



2025

Environmental, Social and Governance (ESG) Report

CSSC (HONG KONG) SHIPPING COMPANY LIMITED

Stock code:3877



CONTENT

01

ABOUT THIS REPORT

REPORTING PERIOD
REPORTING BOUNDARY
BASIS FOR REPORT PREPARATION
REPORT ACQUISITION METHOD
RESPONSE TO THIS REPORT
APPROVAL AND CONFIRMATION

02

CHAIRMAN'S STATEMENT

03

ABOUT US

CORPORATE CULTURE
MAJOR BUSINESS
DEVELOPMENT AND VALUE

06

SYSTEM CONSTRUCTION, PROMOTING ESG TO GO DEEP AND SOLID

ESG DEVELOPMENT CONCEPT
ESG GOVERNANCE STRUCTURE
STAKEHOLDER COMMUNICATION
MATERIALITY ASSESSMENT

10

DEEPENING REFORM TO ENHANCE GOVERNANCE EFFECTIVENESS

COMPREHENSIVELY DEEPEN REFORM
ENHANCING RISK MANAGEMENT
UPHOLDING BUSINESS ETHICS
POLICY INFLUENCE
TAX STRATEGY
MAINTAINING INFORMATION SECURITY

16

LOW-CARBON TRANSITION, ADDRESSING CLIMATE CHANGE

STRATEGY
RISK MANAGEMENT
INDICATORS AND TARGETS

25

INCLUSIVE AND MUTUALLY BENEFICIAL, ADVANCING TOGETHER WITH EMPLOYEES

EMPLOYMENT AND RIGHTS
HEALTH AND SAFETY
DEVELOPMENT AND TRAINING

32

WIN-WIN COOPERATION, BUILDING A SUSTAINABLE SUPPLY CHAIN TOGETHER

BUILDING A RESPONSIBLE SUPPLY CHAIN
ENHANCING CUSTOMER SATISFACTION
FULFILLING SOCIAL RESPONSIBILITY

35

APPENDIX

APPENDIX 1: PERFORMANCE OF 2025
APPENDIX 2: LIST OF LAWS AND REGULATIONS
APPENDIX 3: CONTENT INDEX
INDEPENDENT LIMITED ASSURANCE REPORT

01. About this Report

This Environmental, Social and Governance (“ESG”) Report (this “Report”) provides the latest sustainability-related information of CSSC (Hong Kong) Shipping Company Limited (“CSSC”, or “the Company”) and its subsidiaries (collectively referred to as “the Group” or “we”) in 2025, as well as issues of concern to stakeholders and related to the sustainable development of the Group. This Report was compiled to enable stakeholders to better understand the Group’s sustainable development concept, management approaches, measures and related performance. This Report should be read in conjunction with the Company’s *2025 Annual Report* (especially the *Corporate Governance Report* contained therein) for a comprehensive understanding of our Company’s performance.

Reporting Period

Unless otherwise specified, this Report mainly describes the specific policies and performance of the Group in respect of ESG during the period between January 1 2025 and December 31 2025 (the “Reporting Period”). Due to data continuity and comparability, the timeframes of some of the content have been adjusted where necessary.

Reporting Boundary

The reporting boundary of this Report is consistent with the Company’s *2025 Annual Report*, which includes CSSC and its subsidiaries.

Basis for Report Preparation

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Code* (“ESG Reporting Code”) contained in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (“SEHK”)(the “Listing Rules”) issued by SEHK, and also based on the actual situation of the Group. Please refer to the Content Index of Appendix 3 in the Report for details of the corresponding sections of the provisions. This Report has complied with the “Mandatory Disclosure Requirements”, “Comply or Explain”, and the “Climate-related Disclosures” provisions set out in the ESG Reporting Code. The reporting principles (Materiality, Quantitative, Balance, and Consistency) outlined in the ESG Reporting Code have been adopted in the preparation of this Report.

- **Materiality**

The Group has conducted the materiality assessment and taken the results of the materiality assessment as an important reference for the disclosure of this Report. The Group has disclosed the climate-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or cost of capital over the short, medium or long term.

- **Quantitative**

The key performance indicators disclosed by the Group in respect of historical data are measured and, where applicable, information on the standards, methodologies, assumptions, and/or calculation tools used, and the sources of conversion factors used are disclosed.

- **Balance**

This Report provides an unbiased picture of the Group’s performance within the Reporting Period, avoiding selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the report reader.

- **Consistency**

Where applicable and unless stated otherwise, the methodologies and key performance indicators in this Report are consistent with those in previous reports to allow for meaningful comparisons.

Report acquisition method

This Report is available in both Chinese and English. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Electronic copies are available from the following websites:

- HKEXnews: <https://www.hkexnews.hk/>
- CSSC’s website: <https://www.csscshipping.com>

Response to This Report

If you have any comments or suggestions on this Report or the Company’s sustainability performance, please contact us through the following means:

Email: ir@csscshipping.com
Phone: +852 2238 5299

Approval and Confirmation

The board of directors (the “Board”) of CSSC is fully responsible for overseeing the Group’s implementation and management of ESG-related issues. The information disclosed in this Report is mainly derived from internal documents and public information of the Group. This Report was reviewed and approved by the Board in March 2026.



02.

Chairman's Statement

2025 marks the successful conclusion of the 14th Five-Year Plan period and serves as the starting line for the journey toward the 15th Five-Year Plan. This year, the global economic recovery has become increasingly divergent, the geopolitical landscape remains complex and volatile, and a new wave of technological revolution and industrial transformation is accelerating. The shipping industry continues to face the pressures of cyclical fluctuations and the transition to a low-carbon future. Against this backdrop, the Board of Directors has adhered to prudent decision-making and a long-term orientation, focusing on our core business, balancing development with security, and guiding the Company to maintain stable operations amidst a complex environment, thereby achieving positive results in our pursuit of high-quality development.

We continue to deepen our focus on green shipping and clean energy vessels, firmly advancing the low-carbon transformation of the shipping industry. As the first ship leasing company in the sector to center its strategy on Liquefied Natural Gas (LNG) and establish a presence across the entire clean energy industry chain, the Group closely monitors advancements in marine propulsion technology and evolving policies and regulations. Through a sustainable development lens, we continuously optimise our business strategies. While maintaining sound operations, we also prioritise the creation of long-term sustainable value, striving for the synergistic enhancement of economic, brand, and social value.

In intelligent shipping, we actively explore the application of digital and intelligent technologies in vessel operations. During the Reporting Period, the Company's self-operated vessel, CS JINAN, received the first Autonomous Navigation Endorsement in China from the American Bureau of Shipping (ABS). It is also the world's first oceangoing bulk carrier to receive such certification. This milestone demonstrates the practical value of smart technologies in enhancing navigation safety and optimising operational efficiency. These initiatives not only help reduce crew workload but also provide valuable insights for the industry in addressing decarbonisation pressures and operational uncertainties.

We place great emphasis on our corporate responsibilities and societal impact. We continuously refine our employee training and development systems, foster a fair, diverse, and inclusive workplace, and support the mutual growth of our employees and the Company. In supply chain management, we promote the development of a more responsible supply chain through institutionalized management and collaboration with partners. At the community level, we actively engage in public welfare activities, striving to give back to society through tangible actions.

Our sustainability efforts have continued to earn recognition from external institutions. During the Reporting Period, the Company was named to the Fortune China ESG Impact List for the third consecutive year and was selected for the S&P Global's Sustainability Yearbook (China Edition) 2025 for the first time. These accolades reflect the recognition from various sectors of society for the Company's sustainability efforts.

Looking ahead, the shipping industry's low-carbon transformation and intelligent upgrading will continue to deepen. Taking the 15th Five-Year Plan as a new starting point, the Group will further strengthen ESG governance, deepen green and intelligent transformation initiatives, enhance risk management and compliance frameworks, and consistently elevate our sustainability management standards. We will continue to work hand in hand with our employees, customers, partners, and the wider community to jointly write a new chapter of resilient and sustainable development.

Li Hongtao
Chairman



03. About Us

Corporate Culture

Established in 2012, the Company is the first shipyard-affiliated leasing company in Greater China and one of the world's leading ship leasing companies. As a key player in the global ship leasing industry, the Company offers tailored and adaptable integrated shipping services, along with financial solutions to ship operators, shippers and traders worldwide.

As a leasing company under China State Shipbuilding Corporation Limited ("CSSC Group"), the Company leverages the strong industrial background and extensive maritime expertise of CSSC Group (one of the Company's controlling shareholders). The Company believes that this shareholder advantage distinguishes it from its competitors and strengthens its competitiveness in the leasing industry.

Guided by its core mission of "integrating industry and finance, focusing on core business, driving growth", the Group is committed to value creation and innovation-driven development. It adheres to a "specialized, market-oriented, and internationalized" development path:

SPECIALIZED



A shipyard-affiliated leasing company under the CSSC Group.

