bronze LNG Shipping Limited	Hong Kong/ Limited liability company	USD93,075,962	**50%**	50%	Vessel holding
ORYX LNG NO.1 Shipping Corporation	Liberia/ Limited liability company	USD47,100,000	**50%**	50%	Vessel holding
ORYX LNG NO.2 Shipping Corporation	Liberia/ Limited liability company	USD46,000,000	**50%**	50%	Vessel holding
ORYX LNG NO.3 Shipping Corporation	Liberia/ Limited liability company	USD45,000,000	**50%**	50%	Vessel holding
ORYX LNG NO.4 Shipping Corporation	Liberia/ Limited liability company	USD45,500,000	**50%**	50%	Vessel holding
ORYX LNG NO.5 Shipping Corporation	Liberia/ Limited liability company	USD47,000,000 (2024: USD25,000,000)	**50%**	50%	Vessel holding
ORYX LNG NO.6 Shipping Corporation	Liberia/ Limited liability company	USD47,000,000 (2024: USD25,000,000)	**50%**	50%	Vessel holding
ORYX LNG NO.7 Shipping Corporation	Liberia/ Limited liability company	USD25,000,000	**50%**	50%	Vessel holding

Note: During the current year, the Company made additional capital contributions to CLNG; however, CLNG has not completed the registration of changes to its registered capital.

19. INVESTMENTS IN JOINT VENTURES (Continued)

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

	CLNG	
	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets	**10,920,490**	10,803,572
Current assets	**1,027,831**	850,904
– Cash and bank	**1,000,810**	830,240
– Other current assets	**27,021**	20,664
Non-current liabilities	**(1,194,538)**	(1,608,294)
Current liabilities	**(697,174)**	(656,009)
Net assets	**10,056,609**	9,390,173
Non-controlling interests	**(1,261,400)**	(1,230,319)
	8,795,209	8,159,854
Proportion of the Group's ownership interest	**50%**	50%
The Group's share of net assets	**4,397,605**	4,079,927
Goodwill	**477,105**	477,105
Carrying amount of the Group's interest in the joint venture	**4,874,710**	4,557,032

19. INVESTMENTS IN JOINT VENTURES (Continued)

	CLNG	
	2025	2024
	RMB'000	RMB'000
For the year ended 31 December		
Revenues	**1,203,346**	1,278,553
Profit for the year	**1,040,157**	907,025
Other comprehensive (loss)/income	**(332,273)**	144,078
Total comprehensive income for the year	**707,884**	1,051,103
Dividends received from the joint venture	**116,802**	350,357

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

	2025	2024
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	**2,310,790**	2,015,338
For the year ended 31 December		
Aggregate amounts of the Group's share of:		
Profit for the year	**254,263**	178,984
Other comprehensive income/(loss)	**54,613**	(21,422)
Total comprehensive income for the year	**308,876**	157,562

20. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

Financial assets	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Financial assets at amortised cost			
Trade and bills receivables	25	**654,635**	609,630
Other receivables	26	**437,778**	686,209
Loan receivables	21	**1,266,697**	1,317,049
Cash and bank	27	**14,421,861**	5,830,380
Restricted bank deposits	27	**786**	783
Financial assets at fair value			
Financial assets at FVOCI	22(a)	**438,579**	412,123
Derivative financial instruments	31	**81,038**	202,052
		17,301,374	9,058,226

Financial liabilities	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Financial liabilities at amortised cost			
Trade payables	29	**2,072,845**	1,977,008
Other payables	30	**1,736,255**	1,011,684
Interest-bearing bank and other borrowings	32	**32,476,040**	32,771,847
Other loans	33	**2,240,493**	2,458,733
Lease liabilities	16	**716,134**	1,184,159
Financial liabilities at fair value			
Derivative financial instruments	31	**16,524**	–
		39,258,291	39,403,431

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

21. LOAN RECEIVABLES

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
Loans to associates	(i)	**291,622**	318,978
Loans to joint ventures	(ii)	**975,075**	998,071
		1,266,697	1,317,049
Less: current portion		**(23,618)**	(20,603)
Non-current portion		**1,243,079**	1,296,446

Notes:

(i) As at 31 December 2025 and 31 December 2024, loans to associates are at a weighted average rate of SOFR plus 2.26% and fixed rate of 6.70% per annum and a weighted average rate of SOFR plus 2.26% and fixed rate 6.50% per annum. The Group receives repayments on these loans on a quarterly basis and expects to receive the full amounts by 2030 and 2031.

(ii) As at 31 December 2025 and 31 December 2024, loans to joint ventures are SOFR plus 1.56% per annum, interest-bearing at 3-month LIBOR plus 0.80% per annum and Euro Interbank Offered Rate plus 0.50% per annum, unsecured. The Group receives interest generated from these loans on a quarterly basis. Principal repayments are scheduled to commence on a quarterly basis in 2033 and 2034, respectively, with full recovery of the outstanding amounts projected by 2038 and 2039.

As at 31 December 2025 and 31 December 2024, all loan receivables are denominated in USD.

In determining the expected credit losses for loan receivables, the Directors have taken into account the credit rating of the counterparties in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. As at 31 December 2025 and 2024, the Directors are of the opinion that the credit risk is minimal as the associates and joint ventures have good credit standing.

22. FINANCIAL ASSETS AT FVOCI

(a) Equity investments at FVOCI

	31 December 2025 RMB'000	31 December 2024 RMB'000
Listed equity investments in the PRC	**438,579**	412,123

22. FINANCIAL ASSETS AT FVOCI (Continued)

(b) Amounts recognised in profit or loss and other comprehensive income

During the year, the following profit was recognised in other comprehensive income.

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit recognised in other comprehensive income	**26,456**	120,329

23. DEFERRED TAX ASSETS AND LIABILITIES

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

	Lease liabilities	Impairment loss on financial and contract assets	Revaluation of investment properties	Accrued expenses but not yet paid	Accelerated tax depreciation	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	28,660	12	–	–	35,609	247	64,528
(Charge)/credit to profit or loss	(11,257)	125	727	26,114	(2,389)	(220)	13,100
At 31 December 2024 and 1 January 2025	**17,403**	**137**	**727**	**26,114**	**33,220**	**27**	**77,628**
(Charge)/credit to profit or loss	**(2,117)**	**8,997**	**(727)**	**44,191**	**(2,389)**	**(27)**	**47,928**
At 31 December 2025	**15,286**	**9,134**	**-**	**70,305**	**30,831**	**-**	**125,556**

23. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

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

	Right-of-use assets RMB'000	Revaluation of investment properties RMB'000	Fair value change on FVOCI RMB'000	Accelerated tax depreciation RMB'000	Unremitted earnings RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	28,537	467	39,183	167,591	1,257,353	3,772	1,496,903
Charge/(credit) to profit or loss	(11,409)	(467)	–	(5,020)	173,283	–	156,387
Charge to other comprehensive income	–	–	18,050	–	–	–	18,050
At 31 December 2024 and 1 January 2025	**17,128**	**–**	**57,233**	**162,571**	**1,430,636**	**3,772**	**1,671,340**
Charge/(credit) to profit or loss	**(2,262)**	**1,150**	**–**	**(6,229)**	**303,439**	**(329)**	**295,769**
Charge to other comprehensive income	**–**	**3,723**	**3,968**	**–**	**–**	**–**	**7,691**
At 31 December 2025	**14,866**	**4,873**	**61,201**	**156,342**	**1,734,075**	**3,443**	**1,974,800**

23. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

(c) **An analysis of the deferred tax balances after offsetting for the consolidated statement of financial position are disclosed as follows:**

	31 December 2025 RMB'000	31 December 2024 RMB'000
Deferred tax assets	**35,354**	33,502
Deferred tax liabilities	**(1,884,598)**	(1,627,214)
	(1,849,244)	(1,593,712)

As at 31 December 2025, the Group has unused estimated tax losses of approximately RMB40,655,000 (31 December 2024: approximately RMB9,684,000). No deferred tax assets have been recognised as at 31 December 2025 and 2024 in respect of the estimated tax losses due to the unpredictability of future profit streams.

As at 31 December 2025, the Group has deductible temporary differences of approximately RMB3,989,858,000 (31 December 2024: approximately RMB4,108,551,000). No deferred tax assets have been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

24. INVENTORIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bunker oil inventories	**737,660**	1,085,994
Ship stores and spare parts	**240,458**	247,730
	978,118	1,333,724

25. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade and bills receivables from third parties	**657,745**	612,590
Trade receivables from related companies (Note)	**2,828**	3,657
	660,573	616,247
Less: allowance (b)	**(5,938)**	(6,617)
	654,635	609,630
Contract assets	**1,960,468**	889,798
Less: allowance (b)	**(12,890)**	(5,996)
Total contract assets	**1,947,578**	883,802

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 20 days and therefore all classified as current.

Trade receivables from related companies are unsecured, non-interest-bearing and under normal credit year as other trade receivables.

As at 31 December 2025, trade and bills receivables and contract assets of approximately RMB2,230,257,000 (31 December 2024: approximately RMB1,120,645,000) are denominated in USD.

25. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (Continued)

(a) As of the end of the year, the ageing analysis of trade and bills receivables, based on the invoice date and net of allowance, is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	**650,441**	600,619
1–2 years	**2,024**	8,551
Over 2 years	**2,170**	460
	654,635	609,630

(b) Impairment of trade and bills receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables and contract assets.