MARKETORIENTED



By offering a higher financing ratio and lower financing costs, and fully engaging in market-oriented competition, CSSC helps shipowners renew their capacity at a lower cost, ensure sustainable operations, and alleviate operational pressures.

INTERNATIONALIZED



Basing itself on Hong Kong's shipping financial center, fully utilizing offshore funds and international capital markets, CSSC serves the transformation and upgrading as well as the innovation-development of China's shipbuilding industry.



Major Business

The Group provides integrated shipping services (including operating lease services and shipbroking services) and financing services (including finance lease services and loan borrowing services).

Integrated Shipping Services

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

Financial Services

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

Development and Value

A structurally diversified ship-type asset portfolio serves as a strong foundation for the Group's stable operations and sustainable development. As of the end of the Reporting Period, the fleet size of the Group (including joint ventures and associates) reached 135 vessels, of which 114 were under lease, and 21 were under construction. In terms of investment and financing value, in the Group's fleet portfolio, clean energy offshore equipment, bulk carriers, container ships, liquid cargo tankers, and specialized vessels account for 37.7%, 12.8%, 23.8%, 12.5% and 13.2%, respectively. We will cautiously allocate, adjust, and optimize the proportion of various types of vessels, taking into account industry trends and customer demand.

Development Milestones

2012

- The Company was incorporated in Hong Kong as the sole leasing company under CSSC Group.

2013

- The Company entered into an operating lease transaction for three 18,000-TEU container vessels with a leading global shipping group.
- The Company entered into a financial lease transaction for three 208,000-tonne bulk carriers with certain subsidiaries of a global shipping company.

2014

- The Group and Gloor, the world's leading LNG industry chain equipment operation company, signed for the world's first retrofit floating LNG production and storage unit (FLNG) construction financing and sale-leaseback project.
- The Company entered into a financial lease transaction for seven 208,000-tonne bulk carriers with certain subsidiaries of a global shipping company.

2015

- The Company entered into a sale-and-leaseback transaction for a FLNG vessel with a subsidiary of a LNG shipping company.

2016

- The Group invested in the world's largest 85,000 cubic meter fully-cooled very large LPG carrier (VLGC) to serve China's clean energy supply.

2017

- The Group and Dynagas, a world-renowned LNG carrier operator, signed a agreement for two 174,000 cubic meter floating LNG storage and regasification units (LNG-FSRU) financing and leasing project. This is the first domestic large-scale LNG-FSRU order received.

2019

- CSSC was successfully listed in SEHK.

2020

- The Group released the first ESG report (2019).
- The Group issued USD 400 million bonds due 2025 and US\$400 million bonds due 2030.
- The Group entered into a financial leasing project for four 86,000 cubic meter dual-fuel of VLGC with Southwest Marine Limited.

2021

- The Group issued US\$500 million green and blue dual-certified bonds due 2026.
- Cooperating with the Standard Chartered Bank and obtained a 10-year vessel secured term loan in an aggregate amount of US\$96 million. This loan adopted the sustainable development indicator-linked structure.
- The Group was included in the MSCI China Small Cap Index.
- The Group won the "Global Green Finance Innovation Awards" by International Finance Forum (IFF).

2022

- The Group was awarded the "Benchmark" in the specialized assessment of "Double Hundred Enterprises" of central enterprises by SASAC in 2021.
- The Group's financing cost control was effective and the Group was rated "A" by Fitch and "A-" by S&P Global for four consecutive years.
- The Group carried out power plant transformation for four liquefied petroleum gas carriers (i.e. VLGC), which was the first trial dual-fuel upgrade project in China.
- Signed the "LNG Ship Leasing Cooperation Principles Agreement" with well-known central enterprises to jointly promote national energy security.

2023

- The Group has been awarded an "A" credit rating by Fitch and an "A-" credit rating by S&P Global for five consecutive years.
- The Company was awarded the "Hong Kong Stock Golden Bull Award" by China Securities Journal.
- The Group issued the company's first and China's first sustainability-linked Panda Bond.
- The Company was awarded the Outstanding Green and Sustainable Bond Issuer and Outstanding Green and Sustainable Loan Issuer by HKQAA in the field of green finance.

2024

- The Group successfully issued RMB800 million worth of Panda Bond, achieving a new historical low for the Company's RMB financing costs and domestic bond coupon rates. This milestone marks the successful completion of the initial issuance of RMB3 billion in the onshore market.
- The Group has been awarded an "A" credit rating by Fitch and an "A-" credit rating by S&P Global for six consecutive years.
- The Group is committed to leveraging "green finance" to promote "green shipping". In recognition of these efforts, the Group has been honored with the "IFF Global Green Finance Award".

2025

- The Group established a medium-term note framework of up to USD 3 billion and successfully issued its first offshore RMB bond, a 3-year RMB 1 billion senior unsecured fixed-rate note.
- The Group's self-operated 82,000 dwt bulk carrier, CS JINAN, received the first Autonomous Navigation Endorsement in China from the ABS, marking the first such certification for an oceangoing bulk carrier worldwide.
- The Company has been successfully selected as a Selected Company in the S&P Global's Sustainability Yearbook (China Edition) 2025.
- The Company has been listed on the FORTUNE China ESG Impact List for three consecutive years.
- The Company was honored with the "Golden Bull Award for Investor Relations" by China Securities Journal.

Value Growth

The Group conforms to market dynamics, upholding the principle of “seeking progress while maintaining stability, improving quality while progressing”. We amass capabilities in “risk mitigation, stable development, refined management, and overall planning”. By mitigating the volatility of the shipping cycle, we ensure high-quality and sustainable development.

Undertaking the strategic mission of “integrating industry and finance, focusing on core business, driving growth”, the Group attaches great importance to the investment and operation of ship assets, continuously improves the operational efficiency of shipping businesses, strengthens the market development of green and intelligent vessels, and continuously optimizes the fleet structure. The Group comes from a shipyard background and a key feature of its asset portfolio is the large fleet of self-operated and joint-venture vessels.

Integrating Industry and Finance, Focusing on Core Business, Driving Growth



A Balancer for Business

The Group implements the cross-cycle strategy to create value for shareholders and investors during market downturns and industry recovery periods.

In the past few years, when the ship market was sluggish, the Group's new shipbuilding orders have continued to increase; When the market was in a period of rapid recovery and prosperity, and ship prices rose rapidly, the Group sold the ships it held to realize asset dividends.



An International Window

The Group actively explores international markets and participates in international maritime exhibitions and forums. The Group maintains relationships with shipowners on a daily basis and establishes communication channels with the Hong Kong Shipowners Associations and the Hong Kong General Chamber of Commerce. Currently, over 90% of the Group's customers are from overseas markets.



Creativity in New Products

The Group keeps up with industry development trends and leads innovation.

Focusing on the clean energy sector, the Group will continue to develop the ship types and equipment in the LNG transportation industry chain, and actively arrange the launch of new energy-powered ship types. The Group will also deepen the business development model of “equity cooperation + long-term charter”.



Managing Good Customer Relationships

The Group maintains customer loyalty, increases customer coverage, and focuses on managing customer relationships. With the synergistic advantages of integrated shipping services and financial services, the Group can provide customers with full-cycle ship operation services and establish long-term, stable customer relationships.

ESG Awards

While pursuing business development, the Group has actively embraced ESG responsibilities and strives to enhance its ESG influence and brand value. The table below highlights some ESG awards that the Group has received during the Reporting Period.

Awarding agencies	Awards
FORTUNE China	ESG Impact List
S&P Global	Selected Company in the S&P Global's Sustainability Yearbook (China Edition) 2025
China Media Group Finance Program Center	Top 100 ESG Pioneer Central SOEs (2025)
BoardRoom Magazine	20th China Listed Company Board of Directors “Golden Round Table Award - Special Contribution Award for Corporate Governance[SS1.1]”
China Association for Public Companies	2025 Outstanding Cases of Sustainable Development among Listed Companies
China Securities Journal	Golden Bull Award for Investor Relations
New Fortune	Best IR in Hong Kong Stock Company



ESG Impact List



Golden Bull Award for Investor Relations



Selected Company in the S&P Global's Sustainability Yearbook (China Edition) 2025



2025 Outstanding Cases of Sustainable Development among Listed Companies



Best IR in Hong Kong Stock Company



Top 100 ESG Pioneer Central SOEs (2025)

04.

System Construction, Promoting ESG to Go Deep and Solid

The Group strictly complies with the laws and regulations in its operating sites and has established internal governance policies and business codes to ensure operational compliance. During the Reporting Period, the Company has adopted the Corporate Governance Code contained in Appendix C1 to the Listing Rules as its code of corporate governance.



ESG Development Concept

The Group is fully aware that a sound ESG governance mechanism is conducive to the stable development of enterprises. As such, the Group fully integrates ESG principles into its corporate development strategy and requires all units to comply with ESG-related laws and regulations, to promote the achievement of the Group's goals and strategies and promote the sustainable development of the Group.

ESG Governance Structure

The Group has established a three-tier ESG governance structure, comprising the Board of Directors, the ESG & Sustainable Development Committee, and the Board Office. The Board of Directors serves as the highest decision-making body on ESG matters. The ESG & Sustainable Development Committee is responsible for overall coordination, management, and oversight of ESG initiatives. The Board Office is tasked with organizing and driving the implementation of ESG-related management activities. The responsibilities of each entity regarding ESG issues—including climate-related risks and opportunities—are as follows:

Board of Directors

- Study and sets the Company's strategic goals and policies regarding ESG and sustainable development;
- Establish and approve the Company's systems related to ESG and sustainable development;
- Review the Company's annual ESG report;
- Review other significant matters pertaining to the Company's ESG and sustainable development.

ESG & Sustainability Committee

- Guide, review, and formulate the management approaches, strategies, principles, objectives, and other related matters concerning the Group's ESG issues;
- Monitor the establishment and implementation of the Company's ESG-related goals, including setting ESG management performance targets, reviewing progress towards these targets, and advising on actions required to achieve them;
- Monitor key ESG trends and reports to the Board on risks and opportunities affecting the Company's sustainable development, ESG approaches and strategies, and target setting;
- Guide and review the identification and prioritization of material ESG-related issues for the Group;
- Identify and assess the Group's ESG-related risks and opportunities, and provide recommendations to the Board on responses to such risks or opportunities.

ESG Working Group

- Participate in the materiality assessment of matters related to ESG and sustainable development during the Company's operations;
- Supervise and inspect the implementation status of ESG targets, as required by the Board and the ESG & Sustainability Committee;
- Promote the development of the Company's ESG and sustainable development management system;
- Organize and coordinate various departments to implement ESG-related work (including but not limited to executing and assisting in monitoring the ESG performance of the Company's new energy projects, green finance, ship emissions, marine biodiversity, employee welfare, non-discrimination and diversity, etc.);
- Manage ESG indicators, including establishing and refining the Company's system of key performance indicators for ESG;
- Organize ESG practice activities, and carry out communication and cooperation with stakeholder organizations and related tasks;
- Conduct materiality assessments for the Company's ESG report, prepare special reports, and undertake ESG rating work;
- Organize ESG training and related working meetings.

The Group's Board members possess diverse backgrounds, with extensive experience in shipping, finance, and law and other fields. The Board maintains its awareness of ESG matters, including climate change issues, by regularly participating in training programs organized by internal and external bodies and reviewing relevant industry reports. The Group periodically reviews the composition and competencies of the Board and arranges relevant training when necessary to ensure the Board has sufficient capability to oversee the climate strategy.

The Board of Directors reviews the annual ESG report, which is submitted by the ESG & Sustainable Committee at least once a year, and specifically discusses climate-related risks and opportunities during its review of the report. In daily operations, should a significant climate-related risk event occur, management will promptly report it to the Board. During the Reporting Period, the ESG & Sustainable Committee held one meeting, during which it reviewed the ESG report.

The Group incorporates the effectiveness of corporate governance—as an ESG dimension—into the performance evaluation of directors. Furthermore, the Group has explicitly included sustainability performance as one of the considerations in the performance assessment of senior management. When determining annual management remuneration, the Remuneration Committee takes into account both financial and non-financial performance, including the achievement of ESG-related objectives, to ensure that management's incentives are aligned with the Company's long-term sustainable development goals.

The Group has established ESG goals in accordance with the ESG Reporting Code and has carried out work to identify, assess, and manage climate-related risks and opportunities. For details, please refer to the "Low-carbon Transition, Address Climate Change" section of the Report. Furthermore, the Board has participated in the assessment, prioritization, and management of ESG matters. For more information, please see the "Materiality Assessment" section.

Stakeholder Communication

The Group attaches great importance to internal and external stakeholders, who are irreplaceable in enhancing the sustainable development of the Group. We communicate with stakeholders on a regular or irregular basis through various channels to understand and respond to stakeholders' expectations and concerns in a timely manner in addition. The Group identifies its major stakeholders for more targeted and effective communication by taking into account factors such as "the extent to which stakeholders influence the Group" and "the extent to which the stakeholders are influenced by the Group".

Stakeholder Types	Major Stakeholders	Channels	Matters of Concern	The Group's Responses
Employees	All employees	- Face-to-face communication - Seminars on democratic life - Employee suggestion boxes - Employee activities - Vocational training	- Sound welfare - Good career development - Serving the National Strategy - Safety of Ship Operation	- Providing diverse employee activities - Providing different kinds of professional training
Customers	- Ship operators - Trading companies	- Response to customer inquiry - Customer visit - Telephone communication	- Financing amount - Financing ratio - Interest rate level - Energy-saving and eco-friendly vessel types	- Promoting business negotiations - Ship technology contract pre-research - Facilitating project implementation
Business Partners	- Intermediaries - Classification societies - Professional ship asset management companies - Institutes - Colleges	- Negotiation of contract terms - Daily communication between business representatives - Management-level meetings	- Benefit sharing, integrity and mutual benefit - Promotion and innovation of management - International market - Energy saving, emission reduction and environmental protection	- Increasing profit - Improving return on funds
Suppliers	Shipyards	- Open tender - Interviews and site visits	Win-win cooperation	Increasing investment, being open and transparent
Investors	- Stock Investors - Bond Investors	- Annual General Meeting - Board Meeting - Financial Result Reporting - Roadshow activities - Other investor communication means	- Good business performance - Good corporate governance - Risk control and integrity - The Company's strategic direction - Sufficient disclosure	- Improving corporate governance - Corporate strategy fulfilling investors' expectations - True and Sufficient Disclosure - Improving performance returns
Governments and Regulators	- Governments - Industry regulators	- Enterprise Investigation - Work Reporting - Policy/Regulator conferences - Financial Result Reporting	- Operations compliance - Profit/tax - Serving national strategies	- Creating job opportunities - Total taxes - Promoting the development of the industrial chain
The Public	- Surrounding communities - Community organizations - Non-profit organizations	- Participating in community voluntary activities - Charitable donations - Signing public interest-related agreements - Coordinating community events	- Charity investment - Harmonious community - Safety and environmental protection	- Increasing community investment - Industrial assistance and rural revitalization - Volunteer activity
Media	The press	- Press conferences - Invitations to interviews - Regular discussions	- Business and product situation - Industry status - Employee working environment - Public welfare investment - Harmonious community	True and sufficient disclosure

Materiality Assessment

The Group conducts materiality assessments in accordance with the SEHK's ESG Reporting Code. To ensure the relevance of material issues, the Group performs a materiality assessment annually, identifying material issues for the current year or reviewing the results of the previous year's materiality assessment through questionnaire surveys.

During the Reporting Period, we carried out the materiality assessment following the procedures outlined below, and identified 11 ESG issues that are material to the Company's value creation and to stakeholders. These issues also serve as the key focus areas for the Group's future ESG efforts.

Issue Identification

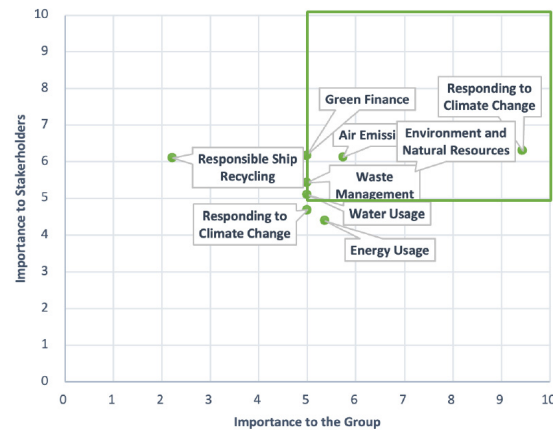
Potential material issues were identified based on the ESG Reporting Code, taking into account the results of the previous year's ESG materiality assessment, industry ESG development trends, and the Group's business conditions. The ESG issue pool was updated accordingly.

Materiality Assessment

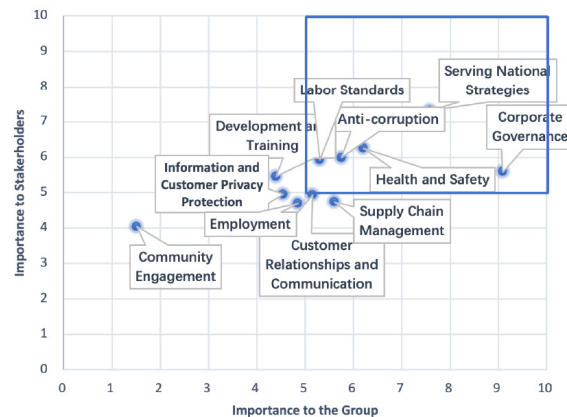
During the Reporting Period, the Group extensively invited internal and external stakeholders to assess each ESG issue via online questionnaires, focusing on two dimensions: "importance to the Group" and "importance to the stakeholders." Based on this assessment, the issues were prioritized for 2025, forming an ESG materiality matrix and preliminary assessment results. The stakeholders surveyed during this process included directors, management, shareholders/investors, employees, business partners, suppliers, customers, the public, and media representatives.