To measure the expected credit losses, trade and bills receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to contracted but not yet fulfilled services provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade and bills receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and Producer Price Index (PPI) to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

25. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (Continued)

(b) Impairment of trade and bills receivables and contract assets (Continued)

On that basis, the loss allowance as at 31 December 2025 and 31 December 2024 was determined as follows for both trade and bills receivables and contract assets:

	Within 6 months RMB'000	**7–12 months RMB'000**	**Over 1 year RMB'000**	**Total RMB'000**
At 31 December 2025				
Expected loss rate	**0.63%**	**3.60%**	**23.90%**	**0.72%**
Gross carrying amount – trade and bills receivables	**621,515**	**33,547**	**5,511**	**660,573**
Gross carrying amount – contract assets	**1,960,468**	**–**	**–**	**1,960,468**
Loss allowance	**16,303**	**1,208**	**1,317**	**18,828**

	Within 6 months RMB'000	7–12 months RMB'000	Over 1 year RMB'000	Total RMB'000
At 31 December 2024				
Expected loss rate	0.71%	3.60%	9.45%	0.84%
Gross carrying amount – trade and bills receivables	570,668	35,627	9,952	616,247
Gross carrying amount – contract assets	889,798	–	–	889,798
Loss allowance	10,390	1,283	940	12,613

25. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (Continued)

(b) Impairment of trade and bills receivables and contract assets (Continued)

The closing loss allowances for the trade and bills receivables and contract assets as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Trade and bills receivables and Contract assets	
	31 December 2025 RMB'000	31 December 2024 RMB'000
At the beginning of the year	**12,613**	19,108
Provision for/(reversal of) impairment losses recognised	**6,235**	(6,510)
Exchange realignment	**(20)**	15
At the end of the year	**18,828**	12,613

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

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Current portion		
Prepayments	**176,991**	118,584
Deposits and other receivables	**585,940**	786,830
Due from fellow subsidiaries	**318,204**	259,140
Due from joint ventures	**202,998**	203,628
Due from related companies (Note)	**52,786**	47,694
	1,336,919	1,415,876
Less: allowance for other receivables (Note 26(a))	**(245,903)**	(234,910)
	1,091,016	1,180,966
Non-current portion		
Prepayment for vessels construction	**1,017,345**	1,017,345
Prepayment to fellow subsidiaries for vessels construction	**805,309**	454,692
	1,822,654	1,472,037

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

26. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER NON-CURRENT ASSETS (Continued)

The amounts due from fellow subsidiaries, joint ventures and related companies are unsecured, non-interest-bearing and repayable on demand.

As at 31 December 2025, prepayments, deposits, other receivables and other non-current assets of approximately RMB659,269,000 (31 December 2024: approximately RMB599,381,000) are denominated in USD.

(a) Impairment of other receivables

The movement of the impairment of other receivables during the year is as follows:

	Other receivables	
	31 December 2025 RMB'000	31 December 2024 RMB'000
At the beginning of the year	**234,910**	232,903
Impairment losses recognised	**11,117**	2,898
Exchange realignment	**(124)**	(891)
At the end of the year	**245,903**	234,910

Management makes periodic assessment on a portfolio basis on the recoverability of other receivables based on historical settlement records, past experiences and adjusts for forward looking information in determining the impairment of other receivables.

27. RESTRICTED BANK DEPOSITS AND CASH AND BANK

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Restricted bank deposits	**786**	783
Balances placed with COSCO SHIPPING Finance (Note)	**5,007,952**	4,614,931
Unrestricted bank balances and cash	**9,405,935**	1,214,709
Cash and cash equivalents	**14,413,887**	5,829,640
Interest receivable	**7,974**	740
Total restricted bank deposits and cash and bank	**14,422,647**	5,831,163

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

As at 31 December 2025, cash and cash equivalents of approximately RMB4,167,572,000 (31 December 2024: approximately RMB3,129,996,000) are denominated in USD.

28. ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31 December 2025, the Board signed the sales and purchases agreement to dispose the Group's vessel. The vessel will be sold within twelve months, has been classified as assets held for sale and is presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the net carrying amount of the vessel and accordingly, no impairment loss has been recognised.

The major class of assets of the vessel classified as held for sale is as follows:

	31 December 2025 RMB'000
Property, plant and equipment	**139,516**
Total assets classified as held for sale	**139,516**

29. TRADE PAYABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables to third parties	**1,193,416**	1,108,230
Trade payables to fellow subsidiaries	**864,488**	848,743
Trade payables to an associate	**1,825**	2,023
Trade payables to related companies (Note)	**13,116**	18,012
	2,072,845	1,977,008

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

29. TRADE PAYABLES (Continued)

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

As at 31 December 2025, trade payables of approximately RMB1,159,750,000 (31 December 2024: approximately RMB1,182,361,000) are denominated in USD.

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

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	**1,886,189**	1,860,665
1–2 years	**124,716**	17,777
Over 2 years	**61,940**	98,566
	2,072,845	1,977,008

Trade payables are unsecured, non-interest-bearing and are normally settled in 1 to 3 months.

30. OTHER PAYABLES AND ACCRUALS

	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Accruals	**674,951**	527,829
Deposits received from disposal of a vessel	**40,064**	–
Other payables	**1,176,576**	595,521
Due to fellow subsidiaries	**495,728**	382,228
Due to a joint venture	**–**	234
Due to an associate	**–**	12
Due to other related companies (Note)	**63,951**	33,689
	2,451,270	1,539,513

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

The amounts due to the fellow subsidiaries, a joint venture, an associate, and other related companies are unsecured, non-interest-bearing and repayable on demand.

Other payables and accruals are non-interest-bearing and are normally settled in 1 to 3 months.

As at 31 December 2025, financial liabilities included in other payables and accruals of approximately RMB1,090,006,000 (31 December 2024: approximately RMB385,864,000) are denominated in USD.

31. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2025, the Group had interest rate swap agreements with total principal amount of approximately USD632,678,000 (equivalent to approximately RMB4,446,967,000) (31 December 2024: approximately USD669,044,000 (equivalent to approximately RMB4,809,356,000)) which will mature in 2031, 2032, 2033, 2034 and 2035 (31 December 2024: 2031, 2032, 2033, 2034 and 2035). These interest rate swap agreements are designated as cash flow hedges in respect of the Group's certain portion of bank borrowings with floating interest rates.

For the year ended 31 December 2025, the floating interest rates of the bank borrowings were 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45% (31 December 2024: 3-month SOFR plus 1.66% and 3-month SOFR plus 2.45%).

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

The Group has the following derivative financial instruments:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets		
Interest rate swaps – cash flow hedges	**81,038**	202,052
Total derivative financial instrument assets	**81,038**	202,052
Non-current liabilities		
Interest rate swaps – cash flow hedges	**16,524**	–
Total derivative financial instrument liabilities	**16,524**	–

32. INTEREST-BEARING BANK AND OTHER BORROWINGS

(a) **As at 31 December 2025 and 31 December 2024, details of the interest-bearing bank and other borrowings are as follows:**

	Maturity	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Current liabilities			
(i) Bank borrowings			
Secured	2026	**2,354,573**	1,372,383
Unsecured	2026	**4,904,767**	2,224,211
		7,259,340	3,596,594
(ii) Other borrowings			
Unsecured	2026	**2,788,583**	1,898,004
Secured	2026	**114,877**	21,109
		2,903,460	1,919,113
Interest-bearing bank and other borrowing – current portion		**10,162,800**	5,515,707
Non-current liabilities			
(i) Bank borrowings			
Secured	2027 to 2040	**15,698,914**	17,368,520
Unsecured	2027 to 2035	**1,124,190**	4,737,417
		16,823,104	22,105,937
(ii) Other borrowings			
Unsecured	2027 to 2032	**3,224,292**	4,150,843
Secured	2040 to 2042	**2,265,844**	999,360
		5,490,136	5,150,203
Interest-bearing bank and other borrowing – non-current portion		**22,313,240**	27,256,140

As at 31 December 2025, the Group's interest-bearing bank borrowings were secured by pledges of the Group's 39 (31 December 2024: 37) vessels and 3 (31 December 2024: 4) vessels under construction with total net carrying amount of approximately RMB28,136,648,000 (31 December 2024: approximately RMB25,023,644,000) and approximately RMB2,233,780,000 (31 December 2024: approximately RMB3,110,012,000) respectively.

As at 31 December 2025, secured bank borrowings of approximately RMB16,423,381,000 (31 December 2024: approximately RMB16,986,862,000), unsecured bank borrowings of approximately RMB1,955,412,000 (31 December 2024: approximately RMB2,579,198,000), secured other borrowings of approximately RMB491,271,000 (31 December 2024: Nil) and unsecured other borrowings of Nil (31 December 2024: approximately RMB143,768,000) are denominated in USD.

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

(b) As at 31 December 2025 and 31 December 2024, the interest-bearing bank and other borrowings were repayable as follows:

	Bank borrowings RMB'000	Other borrowings RMB'000	Total RMB'000
At 31 December 2025			
Current portion			
Within one year	**7,259,340**	**2,903,460**	**10,162,800**
Non-current portion			
In the second year	**2,857,179**	**2,524,407**	**5,381,586**
In the third to fifth years, inclusive	**3,769,761**	**1,001,308**	**4,771,069**
Over five years	**10,196,164**	**1,964,421**	**12,160,585**
	16,823,104	**5,490,136**	**22,313,240**
	24,082,444	**8,393,596**	**32,476,040**
At 31 December 2024 (Restated)			
Current portion			
Within one year	3,596,594	1,919,113	5,515,707
Non-current portion			
In the second year	6,650,175	1,310,670	7,960,845
In the third to fifth years, inclusive	4,422,166	2,887,364	7,309,530
Over five years	11,033,596	952,169	11,985,765
	22,105,937	5,150,203	27,256,140
	25,702,531	7,069,316	32,771,847

As at 31 December 2025, other interest-bearing borrowings of approximately RMB6,009,813,000 (2024: approximately RMB5,901,144,000) are borrowed from COSCO SHIPPING Finance. The interest rates are not higher than the market rates.