Review and Confirmation

The preliminary results were reviewed and confirmed by senior management and the Board, ultimately determining 11 material issues for this Reporting Period, comprising 6 environmental issues and 5 social issues. Concurrently, the Group engaged a third-party organization to verify the review process and results for the current year.



Materiality Matrix-Environmental issues



Materiality Matrix-Social issues

Environmental Aspect

- Responding to Climate Change
- Environment and Natural Resources
- Air Emissions
- Green Finance
- Waste Management
- Water Usage



Social Aspect

- Serving National Strategies
- Corporate Governance
- Health and Safety
- Anti-corruption
- Labor Standards

The results of the Group's materiality assessment

05.

Deepening Reform to Enhance Governance Effectiveness

This section focuses on addressing the following material issues:

Corporate Governance | Anti-Corruption

Comprehensively Deepen Reform

The Group continuously optimizes its corporate governance structure, establishing a "1+2+N" system. This system is based on the Articles of Association, supplemented by two core regulations - *Rules of Procedure for the Board of Directors* and the *Regulations on the Authorization Management of the Board of Directors*, and supported by a series of complementary operational systems for the Board. This integrated system provides robust institutional support for precise authorization and efficient exercise of powers by the Board. Additionally, we have purchased directors' liability insurance for all directors to protect the rights and interests of directors, especially independent directors, and further optimize internal business management.

During the Reporting Period, the Company undertook revisions to the *Environmental, Social and Governance (ESG) and Sustainable Development Management Measures*, aiming to optimize the management structure and processes and further clarify the division of responsibilities.

Enhancing Risk Management

The Group attaches great importance to risk management and internal control. Through the implementation of the *Comprehensive Management Measures for Risk*, we identify, assess, monitor, respond to and manage risks across our operational and management activities. This integrated approach is designed to enhance the standardization of the Group's management and operations, bolster the ability to mitigate related risks and ensure stability and sustainable development of the business. In addition, the Group has integrated risk quantification assessment and digital management throughout the entire lifecycle of its operations. We have designed and developed a risk quantitative assessment tool with independent intellectual property rights, and established a customer credit evaluation model.

During the Reporting Period, based on organizational adjustments and actual operational circumstances, the Group formulated and revised a series of internal policies related to risk management. This includes seven safety management policies aimed at preventing risks related to production safety, such as the *Safety Production Management Measures*, *Detailed Rules for the Supervision and Management of Ship Safety Production*, and *Emergency Plans for Production Safety Incidents* as well as three business development and credit guidelines designed to mitigate business credit risks, such as the *Guidelines for the Development and Credit of Financing Business (Ship Sector)*. These initiatives continuously enhance the risk management policy framework.

Risk Governance Structure

The Company's risk governance structure covers the Board and its business divisions. The Board assumes ultimate responsibility for risk management and is mainly responsible for approving the Company's risk management objectives and strategies, overseeing the implementation and effectiveness of risk management policies, as well as assessing the Company's overall risk exposure. The Board has established an Audit Committee comprising two independent non-executive Directors and one non-executive Director, which is responsible for monitoring the implementation of internal control procedures, reviewing financial information and assessing financial conditions, overseeing the internal audit functions, and providing the Board with independent advice on financial reporting, risk management and internal control. To strengthen our risk prevention capability, the Company has established a comprehensive risk prevention model.

Business Divisions

- Each business division is primarily responsible for risk prevention. They are tasked with implementing specific risk management measures and managing risks in daily operations.

Senior Management

- Responsible for overseeing the quality of comprehensive risk control and the implementation of the risk management system.
- The Company's Chief Accountant and Chief Compliance Officer is responsible for overseeing and supporting the implementation of risk management processes and measures, executing the risk management strategy, and monitoring the daily risk management operations, and regularly reporting overall risk status and significant risk events to the Board.

Audit and Risk Management Department

- Primarily responsible for guiding, coordinating, supervising, and inspecting the effective operation of the company's risk management system.
- As the core risk management department, it is primarily responsible for implementing internal control management, compliance management, comprehensive risk management, internal audit management and other related tasks.
- Responsible for ensuring the authenticity, legality, and effectiveness of the Company's various business management activities. This includes organizing and arranging audit work to promote the improvement of corporate governance, leading the audit rectification efforts and establishing a long-term supervision mechanism.

Risk Appetite and Management Process

olerance capacities. Based on this, the Group formulates risk indicators such as risk tolerance levels and risk limits. It allocates resources appropriately and makes timely adjustments based on the Group’s strategic objectives and in response to changes in the market. Risk indicators must be approved by the Board, the management or their authorized units, and then cascaded down to each department for implementation.

The Group has adopted a prudent risk appetite, strictly adhering to defense lines including operating cash flows from leased assets, guarantee creditworthiness of lessees, and asset value coverage ratios for outstanding principal and interest, continuously improving its risk prevention and control mechanisms.

Prudent Risk appetite

Industry Clients Leased Asset Management

Preference for sectors with established business models, economies of scale, and high-quality asset portfolios.

Preference for large enterprises, industry leaders, or high-quality listed companies.

Leased assets will be scientifically categorized, subjected to value analysis, professionally managed, and their turnover accelerated based on operational strategy, market conditions, and the characteristics of the leased assets.



The Group integrates risk management throughout the entire project lifecycle, covering key stages such as project review, fund deployment, and post-disbursement management. The Audit and Risk Management Department conducts regular annual assessments of risk exposures, employing a combination of internal and external audits to continuously strengthen and optimize the risk management system. Additionally, we have established a “risk warning” system, encouraging employees to proactively identify and report any risks and to provide timely recommendations for corrective measures to improve risk management processes.

The following diagram illustrates the Group’s risk management process. During the “Supervision and Inspection” phase, the Audit and Risk Management Department conducts several internal audits of the Group’s risk management activities annually based on the work plan, to assess the adequacy and effectiveness of the risk management system as well as propose improvements. For any issues identified, the Group urges the responsible departments to implement corrective measures and continuously tracks the effectiveness of rectification.



To further strengthen risk management, the Group has integrated compliance awareness and risk prevention capabilities into employees’ performance evaluation systems, linking them to salary adjustments. This ensures that all employees strictly adhere to relevant policies, and regulations in their daily work.

The Group evaluates its internal control system annually. The self-evaluation of the internal control system during the Reporting Period focused on inspecting the policies newly added or revised in 2025, covering all wholly-owned subsidiaries, controlled subsidiaries, and certain associates. The evaluation results indicated that no material deficiencies were found in the internal control system during the Reporting Period, and both the design and operational effectiveness were validated. With the strengthening of annual internal control evaluations and various supervisory inspections, employees’ awareness of rules and regulations, as well as the effectiveness of implementation.

Risk Training

To ensure the effective implementation of the Group’s risk management system, we provide new directors with detailed induction training on risk and compliance and relevant materials. Regular seminars are arranged for all directors covering training on laws, regulations, policies, and supervisory requirements. The training content encompasses the latest developments and changes in the Listing Rules and other relevant laws to assist directors in performing their risk management duties in compliance with regulations. Meanwhile, in accordance with legal, regulatory, and internal policy requirements, we regularly conduct training for all employees on risk management, compliance, and legal matters, continuously enhancing their risk prevention awareness. The following table lists some of the risk management-related training courses conducted by the Group during the Reporting Period:

Training Programs

- Online Training Course on Compliance Management for State-owned Enterprise Managers
- Online Training Course on Legal Knowledge for State-owned Enterprise Managers
- Comprehensive Business Training for Discipline Inspection and Supervision in State-owned Enterprises
- Lecture on Core Legal Risk Prevention for Domestic Equipment Financial Leasing Projects
- Training Course on Enhancing Audit Professional Competence
- Specialized Training on Legal and Compliance Affairs

Upholding Business Ethics

The Group is committed to strengthening governance and internal control, and to establishing a robust business ethics system. To this end, the Group has formulated and implemented a series of regulations, including internal management policies such as the *Regulations on Anti-Corruption Coordination (Trial)*, the *Guideline for Risk Prevention of Anti-Sanction*, the *Administrative Regulations on Registration and Submission of Gifts*, the *Implementation Measures for Specialized Supervision and Inspection (Trial)* and *Business Due Diligence Guidelines*. During the Reporting Period, the Measures for the Management Measures for Anti-Fraud Work were revised. These policies cover multiple aspects, including anti-corruption, anti-bribery, information confidentiality, conflicts of interest, unfair competition, money laundering, insider trading, whistleblowing, political donations, and charitable contributions, clearly setting forth the applicable requirements.

Anti-corruption and anti-fraud are crucial to a sound business ethics system. We have established an anti-corruption working group to create an information-sharing, facilitating communicative, standardized, and orderly anti-corruption coordination mechanism, thereby promoting integrity and clean governance and promoting the in-depth development of the Group's anti-corruption and fraud prevention efforts.

During the Reporting Period, we revised the *Business Due Diligence Guidelines*, clarifying the internal anti-fraud governance and internal control mechanisms within the Group. This includes establishing whistleblowing and grievance channels, implementing control measures, and taking appropriate and effective remedial actions for harm caused by fraudulent activities. The Board of Directors serves as the highest leadership body for the Group's anti-fraud work, which operates within the framework of the anti-corruption working group, and the working group reports to the Board of Directors. Concurrently, the Supervision Department acts as the permanent body for anti-fraud work, responsible for establishing the anti-fraud whistleblowing mechanism, investigating incidents, and reporting on related matters. The Group's anti-fraud policies are communicated and internally through diverse methods, including the employee handbook, rules and regulations, and training, ensuring that employees are familiar with the relevant codes of conduct.

Whistleblowing Mechanism

The Group has established a comprehensive whistleblowing mechanism, managed by the dedicated Supervision Department. This mechanism provides multiple reporting channels, including email and whistleblowing boxes, and is open to all employees. Employees and stakeholders can file reports with their real names or anonymously through these channels. All reported information and details are strictly kept confidential by the Internal Audit Department, which conducts independent investigations. The Group adopts a zero-tolerance policy towards retaliation; whistleblower information is fully protected, and any form of retaliation is strictly prohibited.

To ensure the effective operation of the mechanism, the Group continuously communicates and reinforces its anti-fraud policies and provides guidance on using whistleblowing channels through the dissemination of rules and regulations and specialized training (including new employee orientation). Upon conclusion of an investigation, the Internal Audit Department issues an investigation report, reports to management and the Board of Directors in accordance with established procedures, and discloses the findings and actions taken within the appropriate scope.

We encourage all employees to actively participate in fostering the Group's business ethics and compliance culture, with compliance incorporated as a key indicator in employee performance assessments. Employee performance evaluation results are linked to compensation adjustments and bonuses. Any violation of internal regulations is subject to disciplinary action by the Human Resources Department and the Internal Audit Department.

We also place great emphasis on integrity education and conduct diversified educational and training activities. The Group has formulated and implemented the Integrity Education Work System (Trial), which stipulates anti-fraud training and education on laws, regulations, and integrity ethics for new employees. Additionally, we regularly provide relevant training to directors and employees. At the end of each month, the latest learning materials on anti-corruption and fraud are distributed to all employees via the "Integrity Engagement Education Corner" on the intranet platform.

During the Reporting Period, the Group organized employee representatives to observe court hearings, conducted on-site visits to the Beixinjing Prison in Shanghai, and arranged centralized viewings of educational videos on anti-corruption themes, all aimed at enhancing the awareness of integrity among management and employees. During the Reporting Period, we conducted six anti-corruption and anti-fraud training sessions for all employees, with an average duration of one hour per session, and provided three anti-corruption and anti-fraud training sessions for all directors, also averaging one hour per session.

Anti-money laundering and counter-terrorist financing are vital components of business compliance. The Group has formulated the Business Due Diligence Guidelines, which require verification of the true identity of transacting parties during due diligence. When conducting due diligence, methods such as document review, interviews, cross-verification, engaging third parties, and on-site investigations should be comprehensively used to collect and verify required information. For financing businesses, anti-money laundering and counter-terrorist financing investigations into the transacting parties are also required. The investigation includes verifying whether the party:

- Is listed on sanctions lists issued by the United Nations or other countries, terrorist organization or terrorist lists, relevant prohibitive lists issued by relevant state council departments or judicial authorities, or lists requiring attention by the People's Bank of China;
- Has been reported by the People's Bank of China, judicial authorities, or public security organs, or requested to assist in anti-money laundering investigations due to suspected involvement in criminal activities such as money laundering or terrorist financing;
- Originates from countries or regions subject to sanctions, embargoes, or identified as supporting terrorist activities by the United Nations, other countries, or relevant state authorities, or is a client whose transactions with such countries or regions pose related risks;
- Presents other circumstances identified through analysis as indicating a higher risk of money laundering and terrorist financing.

During the Reporting Period, the Group did not identify any instances where the Company or its employees violated codes of conduct relating to corruption and bribery, discrimination and harassment, customer privacy breaches, conflicts of interest, or money laundering and insider trading.

Policy Influence

As of the end of the Reporting Period, the Group has never been involved in contributing to any political campaigns, lobbying organizations or trade organizations or provided any form of gift. Additionally, the Group is committed to reducing greenhouse gas emissions from its ships, and our climate-related policies are consistent with the Paris Agreement.

Tax Strategy

The Group has formulated tax management regulations including the *Tax Risk Management Operational Guidelines* to ensure that the Group complies with the tax laws of the countries in which it operates and the spirit of those laws; and does not transfer value created to low-tax jurisdictions; does not use tax structures that have no commercial substance; determines transfer pricing regulations in accordance with the principle of independent transactions; does not use tax havens for tax avoidance; and reviews and approves its tax policies through the Board. At the same time, the Group also employs tax consultants to closely monitor and research changes in tax policies, and promptly revise internal tax operating guidelines to ensure compliance.

Maintaining Information Security

The Group's business scope covers multiple countries and regions domestically and internationally. We strictly comply with applicable laws and regulations in each operating location concerning sales and credit management, privacy and confidentiality, and information security, effectively ensuring the security and confidentiality of important information of stakeholders. During the Reporting Period, the Group experienced no incidents of information security/cybersecurity breaches.

At the Board level, the Audit Committee is responsible for reviewing the internal control and risk management systems, including information and cybersecurity, and the adequacy of related procedures. Within senior management, the Company's General Manager is responsible for overseeing and managing information security-related matters. At the implementation level, the Planning Department (Information Office), as the specialized body, is fully responsible for executing and implementing the Company's information security work.

We have formulated the *Information Security Management Regulations* based on the *ISO 27001 Information Security* and other relevant national standards. These regulations apply to CSSC and its subsidiaries. All employees have internal access to this regulatory document and receive corresponding information security training. The Information Security Management Regulations clarify the following matters:

- The Planning Department (Information Office) is responsible for executing the daily affairs of the Group's information security work, as well as organizing the training and dissemination of information system security knowledge. The security administrator is responsible for developing a security training plan for all employees and arranging security training sessions.
- In the event that an employee discovers an information security incident, they are required to report the incident to the Planning Department (Information Office) promptly. The Planning Department (Information Office) will then activate the security incident response procedures and proceed with incident handling in accordance with the relevant plans.
- In the event that an employee breaches the information security-related management systems or strategies, the employee will be subject to an appropriate disciplinary measure based on the severity of the violation. If a supervisor fails to fulfil their supervisory duties, they will be held jointly and severally liable. In cases where a security violation involves legal issues, the employee may be held legally responsible.

To strengthen confidentiality work, we have also established the *Management Measures of Confidentiality*, which stipulates a series of work processes for personnel handling confidential matters, including procedures for role transition, resignation, and the management of the confidentiality clearance period. When signing business-related contracts, we require the relevant parties to sign confidentiality agreements to avoid disclosing related confidential data or proprietary information to any third party. During the Reporting Period, the Group further strengthened terminal and data review, implementing terminal confidentiality inspection software through technical means, conducting in-depth sensitive information self-inspection and cleanup work to prevent employees' computers from storing confidential information. We also value the protection of intellectual property and scientific research achievements, with confidentiality requirements for intellectual property and related materials clearly defined in the internal policy document, *Management Measures of Research Project*.

To better manage information security and confidentiality, we have built an efficient information management system, implementing and maintaining information security measures through the following information security management measures:

■ Continuously Enhancing the Information Security System

Continuously improving the effectiveness of the information security system through measures such as regular inspections, vulnerability remediation, and technology upgrades.

■ Ensuring Data Reliability and Protection

Performing data backups and strengthening data confidentiality efforts.

■ Information Security Threat Detection and Response Process

Employees discovering information security incidents must promptly report to the Planning Department (Information Office), which will initiate the security incident handling procedure and manage the incident according to the contingency plan.

■ Dedicated Personnel for Information Security

The Planning Department (Information Office) is responsible for information security work, training, and publicity.

■ Information Security Requirements for Third Parties

Business contracts require relevant parties to sign confidentiality agreements to avoid disclosing confidential data or proprietary information to any third party; for cybersecurity assurance during major events, we may require suppliers to arrange for duty personnel.

■ Information Security Business Continuity Plan

Ensuring stable system operation to support business continuity through measures such as regular security inspections, vulnerability assessments, and third-party evaluations.

■ Information Security Vulnerability Analysis

Security administrators regularly check for system vulnerabilities. After major changes to the information system, the Planning Department (Information Office) will, based on the actual situation, commission a third-party evaluation agency to conduct security level and risk assessments.