33. OTHER LOANS

(a) As at 31 December 2025 and 31 December 2024, details of other loans are as follows:

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000
Kantons International Investment Limited ("**Kantons International**")	(i)	**571,571**	611,407
Mitsui O.S. K. Lines, Ltd. ("**MOL**")	(ii)	**308,284**	335,673
PetroChina International Co., Limited ("**PetroChina International**")	(iii)	**8,050**	9,688
Jianxin Jin 138 Leasing (Tianjin) Co., Ltd * ("建信津一百三十八租賃(天津)有限公司") ("**Jianxin Jin 138**")	(iv)	**1,352,588**	1,501,965
		2,240,493	2,458,733
Less: current portion		**(215,079)**	(234,143)
Non-current portion		**2,025,414**	2,224,590

* For identification purpose only

Notes:

(i) As at 31 December 2025, other loans amounted to approximately RMB23,502,000 (31 December 2024: approximately RMB28,428,000) was borrowed by East China LNG Shipping Investment Co., Limited ("**ELNG**"), a non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Kantons International, to finance certain vessels construction projects being carried out by the associates held by ELNG. As at 31 December 2025, the loans are interest-bearing at a weighted average of SOFR plus 2.26% and fixed rate of 6.70% (31 December 2024: weighted average of SOFR plus 2.26% and fixed rate of 6.70%) per annum, unsecured, and repayable within 20 years after the aforementioned vessels construction projects are completed.

As at 31 December 2025, other loans amounted to approximately RMB548,069,000 (31 December 2024: approximately RMB582,979,000) was borrowed by China Energy Shipping Investment Co., Limited ("**China Energy**"), an indirect and non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, Kantons International, to finance certain vessels construction projects being carried out by the subsidiaries of China Energy. As at 31 December 2025, the loans are interest-bearing at a weighted average of SOFR plus 2.45% and fixed rate of 4.80% (31 December 2024: weighted average of SOFR plus 2.45% and fixed rate of 4.80%) per annum, unsecured, and repayable within 15 years after the aforementioned vessels construction projects are completed.

33. OTHER LOANS (Continued)

(a) As at 31 December 2025 and 31 December 2024, details of other loans are as follows: (Continued)

Notes: (Continued)

(ii) As at 31 December 2025, other loans were borrowed by the subsidiaries of China Energy from their non-controlling shareholder, MOL, to finance certain vessels construction projects being carried out by them. As at 31 December 2025, the loans are interest-bearing at a weighted average of SOFR plus 2.45% and fixed rate of 4.80% (31 December 2024: weighted average of SOFR plus 2.45% and fixed rate of 4.80%) per annum, unsecured, and repayable within 15 years after the aforementioned vessels construction projects are completed.

(iii) As at 31 December 2025, other loans were borrowed by North China LNG Shipping Investment Co., Limited ("**NLNG**"), a non-wholly-owned subsidiary of the Company, from its non-controlling shareholder, PetroChina International, to finance certain vessels construction projects being carried out by the associates held by NLNG. As at 31 December 2025, the loans are interest-bearing at a weighted average of SOFR plus 2.26% and fixed rate of 6.50% (31 December 2024: weighted average of SOFR plus 2.26% and fixed rate of 6.50%) per annum, unsecured, and repayable within 20 years after the aforementioned vessels construction projects are completed.

(iv) As at 31 December 2025, the Company borrowed RMB1,350,000,000 (31 December 2024: RMB1,500,000,000) in other loans from an independent third party Jianxin Jin 138. This loan was secured by five (31 December 2024: five) vessels owned by the Group with an aggregate net book value of approximately RMB1,039,033,000 (31 December 2024: approximately RMB1,047,304,000), and is repayable over a period of 10 years. As at 31 December 2025, the loans are interest-bearing at above five-year Loan Prime Rate applicable on the charter date minus 1.55% (31 December 2024: above five-year Loan Prime Rate applicable on the charter date minus 1.55%) per annum.

As at 31 December 2025 and 31 December 2024, all other loans are denominated in USD except for the loan from Jianxin Jin 138 is denominated in RMB.

(b) As at 31 December 2025 and 31 December 2024, the Group's other loans were repayable as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Current portion		
Within one year	**215,079**	234,143
Non-current portion		
In the second year	**203,899**	233,635
In the third to fifth years, inclusive	**636,774**	703,184
Over five years	**1,184,741**	1,287,771
	2,025,414	2,224,590
	2,240,493	2,458,733

34. DEFINED BENEFIT PLAN PAYABLE

	31 December 2025 RMB'000	31 December 2024 RMB'000
Defined benefit plan payable	**135,472**	258,573
	135,472	258,573
Less: current portion	**(11,130)**	(19,827)
Non-current portion	**124,342**	238,746

(a) Details of defined benefit plan payable are as follows:

Defined benefit plan payable represents post-employment benefit plan for current civil retirees and current retirees which are measured by using projected unit credit actuarial cost method. Independent actuarial valuation has been carried out by an independent firm, Towers Waston, with chartered actuarial certification.

The plan exposes the Group to actuarial risks, such as interest rate risk and longevity risk. Information about the plan is disclosed as follows:

(i) The amounts recognised in the consolidated statement of financial position are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Present value of unfunded obligations	**135,472**	258,573
Less: current portion	**(11,130)**	(19,827)
Non-current portion	**124,342**	238,746

Current portion of defined benefits plan payable represents the amount expected to be paid by the Group in the next 12 months.

34. DEFINED BENEFIT PLAN PAYABLE (Continued)

(a) Details of defined benefit plan payable are as follows: (Continued)

(ii) Movements in the present value of the defined benefit plan payable are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
At the beginning of the year	258,573	213,533
Remeasurement for the year	(7,050)	9,359
Benefits paid	(9,807)	(11,941)
Past service cost	(57,050)	42,420
Interest cost	3,480	5,202
Other reductions	(52,674)	–
At the end of the year	135,472	258,573

The weighted average duration of the defined benefit plan is 8.01 (31 December 2024: 8.82) years.

(iii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Past service cost	(57,050)	42,420
Interest expense on defined benefit plan payable	3,480	5,202
Total amounts recognised in profit or loss	(53,570)	47,622
Actuarial (gain)/loss recognised in other comprehensive income	(7,050)	9,359
Total defined benefits costs	(60,620)	56,981

The past service cost and interest expense on defined benefit plan payable were recognised in the other expenses and administrative expenses for the year.

34. DEFINED BENEFIT PLAN PAYABLE (Continued)

(a) Details of defined benefit plan payable are as follows: (Continued)

(iv) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Discount rate	**2.00%**	1.75%
Average annual increase rate of supplemental medical benefits	**5.00%**	8.00%

Mortality rate adopted for the defined benefit plan payable as at 31 December 2025 was based on the China Life Insurance Mortality Table 2010-2013-CL5/CL6 up 2 years issued by the China Life Insurance Regulatory Commission of the PRC.

The below analysis shows how the defined benefit plan payable would have increased/(decreased) as a result of 0.5% change of discount rate in the significant actuarial assumptions:

	Effect of payable	
	31 December 2025 RMB'000	31 December 2024 RMB'000
Increase in 0.5%	**(4,406)**	(4,690)
Decrease in 0.5%	**4,657**	4,953

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

35. SHARE CAPITAL

	2025		2024	
	Number of shares (thousand)	**Nominal value RMB'000**	Number of shares (thousand)	Nominal value RMB'000
Registered, issued and fully paid				
Listed H – Shares of RMB1 each	**1,296,000**	**1,296,000**	1,296,000	1,296,000
Listed A – Shares of RMB1 each	**4,169,221**	**4,169,221**	3,474,776	3,474,776
At the beginning and end of the year	**5,465,221**	**5,465,221**	4,770,776	4,770,776

On 22 October 2025, the Company completed the issuance of approximately 694,445,000 A shares to specific target subscribers at an issue price of RMB11.52 per share pursuant to a specific mandate. COSCO SHIPPING actually subscribed for approximately 347,222,000 A shares, with an aggregate subscription amount of approximately RMB4.00 billion. Details can be referred to the announcement dated on 23 October 2025.