■ Internal Audit

The Planning Department (Information Office) is responsible for the annual information system security inspection. The Audit and Risk Management Department also conducts independent audits of information confidentiality work and carries out assessments and evaluations of information security risks.

■ Information Security Awareness Training

Security administrators formulate and organize the implementation of security training plans for all employees; actively organize educational activities related to legal awareness and policy promotion, and post posters and signs in public areas, circulate promotional videos on a continuous loop, to continuously enhance employees' information security and confidentiality awareness.

Through evaluations conducted by third-party agencies involving vulnerability analysis and simulated hacker attacks to assess the system's data integrity, confidentiality capabilities, and backup functionality, our information management system obtained the "Second-Level Information Security Protection" certification. During the Reporting Period, the Group comprehensively carried out the "Clean Network" special initiative, implementing various protective measures and significantly enhancing its security capabilities. The main initiatives undertaken are as follows:

- **Completed security upgrade of the email system:** By deploying advanced anti-spam protection mechanisms and strengthening password policies, the system's protective capabilities were further enhanced, effectively improving information security management. Concurrently, accounts and email storage were subject to standardized management to reduce the risk of data leakage.
- **Built a Cybersecurity Situational Awareness Platform:** A centralized monitoring and analysis platform was established to collect full traffic from the Shanghai and Hong Kong office areas and cloud servers. Unsupervised learning algorithms were introduced to establish behavioral baselines. UEBA (User and Entity Behavior Analytics) technology was deployed to identify internal threats such as abnormal logins, privilege abuse, and access anomalies, establishing a closed-loop process for threat detection, traceback analysis, and rapid response.
- **Conducted Specialized Training:** In conjunction with National Cybersecurity Awareness Week, specialized training was conducted to systematically explain core topics such as basic cybersecurity knowledge, office conduct norms, and data security protection.
- **Participated in Practical Training:** Personnel were dispatched to participate in the National Defense Science and Technology Industry Cybersecurity Practical Training Camp - CSSC Special Class and completed the program, enhancing their cybersecurity skills.

Regarding the protection of privacy and important information for customers and other stakeholders, the Group has established a customer information access authority system based on the *Measures for Customer Information Maintenance*, stipulating that customer files cannot be accessed without permission. It also clarifies that the Group's customers include suppliers and dealers with business dealings with the Group. The Group has specially established dedicated positions of Security Auditor and Confidentiality Auditor, requiring personnel in these roles to hold relevant certifications, further ensuring information security, including customer privacy information. The responsibilities of auditors include regularly auditing the implementation of information security policies, defining the scope and schedule of information security audits, managing specific audit processes, analyzing audit results, and proposing improvement suggestions for the information security management system.



06.

Low-Carbon Transition, Addressing Climate Change

This section focuses on addressing the following material issues:

Responding to Climate Change | **Environment and Natural Resources** | **Air Emissions**
Green Finance | **Waste Management** | **Water Usage**
Serving National Strategies

The Group is committed to promoting green development in the industry, actively responding to the national dual-carbon strategy and mainstream international industry trends. It consistently integrates environmental protection and low-carbon energy transition into its business operations and management to mitigate the environmental impact of its activities.

The Group adheres to relevant laws and regulations in its operating locations, rigorously implementing environmental governance principles in its management processes and decision-making, and continuously improving environmental management measures to ensure long-term, sustainable development. The Group also attaches great importance to the management of climate-related risks and opportunities. During the Reporting Period, the Group's investment amount to address such risks and opportunities was RMB 1,731,400, which was primarily used for the construction of the vessel asset management system.

Strategy

To understand the impact of climate change on the Group and enhance the operational and business resilience of the Group, the Group has referenced the relevant guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) and the Stock Exchange. It has selected scenarios from the Network for Greening the Financial System (NGFS) to identify potential physical and transition risks over the short, medium, and long term. Specifically, the short-term is defined as 1-2 years (corresponding to the annual budget), the medium-term as 3-5 years (corresponding to the medium-term strategic plan), and the long-term as over 5 years (corresponding to long-term vision and the IMO 2030/2050 targets).

	Climate Risk Type	Climate Change Scenario	Scenario Description
Physical Risks	Acute Risk Chronic Risk	NGFS - Current Policies Scenario	This scenario assumes that only currently implemented policies are maintained, with no additional measures taken. Consequently, the climate goals set in the Paris Agreement have not been achieved. It projects a potential temperature rise of 2°C by 2050, reaching 3°C or more by 2100, which would expose businesses to significant physical risks.
Transition Risks	Policy and Legal Technology Market Reputation	NGFS - Net Zero 2050 Scenario	This scenario assumes ambitious climate policies are introduced immediately, and carbon removal technologies are utilized to accelerate decarbonization. Net zero CO ₂ emissions are achieved around 2050, implying that businesses would face maximized transition risks.

During the Reporting Period, the Group reviewed the results of previous analyses, assessing the potential impact of identified risks on its financial position, business model, and value chain from the perspectives of risk exposure and risk impact. Six risks were confirmed as material climate risks. The following table outlines the response measures we have implemented for these six material risks.

Risk Type	Risk Name	Risk Description	Scope of Impact	Time Horizon	Potential Impact ²	Group's Response Strategy
Physical Risk Chronic	Ocean Acidification / Rising Sea Temperatures	Ocean acidification/rising sea temperatures can accelerate the corrosion rate of hulls, severely impacting the safety, lifespan, and reliability of ship facilities; it can also cause significant damage to marine flora and fauna and their ecosystems.	Investment and Financing Projects	Long-term	- The need to use materials with better corrosion resistance leads to higher shipbuilding and maintenance costs, thereby reducing the Group's operating profit and decreasing the net cash inflow from operating activities. - An increase in the lessee's operating costs results in a decline in its profit, which further heightens the performance risk and affects the Group's revenue.	- Installed equipment for continuous monitoring of water quality and temperature on aquaculture vessels, with corresponding management measures in place. - Continuously monitor the development of ship coating technologies and actively apply relevant coating technologies on ships significantly affected by ocean acidification to mitigate their impact. - Regularly monitor the current status and trends of ocean acidification/rising sea temperatures, formulate corresponding response measures, and continuously improve measures to consolidate risk response capabilities.
	Sea Level Rise	Rising sea levels can exacerbate wind and wave changes, affecting ship route planning and jeopardizing safe navigation; assets such as buildings in low-lying areas may become submerged and unusable, affecting daily office efficiency.	Office Operations and Investment & Financing Projects	Long-term	- If a vessel is damaged in a wind or wave event, its asset value may be reduced. - Operational disruptions will increase operating costs and reduce the Group's profit income.	- The appointed ship management companies have established a "Ship Safety Management System" based on the International Safety Management (ISM) Code, which includes measures and risk assessment procedures related to severe weather. - Regularly monitor the current status and trends of sea level rise and implement relevant measures in offices significantly affected by this risk in a timely manner. - Periodically monitor high-risk routes and ports significantly affected by sea level rise and plan alternative routes and ports accordingly.
Transition Risk Policy and Legal	Stricter Policies and Regulations on Shipping Industry Carbon Emissions	Risk of non-compliance during ship operation if the design and construction of new ships, the upgrade and retrofit of existing ships, ship energy efficiency performance, and operational management fail to meet current or upcoming laws, regulations, and international conventions requirements of flag states, countries or regions along routes, or international organizations.	Investment and Financing Projects	Short, Medium, Long-term	- Legal sanctions, regulatory penalties or other significant financial losses, or even being forced to suspend or terminate operations. - The fleet is unable to sail as planned, cross borders, or berth at ports and terminals, resulting in delayed cargo delivery and reduced profits for lessees, which may affect the Group's revenue. - Failure to comply with regulatory requirements relating to vessel carbon emissions leads to a decline in asset values and asset stranding. - Increased costs in vessel design, construction, retrofitting and operational management.	- Closely monitor the current status and trends of this risk. Assign specialists within the ESG expert research group to analyze international regulatory requirements and policy requirements of corresponding regions, and propose emission reduction measures based on the corresponding requirements. - Carry out low-carbon upgrades and retrofits for ships not meeting carbon emission requirements, and consider applying energy-saving equipment on actual ships to ensure that the ship assets under finance and operating leases comply with relevant carbon emission regulations for the shipping industry. - Communicate regularly with upstream and downstream stakeholders to actively explore suitable cooperation opportunities. For example, communicate regularly with upstream shipyards to understand low-carbon technologies; communicate regularly with downstream ship management companies and charterers to clarify carbon emission data and calculate EU Allowances (EUA).
	Increased Requirements for Climate Information Disclosure Reporting	Risk of non-compliance and penalties for failing to disclose climate-related information related to the company's operations and ships in a timely manner or as required.	Office Operations and Investment & Financing Projects	Short, Medium, Long-term	- Incurring sanctions and penalties, restricting the fleet's operations, and damaging the Group's reputation. - Facing stricter regulatory requirements and more complex inspection and verification procedures, operating costs increase, thereby increasing cash outflows. - Increased operating costs incurred for establishing and maintaining data and information systems related to air pollutants, energy consumption, carbon emissions, and other climate change related matters.	- The appointed ship management companies have established a "Ship Safety Management System" based on the ISM Code, which includes systems and measures related to the Ship Energy Efficiency Management Plan (SEEMP) and Monitoring, Reporting, Verification (MRV) of CO₂ emissions. We will regularly communicate with ship management companies regarding the accuracy and timeliness of relevant carbon emission data. - Improve data related to ship energy consumption through the implementation of a ship asset management system. - As our climate management, strategy, and reporting environment matures, we will continuously improve our climate disclosure levels to meet future climate information disclosure reporting requirements.

Risk Type	Risk Name	Risk Description	Scope of Impact	Time Horizon	Potential Impact ²	Group's Response Strategy
Transition Risk	Technology	High Cost of Low-carbon Fleet Transition Currently, most low-carbon technologies are in early experimental stages with low technological maturity. The cost of alternative energy sources is higher than that of traditional fossil fuels, and supply is tight.	Investment and Financing Projects	Medium, Long-term	- Increased costs for ship technology research and development, vessel design, construction and retrofitting, as well as employee training, thereby increasing the cash outflows. - The supply of low/zero-carbon fuels affects the fleet's operational management and voyage scheduling, and the price of low-carbon fuels that are not yet marketized is higher than that of existing fuel oil, which will increase the Group's operating costs.	- Regularly and continuously track research and development trends in low-carbon ships and alternative fuels, carry out relevant research work, and formulate fleet operation strategies. - Consider negotiating with low-carbon equipment suppliers and shipyards or signing long-term contract prices to reduce expenditure costs.
	Market	Shift in Customer Demand Preferences Due to the net-zero emission trend, customer demand for low-carbon and energy-saving transportation services is increasing.	Office Operations and Investment & Financing	Medium, Long-term	- Reduced demand for existing traditional high-emission shipping services, leading to lower business revenue and accelerated depreciation of traditional vessel assets. - The Group's business lines and strategic development priorities require adjustment, resulting in increased costs and expenses for green and low-carbon vessel design, alternative fuel research and development, and low-carbon project investments.	- For ships in operation, on one hand, phase out old ships with high energy consumption; on the other hand, increase investment in the technological upgrade and retrofit of low-carbon ships, continuously build an environmentally friendly and energy-efficient fleet, and attract high-quality customers with carbon reduction needs. - For investment projects, regularly conduct research on corresponding business development and R&D investment directions, adjust business directions in a timely manner, and invest in and build ships with higher energy efficiency or using alternative low-carbon fuels. - Continuously communicate the Company's efforts in energy saving and carbon reduction to customers.



During the Reporting Period, based on its core business model, existing climate-related practices (including VLGC dual-fuel retrofits, biofuel applications, green bond issuance, etc.), and the latest international shipping and financial regulatory policy trends in 2025, the Group identified the following climate opportunities highly relevant to its business development and value chain.

Opportunity Type	Opportunity Name	Opportunity Description	Scope of Impact	Time Horizon	Potential Impact ²	Group's Response Strategy
Resource Efficiency	Enhancing Fleet Energy Efficiency and Operational Performance	By implementing low-carbon retrofits on the existing fleet (e.g., LPG dual-fuel conversions, biofuel trials), adopting energy-saving equipment, and optimizing hull design, the Group reduces fuel consumption and operating costs while improving key energy efficiency indicators such as EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Indicator), thereby enhancing asset competitiveness.	Investment & financing projects and office operations	Short to medium term	Reduce fuel costs and improve asset returns; Meet lessees' decarbonization requirements and strengthen customer loyalty; Mitigate future cost pressures arising from rising carbon prices.	- In project initiation and asset management, vessels particularly vulnerable to regulatory or market shifts—such as aquaculture support vessels—are placed on a priority monitoring list. Annual technical reports are used to assess changes in maintenance costs. - The Group has already initiated energy efficiency upgrades on select vessels and plans to coordinate with lessees to expand these efforts across a broader asset portfolio, further improving CII ratings and overall fleet operational efficiency.
Energy Sources	Investing in Low- and Zero-Carbon Fuel Vessels	The Group is actively deploying newbuild and retrofitted assets powered by alternative fuels—including LNG, LPG, and methanol dual-fuel vessels—and exploring future zero-emission pathways such as hydrogen and ammonia. This strategy enables the Group to secure high-quality projects aligned with the IMO's net-zero targets and key customers' decarbonization roadmaps, gaining first-mover advantages and policy support.	Investment & financing projects	Medium to long term	Expand the green fleet portfolio to enhance market competitiveness; Meet financial institutions' and investors' preference for green assets, lowering financing costs; Reduce risks associated with premature retirement or impairment of high-carbon assets.	- The Group is actively expanding its portfolio of alternative-fuel vessels (e.g., LNG/LPG carriers, methanol dual-fuel tankers) and exploring zero-carbon options like ammonia and hydrogen to secure emission-efficient projects that comply with evolving regulations (e.g., EU "Fit-for-55" and IMO net-zero mandates), thereby broadening lessee options and capturing early-mover benefits. - Multiple VLGCs have already been converted to LPG dual-fuel propulsion, and biofuel trials are underway on selected bulk carriers to evaluate retrofit costs and operational performance across different technology pathways. - The Group also supports select leasing clients in installing carbon capture systems on their vessels and maintains ongoing dialogue to assess the replicability and scalability of this technology across other projects.
Products and Services	Developing Green Financial Products and Sustainable Financing Solutions	The Group continuously issues green bonds and sustainability-linked financing instruments, incorporating more vessel projects into its green/sustainability financing framework. By linking financing costs to KPIs such as energy efficiency and carbon intensity, it attracts ESG-focused investors.	Investment & financing projects	Short to medium term	Lower financing costs and broaden funding channels; Enhance the Company's ESG rating and brand reputation, boosting investor confidence; Meet regulatory and client demands for green financing and ensure cash inflows for related projects.	- Multiple vessel projects have been certified under green labeling frameworks to attract sustainable capital. For example, in 2023, the Group successfully issued its inaugural—and the first-ever in China's onshore market—Sustainability-Linked Panda Bond, with a 3-year tenor and RMB 1 billion issuance size. The sustainability performance target was tied to the proportion of green vessels in the total fleet, and proceeds were allocated toward acquiring various vessels, including clean-energy ships. - For vessels already deployed, the Company has developed a carbon tax planning template for business units and prioritizes environmentally friendly and dual-fuel vessels during due diligence for new projects.
Market	Capturing Growing Demand Driven by Low-Carbon Transition	As the global shipping industry transitions toward net-zero emissions, high-quality lessees increasingly demand green tonnage. The Group prioritizes clean-energy vessel projects in new business development, co-designs green leasing products with key clients, and incorporates energy efficiency metrics into service-level agreements to expand its base of premium customers.	Investment & financing projects	Short to medium term	Increase business volume and market share, driving revenue growth; Strengthen long-term relationships with high-quality clients; Gain first-mover advantage in the low-carbon transition and establish industry leadership.	- For in-service vessels, the Group is phasing out high-energy-consuming older tonnage while increasing investment in low-carbon retrofits to build an eco-friendly, energy-efficient fleet that appeals to environmentally conscious lessees. - Clean-energy vessel projects—such as LNG/LPG carriers and methanol dual-fuel tankers—are given priority in new business development to better align with lessees' demand for low-carbon shipping capacity.

Opportunity Type	Opportunity Name	Opportunity Description	Scope of Impact	Time Horizon	Potential Impact ³	Group's Response Strategy
Resilience	Enhancing Business Flexibility and Risk Resilience	The Group diversifies its business model by spreading investments across asset types (conventional fuel vessels, transitional low-carbon vessels, and future zero-emission vessels) and trade routes, reducing dependence on any single fuel pathway or market. It has also established a climate scenario analysis mechanism to improve foresight and responsiveness to policy shifts and extreme weather events.	Investment & financing projects and office operations	Short to long term	Reduce risk of operational disruption and enhance stability; Strengthen resilience against uncertainties such as extreme weather and regulatory changes; Boost investor and financial institution confidence in the Company's long-term sustainability.	Business diversification is further reinforced through geographic and asset-class dispersion—spanning conventional, low-carbon, and other diversified assets—to mitigate overreliance on any single fuel type or market.
	Addressing Uncertainty in Decarbonization Pathways	Given the lack of consensus on future compliance pathways, technical standards, and alternative fuel solutions, prematurely committing to a specific technology carries risks of asset stranding or uncertain returns. In this context, advancing digital transformation—using data-driven approaches to enhance vessel operational efficiency, energy use optimization, and risk management—has become an effective tool to achieve decarbonization goals and operational resilience without locking into a single energy technology.	Investment & financing projects and office	Medium to long term	Use digital tools to optimize navigation, energy consumption, and maintenance decisions, enabling continuous carbon intensity improvement amid an uncertain energy transition; Extend asset economic life through precision management, reducing future impairment risks from policy or technological shifts; Leverage data to inform investment, leasing, and technology selection decisions, improving capital allocation efficiency.	- Digital transformation has been embedded as a core pillar of the Group's medium- to long-term strategy, serving as a foundational capability for both decarbonization and operational resilience. - The Group is systematically integrating and analyzing vessel operational data, energy consumption data, and management data to enhance energy efficiency and emissions management. - Digital tools are being deployed to optimize vessel operations, maintenance, and lease management processes, enabling precision and forward-looking management. - By building data accumulation and analytics capabilities, the Group preserves flexibility to evaluate and switch between future decarbonization pathways. - The Group closely monitors IMO policy developments and leverages its digital capabilities to dynamically adjust management strategies, mitigating the impact of regulatory uncertainty.