36. RESERVES

(a) The Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

36. RESERVES (Continued)

(b) The Company

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out as follows:

	Share premium RMB'000	Revaluation reserve RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Statutory surplus reserve RMB'000	Safety fund reserve RMB'000	General surplus reserve RMB'000	FVOCI revaluation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	12,134,750	270,254	39,609	2,572,277	2,877,435	932	93,158	1,019	8,145,306	26,134,740
Profit for the year	-	-	-	-	-	-	-	-	2,329,354	2,329,354
Remeasurement of defined benefit plan payable	-	-	-	(3,800)	-	-	-	-	-	(3,800)
Effect of acquisition of subsidiaries under common control	-	-	-	(132,920)	-	-	-	-	-	(132,920)
Dividends paid to shareholders of the Company	-	-	-	-	-	-	-	-	(2,719,343)	(2,719,343)
Accruals of safety fund reserve	-	-	-	-	-	142,267	-	-	(142,267)	-
Utilisation of safety fund reserve	-	-	-	-	-	(143,199)	-	-	143,199	-
Fair value of share options granted	-	-	39,963	-	-	-	-	-	-	39,963
At 31 December 2024	12,134,750	270,254	79,572	2,435,557	2,877,435	-	93,158	1,019	7,756,249	25,647,994
At 1 January 2025	**12,134,750**	**270,254**	**79,572**	**2,435,557**	**2,877,435**	**-**	**93,158**	**1,019**	**7,756,249**	**25,647,994**
Profit for the year	-	-	-	-	-	-	-	-	**889,683**	**889,683**
Issuance of A shares	**7,285,064**	-	-	-	-	-	-	-	-	**7,285,064**
Remeasurement of defined benefit plan payable	-	-	-	**(220)**	-	-	-	-	-	**(220)**
Dividends paid to shareholders of the Company	-	-	-	-	-	-	-	-	**(1,001,863)**	**(1,001,863)**
Accruals of safety fund reserve	-	-	-	-	-	**137,775**	-	-	**(137,775)**	-
Utilisation of safety fund reserve	-	-	-	-	-	**(137,655)**	-	-	**137,655**	-
Fair value of share options granted	-	-	**68,936**	-	-	-	-	-	-	**68,936**
At 31 December 2025	**19,419,814**	**270,254**	**148,508**	**2,435,337**	**2,877,435**	**120**	**93,158**	**1,019**	**7,643,949**	**32,889,594**

36. RESERVES (Continued)

(b) The Company (Continued)

In accordance with the Company Law of the PRC and the Company's articles of association, the Company is required to allocate 10% of its profit after tax, as determined in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and relevant regulations ("**PRC GAAP**") and regulations applicable to the Company, to the Statutory Surplus Reserve (the "**SSR**") until the SSR reaches 50% of the registered capital of the Company.

According to the relevant regulations in the PRC, the reserves available for distribution is the lower of the amount determined under PRC GAAP and the amount determined under HKFRS Accounting Standards. On this basis, as at 31 December 2025, before the proposed final dividend, the Company had reserve of approximately RMB7,643,949,000 (31 December 2024: approximately RMB7,756,249,000).

In addition, in accordance with the Company Law of the PRC, an amount of approximately RMB19,419,814,000 (31 December 2024: approximately RMB12,134,750,000) standing to the credit of the Company's share premium account was available for distribution by way of future capitalisation issues.

(c) Nature and purposes of reserves

(i) Share premium

Share premium arised from the issuance of shares at prices in excess of their par value.

(ii) Revaluation reserve

The revaluation reserve has been accounted for in accordance with the accounting policies adopted for the measurement of the assets at fair value.

(iii) Capital reserve

The reserve arised from the acquisition of additional interests in a subsidiary, revaluation of assets arising from capital restructuring of a subsidiary and fair value of share options granted.

(iv) Merger reserve

The reserve arised from business combination involving entities under common control.

(v) Statutory surplus reserve

The Company is required to transfer 10% of its net profit as determined in accordance with PRC Accounting Rules and Regulations to its statutory surplus reserve. The transfer to this reserve must be before distribution of a dividend to shareholders.

36. RESERVES (Continued)

(c) Nature and purposes of reserves (Continued)

(vi) Safety fund reserve

According to CaiQi [2022] No.16 "Measures for the Extraction and Management of the Production Safety Fund for the enterprises" issued by the Ministry of Finance and the Safety Production General Bureau, the Group is required to accrue production safety fund to improve the production safety.

The accrued expenses will be transferred to production safety fund surplus reserve under equity attributable to owners of the Company for the year. When its cost being measured, within the special use conditions, full amount of relevant incurred fund recorded as production safety fund surplus reserve will be recognised in the cost of sales simultaneously. Pursuant to HKFRS Accounting Standards, these expenditures should be recognised when incurred according to the respective accounting policy.

(vii) General surplus reserve

When the public welfare fund is utilised, an amount equal to the lower of either the cost of the assets and the balance of the public welfare fund is transferred from public welfare fund to the general surplus reserve.

(viii) Hedging reserve

Changes in the fair values of derivative financial instruments are to be charged directly and transferred to hedging reserve.

(ix) FVOCI revaluation reserve

The FVOCI revaluation reserve comprises the cumulative net change in the fair value of FVOCI held at the end of the year.

(x) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

(xi) Other reserve

The reserve arised from the acquisition of subsidiary under common control and remeasurements of post-employment benefit obligations.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS		
Investment properties	**9,358**	162,085
Property, plant and equipment	**9,668,735**	9,912,341
Right-of-use assets	**4,624,016**	6,715,745
Investments in subsidiaries	**25,056,820**	24,372,242
Investments in associates	**4,202,980**	3,163,022
Investments in a joint venture	**3,422,417**	4,381,837
Loan receivables	**–**	24,080
Other non-current assets	**1,391,456**	3,737,968
	48,375,782	52,469,320
CURRENT ASSETS		
Current portion of loan receivables	**169,022**	2,693
Inventories	**256,241**	290,814
Contract assets	**250,506**	128,689
Trade and bills receivables	**564,648**	397,471
Prepayments, deposits and other receivables	**3,698,444**	1,799,387
Tax recoverable	**33,732**	–
Cash and bank	**10,525,397**	2,608,703
	15,497,990	5,227,757
TOTAL ASSETS	**63,873,772**	57,697,077

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES		
Provision and other liabilities	**58,346**	46,126
Interest-bearing bank and other borrowings	**2,944,374**	6,363,164
Other loans	**1,200,000**	1,321,960
Defined benefit plan payable	**53,308**	31,638
Lease liabilities	**4,672,479**	6,457,571
Deferred tax liabilities	**197,059**	197,787
	9,125,566	14,418,246
CURRENT LIABILITIES		
Trade payables	**1,279,681**	1,177,961
Other payables and accruals	**6,909,276**	5,681,734
Current portion of interest-bearing bank and other borrowings	**6,797,355**	4,314,838
Current portion of other loans	**152,588**	180,005
Contract liabilities	**3,448**	–
Current portion of defined benefit plan payable	**2,660**	7,040
Current portion of lease liabilities	**1,248,383**	1,359,556
Tax liability	**–**	138,927
	16,393,391	12,860,061
TOTAL LIABILITIES	**25,518,957**	27,278,307
EQUITY		
Share capital	**5,465,221**	4,770,776
Reserves	**32,889,594**	25,647,994
TOTAL EQUITY	**38,354,815**	30,418,770

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation from profit before tax to net cash generated from operating activities is as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Profit before tax	**5,356,414**	5,250,086
Adjustments for:		
Finance costs	**1,342,413**	1,415,218
Interest income from loan receivables	**(78,910)**	(89,990)
Gain on disposals of property, plant and equipment, net	**(669,278)**	(143,593)
Dividends received from financial assets at FVOCI	**(20,615)**	(20,149)
Provision for/(reversal of) impairment losses on trade receivables and contract assets	**6,235**	(6,510)
Provision for impairment losses on other receivables	**11,117**	2,898
Depreciation of property, plant and equipment	**3,490,017**	3,286,346
Depreciation of right-of-use assets	**423,878**	308,105
Impairment losses on property, plant and equipment and right-of-use assets	**449,131**	–
Fair value adjustment to derivatives	**–**	12,091
Net (gain)/loss on fair value changes of investment properties	**(7,059)**	209
Share of profits of associates	**(487,563)**	(540,227)
Share of profits of joint ventures	**(774,341)**	(632,496)
Share-based payment expense	**68,936**	39,963
Exchange losses/(gains), net	**98,816**	(151,411)
Operating profit before working capital changes	**9,209,191**	8,730,540
Decrease/(increase) in inventories	**355,606**	(173,202)
(Increase)/decrease in trade and bills receivables and contract assets	**(1,114,996)**	658,347
(Increase)/decrease in prepayments	**(58,407)**	5,000
Decrease/(increase) in deposits and other receivables	**222,128**	(476,922)
Decrease in amounts due from joint ventures	**630**	241
(Increase)/decrease in amounts due from fellow subsidiaries	**(209,079)**	74,364
(Increase)/decrease in amounts due from related companies	**(5,092)**	10,061
Increase in trade payables and contract liabilities	**92,324**	247,716
(Decrease)/increase in other payables	**(504,298)**	265,764
Increase/(decrease) in accruals	**147,122**	(73,520)
Decrease in amount due to the ultimate holding company	**–**	(5,246)
Decrease in amount due to an associate	**(12)**	(3,953)
Decrease in amounts due to joint ventures	**(234)**	(3,867)
Increase in amount due to other related parties	**30,262**	6,466
Increase in amounts due to fellow subsidiaries	**113,500**	57,082
(Decrease)/increase in provision and other liabilities	**(8,896)**	58,107
(Decrease)/increase in defined benefit plan payable	**(116,051)**	35,681
Cash generated from operations	**8,153,698**	9,412,659
Income tax paid	**(764,551)**	(747,510)
Net cash generated from operating activities	**7,389,147**	8,665,149

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Derivative financial instruments (Note 31) RMB'000	Lease liabilities (Note 16) RMB'000	Interest-bearing bank and other borrowings (Note 32) RMB'000	Other loans (Note 33) RMB'000	Total liabilities from financing activities RMB'000
At 31 December 2024 and 1 January 2025 (Restated)	(202,052)	1,184,159	32,771,847	2,458,733	36,212,687
Changes from financing cash flows:					
Interest paid	–	(37,807)	(1,320,576)	(73,450)	(1,431,833)
Proceeds from derivative financial instruments	48,708	–	–	–	48,708
Increase in interest-bearing bank and other borrowings	–	–	8,132,355	–	8,132,355
Repayment of interest-bearing bank and other borrowings	–	–	(8,012,855)	–	(8,012,855)
Repayment of other loans	–	–	–	(207,321)	(207,321)
Lease payment	–	(401,560)	–	–	(401,560)
	48,708	(439,367)	(1,201,076)	(280,771)	(1,872,506)
Other changes:					
Interest expenses	(48,708)	37,807	1,335,607	83,026	1,407,732
Net change in fair value	135,140	–	–	–	135,140
Lease arrangement and modification	–	106,543	–	–	106,543
Others	–	(154,875)	–	–	(154,875)
Currency translation differences	2,398	(18,133)	(430,338)	(20,495)	(466,568)
	88,830	(28,658)	905,269	62,531	1,027,972
At 31 December 2025	(64,514)	716,134	32,476,040	2,240,493	35,368,153

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities (Continued)

	Derivative financial instruments (Note 31) RMB'000	Lease liabilities (Note 16) RMB'000	Interest-bearing bank and other borrowings (Note 32) RMB'000	Other loans (Note 33) RMB'000	Total liabilities from financing activities RMB'000
At 31 December 2023 and 1 January 2024 (Restated)	(82,657)	1,217,501	28,238,899	960,010	30,333,753
Changes from financing cash flows:					
Interest paid	–	(47,775)	(1,411,494)	(56,202)	(1,515,471)
Proceeds from derivative financial instruments	98,187	–	–	–	98,187
Increase in interest-bearing bank and other borrowings	–	–	10,659,734	1,522,765	12,182,499
Repayment of interest-bearing bank and other borrowings	–	–	(6,453,890)	–	(6,453,890)
Repayment of other loans	–	–	–	(39,186)	(39,186)
Lease payment	–	(473,263)	–	–	(473,263)
	98,187	(521,038)	2,794,350	1,427,377	3,798,876
Other changes:					
Interest expenses	(98,187)	47,775	1,445,516	56,202	1,451,306
Net change in fair value	(129,028)	–	–	–	(129,028)
Lease arrangement and modification	–	424,033	–	–	424,033
Currency translation differences	9,633	15,888	293,082	15,144	333,747
	(217,582)	487,696	1,738,598	71,346	2,080,058
At 31 December 2024 (Restated)	(202,052)	1,184,159	32,771,847	2,458,733	36,212,687

39. BUSINESS COMBINATION UNDER COMMON CONTROL

On 31 December 2025, the Group completed the acquisitions from COSCO SHIPPING Investment Dalian of 100% equity interests in Shanghai Liquefied Gas for considerations of approximately RMB598,290,000, The principle activity of Shanghai Liquefied Gas is LPG transportation.

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

39. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

The summarised results of operations for the year ended 31 December 2024 and the financial position as at 31 December 2024 and 1 January 2024 are set out below:

	As previously reported RMB'000	Shanghai Liquefied Gas RMB'000	Notes	Adjustments RMB'000	Total RMB'000
Year ended 31 December 2024					
Revenues	23,133,486	37,096	(i)	(11,854)	23,158,728
Profit before tax	5,243,098	6,988		–	5,250,086
Income tax expense	856,566	1,747		–	858,313
Profit for the year	4,386,532	5,241		–	4,391,773
As at 31 December 2024					
ASSETS					
Non-current assets	71,506,603	444,308		–	71,950,911
Current assets	9,535,714	325,798		–	9,861,512
Total assets	81,042,317	770,106		–	81,812,423
EQUITY					
Capital and reserves					
Share capital	4,770,776	500,000	(ii)	(500,000)	4,770,776
Reserves	31,096,133	20,704	(ii)	500,000	31,616,837
Non-controlling interests	3,118,248	–		–	3,118,248
Total equity	38,985,157	520,704		–	39,505,861
LIABILITIES					
Non-current liabilities	31,836,699	217,055		–	32,053,754
Current liabilities	10,220,461	32,347		–	10,252,808
Total liabilities	42,057,160	249,402		–	42,306,562
Total equity and liabilities	81,042,317	770,106		–	81,812,423

39. BUSINESS COMBINATION UNDER COMMON CONTROL (Continued)

	The Group before the Shanghai Liquefied Gas RMB'000	Shanghai Liquefied Gas RMB'000	Notes	Adjustments RMB'000	Total RMB'000
As at 1 January 2024					
ASSETS					
Non-current assets	63,713,681	462,999		–	64,176,680
Current assets	9,716,116	332,168		–	10,048,284
Total assets	73,429,797	795,167		–	74,224,964
EQUITY					
Capital and reserves					
Share capital	4,770,776	500,000	(ii)	(500,000)	4,770,776
Reserves	30,392,631	15,463	(ii)	500,000	30,908,094
Non-controlling interests	2,798,152	–		–	2,798,152
Total equity	37,961,559	515,463		–	38,477,022
LIABILITIES					
Non-current liabilities	26,499,524	249,878		–	26,749,402
Current liabilities	8,968,714	29,826		–	8,998,540
Total liabilities	35,468,238	279,704		–	35,747,942
Total equity and liabilities	73,429,797	795,167		–	74,224,964

Notes:

(i) Adjustments to eliminate the inter-group transactions for the year ended 31 December 2024.

(ii) Adjustments to eliminate the investment costs and share capital of the Shanghai Liquefied Gas against reserves.

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

40. PENSION AND ENTERPRISE ANNUITY SCHEMES

The PRC (other than Hong Kong)

(i) Pension scheme

The Group is required to contribute to a pension scheme (the "**Scheme**") for its eligible employees. Under the Scheme, the Group's retirement benefit obligations to its existing retired and future retiring employees except for the medical expenses to retired employees, are limited to its annual contributions equivalent approximately to 16% (2024: 16%) of the basic salaries of the Group's employees. Contributions made by the Group to the Scheme for the year ended 31 December 2025 amounted to approximately RMB50,636,000 (2024: approximately RMB44,194,000).

(ii) Enterprise annuity scheme

In 2008, the representatives of the Group's Labor Union and the Board resolved to approve and adopt an enterprise annuity scheme. From 1 February 2018, pursuant to the annuity scheme the employer's contributions will be 8% of the total staff costs of the previous year. The employee's contributions will be 2% of their income from the previous year and the employer's contributions for the management staff should not be five times more than the staff average.

The enterprise annuity scheme became effective on 1 January 2008. Under the scheme, actual amount incurred as labour cost in 2025 amounted to approximately RMB43,497,000 (2024: approximately RMB38,617,000).

41. CONTINGENT LIABILITIES AND GUARANTEE

(a) Four associates of ELNG and NLNG, two non-wholly-owned subsidiaries of the Company, entered into a ship building contract for one LNG vessel each. After the completion of their LNG vessels, the four associates would lease the vessels to the lessors in accordance with the signed leasing contracts. In July 2011, the Company provided guarantees to the four associates for their obligations under the leasing contracts, with the guarantee amount not exceeding USD8,200,000 (equivalent to approximately RMB57,636,000). The guarantee period is limited to the lease period.

(b) From 2014 to 2021, the joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company, signed several ship building contracts and leasing contracts with certain third parties. According to those contracts, the Company would provide guarantees to the joint ventures for their obligations under those contracts based on the subsidiary's percentage of shareholdings in the joint ventures. As at 31 December 2025, the amount of the guarantees provided to the shipbuilders was approximately USD276,120,000 (equivalent to approximately RMB1,940,792,000) and the aggregate amount of the guarantees provided to the lessees was USD6,400,000 (equivalent to approximately RMB44,984,000) and EUR4,500,000 (equivalent to approximately RMB37,060,000). The guarantee periods are limited to the lease periods.

41. CONTINGENT LIABILITIES AND GUARANTEE (Continued)

(c) In June 2017, the Company provided financial guarantees to three joint ventures of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd., a wholly-owned subsidiary of the Company to the extent of the contract amount of USD377,500,000 (equivalent to approximately RMB2,653,372,000) in respect of the bank borrowings provided by two banks. The guarantee period is limited to 12 years after the vessel construction project of each of the joint ventures is completed. As at 31 December 2025, the balance of the guarantees was approximately USD237,025,000 (equivalent to approximately RMB1,666,002,000).

42. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its vessels under operating lease arrangements, with leases negotiated for an initial year of 1 to 7 (31 December 2024: 1 to 7) years.

As at 31 December 2025, the Group had total future minimum lease rental receivables under non-cancellable operating leases falling due as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within one year	**832,075**	1,187,392
In the second to fifth years, inclusive	**542,786**	1,345,307
	1,374,861	2,532,699

43. CAPITAL COMMITMENTS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Authorised and contracted but not provided for:		
Construction and purchases of vessels (Note)	**15,889,015**	17,330,060

Note: According to the construction and purchase agreements entered into by the Group, these capital commitments will fall due in 2026 to 2028.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

The Directors believe that the information of related party transactions has been adequately disclosed in the consolidated financial statements.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000 (Restated)
Transactions with fellow subsidiaries and the related entities of COSCO SHIPPING			
Revenues			
Shipping services and ship charter services	(i)	**60,441**	43,766
Rental income, including surcharge	(i)	**181**	290
Management fee income	(ii)	**10,600**	–
Interest income from COSCO SHIPPING Finance	(i)	**64,249**	64,232
Interest income		**1,396**	323
Expenses			
Supply of marine lubricant, fuel, material, painting, spare part and ship equipment etc.	(i)	**4,414,867**	5,790,810
Electrical, telecommunication, ship repair and technical improvements services etc.	(i)	**2,339,770**	2,320,552
Ship and related business insurance and insurance brokerage services	(i)	**97,144**	86,588
Ship and shipping agency services	(i)	**126,506**	135,029
Management service of sea crew	(i)	**2,165,463**	2,241,632
Construction of vessels		**799,811**	725,176
Rental expense	(i)	**5,993**	3,448
Miscellaneous services	(i)	**67,964**	65,042
Interest expense from COSCO SHIPPING Finance	(i)	**116,114**	87,057
Transactions with joint ventures of the Group			
Revenues			
Interest income from joint ventures		**57,824**	71,069
Transactions with associates of the Group			
Revenues			
Interest income from associates		**19,690**	20,926
Vessel chartering income	(ii)	**208,994**	126,688

Notes

(i) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules and have complied with the disclosure reguirements of Chapter 14A of the Listing Rules.

(ii) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, however, they are exempt from the disclosure reauirements in Chapter 14A of the Listing Rules in accordance with the provisions such as Rule 14A.76 of the listing Rules.

(iii) These transactions were conducted either based on terms as governed by the master agreements and subsisting agreements entered into the Group and COSCO SHIPPING Group or based on terms as set out in the underlying agreements, statutory rates or market prices or actual cost incurred, or as mutually agreed between the Group and the parties in concern.

As at 31 December 2025 and 31 December 2024, except for the deposits placed in COSCO SHIPPING Finance listed in note 27, the majority of the Group's bank balances and bank borrowings are with state-owned banks.

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES

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

Name	Place of incorporation and operations/legal status	Registered capital	Class of shares in issue	Proportion of ownership interest held by the Company				Principal activities
				Direct		Indirect		
				2025	2024	**2025**	2024	
Guangzhou Sanding Oil Shipping Co., Ltd.	The PRC/Limited liability company	RMB299,017,680	Ordinary	**51%**	51%	**–**	–	Oil transportation and vessel chartering
COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd. (Note)	The PRC/Limited liability company	RMB7,134,000,000 (2024: RMB4,141,000,000)	Ordinary	**100%**	100%	**–**	–	Investment holding
Offshore Oil (Yangpu) Shipping Co., Ltd.	The PRC/Limited liability company	RMB20,000,000	Ordinary	**43%**	43%	**–**	–	Oil transportation and vessel chartering
Huahai Petrol Transportation & Trading Co., Limited	The PRC/Limited liability company	RMB56,879,168	Ordinary	**–**	–	**51%**	51%	Oil transportation and vessel chartering
COSCO PetroChina SHIPPING	The PRC/Limited liability company	RMB496,067,600	Ordinary	**51%**	51%	**–**	–	Oil transportation and vessel chartering
China Shipping Development (Hong Kong) Marine Co., Limited	Hong Kong/Limited liability company	USD100,000,000	Ordinary	**100%**	100%	**–**	–	Investment holding
ELNG	Hong Kong/Limited liability company	USD5,000,000	Ordinary	**70%**	70%	**–**	–	Investment holding
NLNG	Hong Kong/Limited liability company	USD5,000,000	Ordinary	**90%**	90%	**–**	–	Investment holding
COSCO SHIPPING Tanker (Singapore) Pte. Ltd.	Singapore/Limited liability company	USD2,000,000	Ordinary	**100%**	100%	**–**	–	Oil transportation and vessel chartering

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation and operations/legal status	Registered capital	Class of shares in issue	Proportion of ownership interest held by the Company				Principal activities
				Direct		Indirect		
				2025	2024	**2025**	2024	
COSCO SHIPPING TANKER (Britain) Company Limited	Britain/Limited liability company	GBP800,000	Ordinary	**80%**	80%	**-**	-	Provision of agency services
China Energy	Hong Kong/Limited liability company	USD173,137,000	Ordinary	**-**	-	**51%**	51%	Investment holding
COSCO SHIPPING Tanker (USA) Company Limited	The United States of America/Limited liability company	USD400,000	Ordinary	**80%**	80%	**-**	-	Provision of agency services
COSCO SHIPPING Energy Transportation (Hainan) Co., Ltd.	The PRC/Limited liability company	RMB10,772,152,557	Ordinary	**100%**	100%	**-**	-	Oil transportation and vessel chartering
United Liquefied Gas Shipping (Hong Kong) Co., Limited	Hong Kong/Limited liability company	USD371,547,157	Ordinary	**-**	-	**71%**	71%	Investment holding
Dalian COSCO Energy (Note)	The PRC/Limited liability company	RMB800,000,000	Ordinary	**100%**	100%	**-**	-	LPG transportation
Shanghai COSCO Chemical Carrier	The PRC/Limited liability company	RMB452,115,200 (2024: RMB404,849,200)	Ordinary	**100%**	100%	**-**	-	Chemical transportation

Note: During the current year, the Company made additional capital contributions to COSCO SHIPPING LNG Investment (Shanghai) Co.,Ltd. and Dalian COSCO Energy; however, these two companies have not completed the registration of changes to its registered capital.

The above table lists the subsidiaries which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

The Directors considered the Group did not have any subsidiary with material non-controlling interests. The accumulated non-controlling interests and relevant movements relating to these subsidiaries were reflected in the consolidated statement of changes in equity.

46. COMPARATIVE FIGURES

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

47. SHARE OPTIONS SCHEME

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

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

As at 31 December 2024, the number of shares in respect of which options had been granted and remained outstanding under the Incentive Scheme was 26,945,400 shares, representing 0.565% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Incentive Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

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

On 10 May 2024, the Group granted 22,309,600 shares of share options to certain employees and directors of the Group under the Incentive Scheme. The estimated fair values of the options granted at RMB8.53.

On 30 December 2024, the Group granted 4,635,800 shares of share options to certain employees and directors of the Group under the Incentive Scheme. The estimated fair values of the options granted at RMB4.92.

47. SHARE OPTIONS SCHEME (Continued)

Details of specific categories of share options are as follows:

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

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

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

Grantees	Number of persons at 1/1/2025	Outstanding at 1/1/2025	Reallocation during the year	Lapsed during the year	Number of persons at 31/12/2025	Outstanding at 31/12/2025
Directors, senior management	8	1,840,700	559,900	(209,800)	9	2,190,800
Core management at the headquarters	61	12,167,200	(154,300)	(1,008,500)	57	11,004,400
Core management of subsidiaries	38	8,301,700	(175,800)	(293,100)	36	7,832,800
Core management at the headquarters	12	2,325,200	–	(157,900)	11	2,167,300
Core management of subsidiaries	12	2,310,600	(229,800)	–	11	2,080,800
Total	131	26,945,400	–	(1,669,300)	124	25,276,100
Exercisable at the end of the year						Nil
Weighted average exercise price						12.84

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

47. SHARE OPTIONS SCHEME (Continued)

Grantees	Number of persons at 1/1/2024	Outstanding at 1/1/2024	Granted during the year	Number of persons at 31/12/2024	Outstanding at 31/12/2024
Directors, senior management	–	–	1,840,700	8	1,840,700
Core management at the headquarters	–	–	12,167,200	61	12,167,200
Core management of subsidiaries	–	–	8,301,700	38	8,301,700
Core management at the headquarters	–	–	2,325,200	12	2,325,200
Core management of subsidiaries	–	–	2,310,600	12	2,310,600
Total	–	–	26,945,400	131	26,945,400
Exercisable at the end of the year					Nil
Weighted average exercise price					12.84

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

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

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

The Group recognised the total expense of approximately RMB68,936,000 (2024: approximately RMB39,963,000) for the year ended 31 December 2025 in relation to share options granted by the Company.

48. SUBSEQUENT EVENTS

(i) On 27 January 2026, the extraordinary general meeting of the Company approved the shipbuilding contracts for the construction of one ethylene carrier and eighteen oil tankers, at an aggregate consideration of approximately RMB7.882 billion.

(ii) On 30 January 2026, the Group entered into a charter agreement in respect of three large ethane gas vessels. The aggregate charter income receivable by the Group for the three vessels over the relevant lease term is approximately RMB5.1 billion. On the same date, the Group also entered into a time charter agreement to lease out the aforesaid vessels, pursuant to which the total charter consideration amounts to approximately RMB8.8 billion.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

49.1 Principles of consolidation and equity accounting

(i) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations under non-common control by the Group (refer to Note 49.2).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.1 Principles of consolidation and equity accounting (Continued)

(ii) Equity method

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 49.9.

(iii) Changes in ownership interests

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

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

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.2 Business combinations under non-common control

The acquisition method of accounting is used to account for business combinations under non-common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.2 Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

49.3 Merger accounting for business combination involving entities under common control

The consolidated financial statements include the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses incurred in relation to the common control combination that are to be accounted for by using merger accounting are recognised as expenses in the year in which they were incurred.

49.4 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires that the asset or the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.5 Segment reporting

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

49.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**the functional currency**"). The consolidated financial statements are presented in RMB, which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVOCI are recognised in other comprehensive income.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.6 Foreign currency translation (Continued)

(iii) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

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

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

49.7 Property, plant and equipment

The Group's accounting policy for vessel is explained in note 15. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.7 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 49.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

49.8 Goodwill

Goodwill is measured as described in Note 49.2. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

49.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.10 Investments and other financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**") or through profit or loss); and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

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

(iii) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.10 Investments and other financial assets (Continued)

(iii) *Measurement* (Continued)

Debt instruments

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

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

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

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

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.10 Investments and other financial assets (Continued)

(iv) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 25 for further details.

49.11 Financial guarantee contracts

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

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

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.12 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of the hedging, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedges items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 31.

Cash flow hedge that quantity for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other gains/(losses).

Where option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ("**aligned time value**") are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ("**aligned forward element**") is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.12 Derivatives and hedging activities (Continued)

Cash flow hedge that quantity for hedge accounting (Continued)

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

49.13 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 25 for further information about the Group's accounting for trade receivables and Note 4.6 for a description of the Group's impairment policies.

49.14 Cash and bank

For the purpose of presentation in the consolidated statement of cash flows, cash and bank includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

49.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

49.17 Borrowings costs

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

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

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.18 Current and deferred income tax

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

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

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

The deferred tax liability in relation to investment that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.18 Current and deferred income tax (Continued)

Deferred income tax (Continued)

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

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

49.19 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(ii) Other long-term employee benefits obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.19 Employee benefits (Continued)

(iii) Post-employment obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension obligations

The liability or asset recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Certain defined benefit schemes require employees to contribute to reduce the cost of the benefits to the Group. Contributions from employees are linked to service and hence, the contributions reduce service cost.

The Group attributes the contributions from employees to periods of service on a straight-line basis.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.19 Employee benefits (Continued)

(iii) *Post-employment obligations* (Continued)

Pension obligations (Continued)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other post-employment obligations

Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iv) *Profit-sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.19 Employee benefits (Continued)

(v) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

49.20 Provisions

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

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

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

49.22 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group, as lessor, allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.22 Leases (Continued)

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security, and
- If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.22 Leases (Continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

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

The Group leases various buildings, vessels, and vehicles. Rental contracts are typically made for fixed periods of 2 years to 16 years, but may have extension options as described in (ii) below.

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.22 Leases (Continued)

(ii) Extension and termination options

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

49.23 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

49.24 Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

49.25 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income, see Note 6.

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

49.26 Revenue recognition

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, and it should be presented separately. A contract asset becomes a receivable when receipt of the consideration is conditional only on the passage of time.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

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

49. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

49.26 Revenue recognition (Continued)

Contract liabilities are recognised for advance from customers with contracts.

There is no material contract fulfillment cost or cost of obtaining contracts of the Group.

The Group do not have any significant variable consideration such as discounts, refunds, rebates, credits, penalties, performance bonuses or royalties.

The Group assesses, and includes in the transaction price at contract inception, the amount of variable, consideration to which it expects to be entitled.

Revenue from contracts with customers

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

The following is a description of accounting policy for the revenue streams of the Group:

(i) Revenue from vessel voyage

Freight revenue from transportation business on voyage charter, recognised on a percentage-of-completion basis, which is determined on the time proportion method of each individual voyage.

(ii) Revenue from vessel chartering

Revenue from vessel chartering are mainly derived from time charter of vessels recognised on a straight-line basis over the year of each charter.

(iii) Other revenue is recognised when the services are rendered.

Other income

(i) rental income arising from assets leased out under operating leases are recognised on a straight-line basis over the year of each lease

(ii) interest income, on an accrual basis using the effective interest method, and

(iii) dividend income, when the shareholders’ right to receive payment has been established.

CORPORATE INFORMATION

Legal name:	中遠海運能源運輸股份有限公司
English name:	COSCO SHIPPING Energy Transportation Co., Ltd.*
Registered address:	Room A-1015, No. 188 Ye Sheng Road, China (Shanghai) Pilot Free Trade Zone, Lingang Special Area, The PRC
Business address:	670 Dongdaming Road, Hongkou District, Shanghai, The PRC
Postal Code:	200080
Tel:	(8621) 65967678
Place of business in Hong Kong:	RMS 3601-3602, 36/F West Tower, Shun Tak CTR 168-200 Connaught RD Central, Hong Kong
Legal representative:	REN Yongqiang
Secretary of the Board:	NI Yidan
Company Secretary:	NI Yidan
Unified Social Credit Code:	91310000132212734C
Principal bankers:	Bank of Communications China Merchants Bank Bank of China Agriculture Bank of China The Industrial and Commercial Bank of China China Construction Bank
Hong Kong auditor:	SHINEWING (HK) CPA Limited 17th Floor, AIA Tower, Royal Plaza, 311 Gloucester Road, Causeway Bay, Hong Kong

PRC auditor:	ShineWing Certified Public Accountants LLP Fuhua Mansion, North AVE #8 Chaoyangmen, Dongcheng District, Beijing, the PRC
Legal advisors:	Grandall Law Firm (Shanghai Office) 23-25th floor, Garden Square 968 West Beijing Road, Shanghai, The PRC
	Paul Hastings 22/F Bank of China Tower, 1 Garden Road, Central, Hong Kong
H share registrar and transfer office:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Place of listing:	H Shares The Stock Exchange of Hong Kong Limited Stock code: 01138
	A Shares Shanghai Stock Exchange Stock code: 600026
Corporate information is available at	Office of the Board of Directors COSCO SHIPPING Energy Transportation Co., Ltd.* 7th Floor, 670 Dongdaming Road, Hongkou District, Shanghai, The PRC
Company's website:	https://energy.coscoshipping.com

* For identification purposes only

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

REN Yongqiang

Mr. REN Yongqiang, born in December 1973, holds a doctoral degree in Political Economy and is a senior engineer. He currently serves as the Secretary of the Party Committee, Executive Director, Chairman of the Board and Chairman of the Strategy Committee of COSCO SHIPPING Energy Transportation Co., Ltd. and as the assistant general manager of China COSCO SHIPPING Corporation Limited. Mr. REN previously worked at the Tibet Autonomous Region Department of Communications, the Tibet Autonomous Region Department of Trade, the Ministry of Domestic Trade, the Bureau of Domestic Trade, the State Economic and Trade Commission, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), China Shipping (Group) Company and China COSCO SHIPPING Corporation Limited.

ZHU Maijin

Mr. ZHU Maijin, born in October 1970, holds a master's degree in Management and is a senior captain. He currently serves as an Executive Director, a member of the Strategy Committee and the General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. and as the chairman of the board and the secretary of the party committee of COSCO SHIPPING Dalian Investment Co., Ltd. Mr. ZHU previously held positions including Deputy General Manager and General Manager of the Ship Management Department of China Shipping Development Co., Ltd. Tanker Company, Assistant General Manager of China Shipping Development Co., Ltd. Tanker Company, Deputy General Manager of China Shipping Tanker Company Limited, and General Manager of COSCO SHIPPING Tanker (Shanghai) Co., Ltd.

WANG Shuqing

Mr. WANG Shuqing, born in February 1967, holds a master of Arts and is a senior political engineer. He currently serves as Non-executive Director and a member of the Strategy Committee of COSCO SHIPPING Energy Transportation Co., Ltd., as well as a director of each of COSCO SHIPPING Seafarer Management Co., Ltd. and COSCO SHIPPING (Korea) Co., Ltd. Mr. WANG previously held various positions at China Shipping (Group) Company (now known as China Shipping Group Company Limited) and its subsidiaries, and successively served in roles including the director of the Party Group Office of China Shipping (Group) Company, the secretary of the party committee and the deputy general manager of China Shipping International Ship Management Co., Ltd., as well as the secretary of the party committee and the deputy general manager, and the vice chairman and the deputy secretary of the party committee of COSCO SHIPPING Property Co., Ltd.

WANG Wei

Mr. WANG Wei, born in June 1971, he holds a master's degree in Engineering. He currently serves as a Non-executive Director, a member of the Audit Committee and the Risk Control and Compliance Management Committee of COSCO Shipping Energy Transportation Co., Ltd., and a director of each of COSCO SHIPPING Specialized Carriers Co., Ltd. (stock code: 601428.SH), COSCO SHIPPING Bulk Co., Ltd., COSCO SHIPPING (North America) Inc., and COSCO SHIPPING Heavy Industry Co., Ltd. Mr. WANG previously held positions at China Ocean Shipping (Group) Company Limited and its subsidiaries, including Head of the Organisation Department of China Ocean Shipping (Group) Company and Deputy General Manager of COSCO SHIPPING (Hong Kong) Co., Ltd. From May 2022 to September 2025, he served as a supervisor of COSCO SHIPPING Logistics Co., Ltd.

ZHOU Chongyi

Ms. ZHOU Chongyi, born in October 1971, holds a master's degree in Economics and is a professor-level senior accountant, a National Leading Accounting Talent by the Ministry of Finance, a non-practicing member of the Chinese Institute of Certified Public Accountants (CICPA), a Fellow of the Chartered Institute of Management Accountants (CIMA), and a member of the American Institute of Certified Public Accountants (AICPA). She currently serves as a deputy general manager of the Financial Management Department and a director of the Financial Service Center of China COSCO SHIPPING Corporation Limited, and a Non-executive Director and a member of the Strategy Committee and the Nomination Committee of COSCO Shipping Energy Transportation Co., Ltd., Ms. ZHOU previously held positions at China Ocean Shipping (Group) Company (now known as China Ocean Shipping Co., Ltd.) and its subsidiaries, and successively served as the chief accountant of China Marine Bunker (PetroChina) Co., Ltd. and the deputy general manager of the Finance Department of China Ocean Shipping (Group) Company.

MA Yuanru

Ms. MA Yuanru, born in July 1973, holds a master's degree in Business Administration of Tsinghua University. She currently serves as a Non-executive Director and the general manager of China Reform Development Investment Management Co., Ltd. (國新發展投資管理有限公司), a director of China Reform Securities Co., Ltd., a director of CECEP Environmental Protection Co., Ltd. (stock code: 300140.SZ) and a director of Huaneng Renewables Corporation Limited. She successively served as the deputy general manager of the NPA investment department of the Bank of China Group Investment Limited, the general manager of Guangzhou Yinhui Assets Service Co., Ltd. (廣州銀暉資產服務有限公司) and the deputy general manager of the Bank of China Cinda Asset Management Co., Ltd.

Victor HUANG

Mr. Victor HUANG, born in May 1971, holds a bachelor's degree in Economics and is a member of the Hong Kong Institute of Certified Public Accountants. He currently serves as an Independent Non-executive Director of COSCO Shipping Energy Transportation Co., Ltd., as well as the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration and Appraisal Committee. He also serves as an independent non-executive director of Manpower Group Greater China Limited (stock code: 02180.HK), Topsports International Holdings Limited (stock code: 06110.HK), Newtimes Energy (stock code: 00166.HK), Shandong Hi-Speed New Energy Group Limited (stock code: 01250.HK) and Giordano International Limited (stock code: 00709.HK). Mr. HUANG was previously a partner of PricewaterhouseCoopers and KPMG, and served as an independent director of LBX Pharmacy Chain Co., Ltd. (stock code: 603883.SH) from February 2018 to February 2024, and as an independent non-executive director of Qingdao Haier Biomedical Co., Ltd. (stock code: 688139.SH) from August 2018 to July 2024, and as an independent director of Schole Education Group (stock code: 01769.HK) from June 2019 to May 2025.

LI Runsheng

Mr. LI Runsheng, born in June 1952, holds a master's degree in Public Administration and is a professor-level senior economist. He currently serves as an Independent Non-executive Director of COSCO Shipping Energy Transportation Co., Ltd., as well as the Chairman of the Remuneration and Appraisal Committee and a member of the Strategy Committee and the Nomination Committee. He also serves as an independent non-executive director of T-ALL Inspection Co., Ltd. Mr. LI had been the director of the Policy and Regulation Department of the former State Bureau of Petroleum and Chemical Industry, the Party Secretary and the deputy general manager of China Petroleum Refining and Sales Company, the director of the General Office, assistant to the general manager and deputy director of the Consulting Center of China National Petroleum Corporation, and a vice chairman, the deputy Party Secretary and the director to the Expert Committee of China Petroleum and Chemical Industry Federation. He served as an independent director of Lihuayi Weiyuan Chemical Co., Ltd. (stock code: 600955.SH) from April 2019 to March 2025.

ZHAO Jinsong

Mr. ZHAO Jinsong, born in November 1963, holds a PhD in Ship Science and Maritime Law, and is a PRC lawyer and maritime arbitrator. He currently serves as an Independent Non-executive Director of COSCO Shipping Energy Transportation Co., Ltd., as well as the Chairman of the Risk Control and Compliance Management Committee and a member of the Strategy Committee and the Audit Committee. He serves as the director of the Sanya Cruise Yacht Research Institute and the director of the Research Institute of Shipping, Trade and Finance of Qingdao Shibei District, and the professor at the Hong Kong University of Education. Mr. ZHAO had been a deck officer at sea, and worked in maritime law firms, including Hill Taylor Dickson and Holman Fenwick Willan and Lawrence K. Y. Lo & Co. in the United Kingdom and in Hong Kong, respectively. He was a professor of maritime law at Koguan School of Law and professor of international maritime transportation at School of Naval Architecture, Ocean & Civil Engineering of Shanghai Jiao Tong University, professor and the dean of the International Shipping Law School of the East China University of Political Science and Law, the director of the Qianhai Shenzhen-Hongkong Institute of International Finance (Shenzhen) Co., Ltd, senior partner and PRC lawyer to Allbright Law Office (Shenzhen), professor to the Intelligent Marine Institute of Harbin Institute of Technology, Shenzhen. Mr. Zhao had been a visiting professor to several universities at home and abroad, the director of the Legal Centre of the China Shipowners' Association, a director of the China Ship Fund and Legal Consultant of the China Classification Society.

WANG Zuwen

Mr. WANG Zuwen, born in November 1955, holds a doctorate degree in Engineering. He is currently an Independent Non-executive Director of COSCO Shipping Energy Transportation Co., Ltd., as well as the Chairman of the Nomination Committee and a member of the Remuneration and Appraisal Committee and the Risk Control and Compliance Management Committee. He serves as an independent director of Machinery Industry Ninth Design Institute Co., Ltd. Mr. WANG had successively been an associate professor, a professor, a doctoral advisor and a vice chancellor of Harbin Institute of Technology and a professor and the chancellor of Dalian Maritime University. He also served as an independent director of Jinzhou Port Company Limited (stock code: 600190.SH) from August 2020 to May 2024.

SENIOR MANAGEMENTS

ZHU Maijin

Mr. ZHU Maijin, born in October 1970, holds a master's degree in Management and is a senior captain. He currently serves as an Executive Director, a member of the Strategy Committee and the General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. and as the Chairman of the Board and the Secretary of the Party Committee of COSCO SHIPPING Dalian Investment Co., Ltd. Mr. ZHU previously held positions including Deputy General Manager and General Manager of the Ship Management Department of China Shipping Development Co., Ltd. Tanker Company, Assistant General Manager of China Shipping Development Co., Ltd. Tanker Company, Deputy General Manager of China Shipping Tanker Company Limited, and General Manager of COSCO SHIPPING Tanker (Shanghai) Co., Ltd.

YU Zhenhong

Ms. YU Zhenhong, born in February 1975, holds a master's degree in Engineering and is an economist. She is currently a Deputy General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. She previously served as a deputy general manager of the Strategy Development Division at Dalian Ocean Shipping Company, general manager of the Strategy and Enterprise Management Division at Dalian COSCO SHIPPING Tanker Transportation Co., Ltd., general manager of the Strategy and Enterprise Management/Investment Management Department at COSCO SHIPPING Investment Dalian Co., Ltd., and deputy general manager and chief legal counsel of COSCO SHIPPING Investment Dalian Co., Ltd.

TIAN Chao

Mr. TIAN Chao, born in May 1977, holds a doctorate degree in Accounting and Financial Management and is a professor of senior accountant, senior economist, a National High-end Accounting Talent by the Ministry of Finance, certified public accountant of China, Fellow of the Chartered Certified Accountants (FCCA) and Fellow of the Chartered Institute of Management Accountants (FCMA). He is currently the Chief Financial Officer of the Company, and has been the financial officer of the financial department of China Ocean Shipping (Group) Company, director and general manager of the financial department of Port of Antwerp Co., Ltd., general manager of the financial department of COSCO SHIPPING (Europe) GmbH, as well as assistant to the president and general manager of the financial department of Piraeus Port Authority S.A.

ZHANG Yong

Mr. ZHANG Yong, born in March 1972, holds a bachelor's degree in Engineering and is a senior economist. He currently serves as a Deputy General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. He previously served as a deputy general manager of the VLCC department of COSCO SHIPPING Energy Transportation Co., Ltd. (presiding), the general manager of the VLCC department of COSCO SHIPPING Energy Transportation Co., Ltd., the general manager of CHINA POOL Operation Management Company, etc.

Xu Wei

Mr. Xu Wei, born in March 1972, holds a bachelor's degree in Engineering and is a chief engineer. He currently serves as Deputy General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. He previously held positions including manager of the Ship Management Department of China Shipping Tanker Company Limited, deputy general manager of the Ship Management Department of COSCO SHIPPING Tanker (Shanghai) Co., Ltd., assistant general manager and deputy general manager of the Technical Support Department of COSCO SHIPPING Energy Transportation Co., Ltd., deputy general manager of COSCO SHIPPING LNG Investment (Shanghai) Co., Ltd. and general manager of the Safety Supervision Department/Safety Committee Office of COSCO Shipping Energy Transportation Co., Ltd.

Zhang Lei

Mr. Zhang Lei, born in January 1979, holds a bachelor's degree in Management and is an economist. He currently serves as Deputy General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. He previously held positions including manager of the Ocean Operations Department of China Shipping Tanker Company Limited, manager and deputy general manager of the Ocean Operations Department of COSCO SHIPPING Energy Transportation Co., Ltd., general manager of COSCO SHIPPING Oil Transportation (Singapore) Pte. Ltd., and general manager of the Strategy and Enterprise Management Department/Deepening Reform Office of COSCO SHIPPING Energy Transportation Co., Ltd.

LI Xuhua

Ms. LI Xuhua, born in September 1984, holds a master's degree in Law and is a senior economist. She currently serves as the General Counsel and Assistant General Manager of COSCO SHIPPING Energy Transportation Co., Ltd. She previously served successively as the legal officer in the Legal Department of the Strategic Development Division at Dalian Ocean Shipping Company, manager of the Legal Affairs Department of the Legal Affairs and Risk Management Division of COSCO Shipping Energy Transportation Co., Ltd., and assistant general manager, deputy general manager, and general manager of the Legal Affairs and Risk Management Division, etc.

NI Yidan

Ms. NI Yidan, born in February 1985, holds a bachelor's degree in Management, a senior economic engineer and a member of The Hong Kong Chartered Governance Institute. She is currently the Secretary of the Board of the Company and the Company Secretary. Ms. Ni was the manager assistant of the commercial division of production and operation department of China Shipping Development Co., Ltd. Tanker Company, deputy general of the public relations division and assistant director of the Board/Managing Director's Office, vice director (acting director) of Office of Board and manager of public relations division of the Company.

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

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