CASE STUDY

Leveraging Digital Capabilities to Capture Low-Carbon Shipping Opportunities

The Group has prioritized digital transformation of its fleet as a core strategic capability, achieving significant breakthroughs during the Reporting Period.

A Global Milestone in Autonomous Bulk Carrier Development

During the Reporting Period, the Group's self-operated 82,000-dwt bulk carrier CS JINAN received the first Autonomous Navigation Endorsement in China from the ABS. It is also the world's first oceangoing bulk carrier to receive such certification. The real-world deployment of this autonomous navigation system marks a major step forward in maritime digitalization. It is expected to: Significantly reduce human-error-related operational and navigational risks, substantially alleviate crew workload, and enhance shipowner operational efficiency, contributing to safer, smarter, and more sustainable shipping operations.

Physical Vessel + Digital Twin Integration

The Group is also collaborating with shipbuilders on the R&D of a "Digital Delivery and Full Lifecycle Service System for Ships with Supply Chain Autonomy and Controllability". This initiative aims to achieve dual delivery of both the physical vessel and its digital twin, enabling data-driven asset management from design through decommissioning.

Risk Management

To effectively manage climate risks, the Group is gradually establishing and improving its climate risk management mechanism and refining the processes for identifying climate-related risks and implementing corresponding response measures. During the Reporting Period, in accordance with the TCFD recommendations and relevant Hong Kong Stock Exchange guidelines, the Group systematically reviewed climate-related risks from both physical and transition perspectives. Departments across the organization conducted analyses and assessments of these risks by considering their vulnerability and potential impact. As a result, the Group identified climate-related physical and transition risks that have material effects on its office operations and business activities, and accordingly reviewed and proposed targeted response strategies.



Indicators and Targets

Fleet

The Group continues to adjust its fleet scale, driving the existing fleet toward a greener, higher-value, and younger profile. At the same time, it is constantly enhancing operational management measures for its self-operated fleet, expanding technical upgrade pathways, and increasing the adoption of low-carbon fuel propulsion systems. The Group closely follows industry trends, aligns with the International Maritime Organization's (IMO) decarbonization roadmap, and adheres to international conventions and regulations such as the *International Convention for the Prevention of Pollution from Ships (MARPOL)*, actively monitoring compliance with key environmental performance indicators—including the CII⁴ and the EEXI⁵. Regarding EEXI requirements, the Group has reviewed the International Energy Efficiency Certificates (IEEC) for all vessels and confirmed their compliance.

The Group is also strengthening collaboration with ship management companies and lessees to progressively establish and improve CII data recording and reporting mechanisms, aiming to enhance vessel CII performance. This effort supports the broader goal of building a greener, lower-carbon fleet, thereby expanding market opportunities, enhancing reputation, and unlocking new avenues for growth.

As of the end of the Reporting Period, among the vessels in the Group's fleet for which 2024 CII ratings are available, none have been rated at the lowest "E" grade. The distribution of CII ratings is as follows:

Year	A	B	C	D	E	Vessel Amount
2024	42%	37%	20%	1%	0%	79



The environmental performance indicators of the Group's vessels⁶ during the Reporting Period are shown in the table below:

Environmental Performance Indicators for Ships	Unit	2025	2024
Air pollutants⁷			
Nitrogen oxides (NOx)	tonnes	17,512.60	17,403.13
Sulfur oxides (SOx)	tonnes	3,765.15 ⁸	2,524.34
Carbon monoxide (CO)	tonnes	1,042.95 ⁹	2,183.90
Particulate matter (PM)	tonnes	1,216.84	1,144.41
GHG scope 3¹⁰			
Total GHG emissions	tCO ₂ e	854,897.67	1,059,264.60
GHG emission density	kg/kiloton nautical mile	2.07	2.92
Hazardous waste			
Hazardous waste generated	cubic meter	9,530.07	11,648.64
Intensity of hazardous waste generated	cubic meter/ kiloton nautical mile	0.02	0.03
Waste oil generated	cubic meter	3,533.68	4,102.84
Intensity of waste oil generated	cubic meter/ kiloton nautical mile	0.01	0.01
Oily sewage generated	cubic meter	5,996.39	7,545.80
Intensity of oily sewage generated	cubic meter/ kiloton nautical mile	0.01	0.02
Non-hazardous waste			
Domestic waste generated	cubic meter	688.32	895.56
Domestic waste recycled	cubic meter	442.81	500.71
Intensity of domestic waste generated	cubic meter/ kiloton nautical mile	1.67 × 10 ⁻³	2.47 × 10 ⁻³
Use of Resources			
Water usage	tonnes	106,413.63	122,052.71
Intensity of water usage	kg/kiloton nautical mile	0.26	0.34
Direct energy (fuel oil) consumption	MWh	2,563,822.48	2,390,075.94
Intensity of fuel oil consumption	kWh/kiloton nautical mile	6.20	6.59
Direct energy (diesel) consumption	MWh	266,305.10	355,824.79
Intensity of diesel consumption	kWh/kiloton nautical mile	0.64	0.98
Direct energy (LNG) consumption	MWh	111,003.42	1,240,326.00
Intensity of LNG consumption	kWh/kiloton nautical mile	0.27	3.42
Direct energy (LPG) consumption	MWh	136,251.12 ¹¹	108,332.72
Intensity of LPG consumption	kWh/kiloton nautical mile	0.33	0.30

To further advance green vessel operations, reduce emissions (including greenhouse gases) and other waste and pollutants from ships, and improve energy efficiency, the Group has established specific environmental objectives, performance indicators, and action plans for its fleet. This report discloses the actions undertaken during the Reporting Period and reviews progress against these environmental targets.

Aspect	Environmental Targets	Measurement Indicators	Action Plan	Completion Timeline for Action Plan ¹²	Actions Taken and Progress Status During the Reporting Period
Air Pollutant Emissions 	Reduce air pollutant emissions from vessel operations	Increase the installation rate of denitrification equipment on newbuild vessels to not less than 80%	Increase the installation rate of denitrification equipment on newbuild vessels	Medium-term	All delivered vessels have been fully equipped with denitrification equipment; no new vessels were delivered during the Reporting Period.
		Increase the usage rate of clean energy	Continue to advance the fuel conversion project from fuel oil to gas for large LPG carriers, achieve full coverage of dual-fuel VLGCs, and increase the application of biofuels in the MINI-CAPE fleet	Medium-term	Promoted the application of biofuels in the MINI-CAPE fleet to charterers through the ship management company.
GHG Emissions¹³ 	Reduce GHG emissions from vessel operations	Reduce CO ₂ emissions from owned vessels	Gradually improve the use of alternative sustainable fuels such as clean energy, and achieve emission reductions through vessel technical modifications and upgrades	Long-term	Renewed vessel coatings during dry-docking to reduce resistance and fuel consumption.
		Improve the disclosure of CO ₂ emissions from vessel operations	Actively record and report CO ₂ emissions during vessel operations, and make comparisons across different stages to better understand potential for emission reductions	Medium-term	Gradually improved the recording of vessel CII through the ship management company.
Energy Use 	Reduce energy consumption from vessel operations and improve energy efficiency	Reduce vessel fuel consumption	Achieve fuel savings through fuel budget control, monitoring of the entire voyage process, cost analysis, and enhanced fuel usage management	Long-term	Promoted the installation and use of fuel monitoring systems on vessels undergoing dry-docking this year.
		Increase the coverage rate of energy conservation publicity and the number of awareness campaigns	Conduct energy conservation publicity activities and disseminate energy-saving knowledge through various training initiatives	Medium-term	Carried out regular publicity and briefings to the ship management company.

To better align employee interests with the Group's strategic priorities, climate-related incentive mechanisms have been implemented in both green finance and green shipping. Since its introduction, this compensation-linked mechanism has operated effectively, with tailored performance metrics designed for employees at different levels. For example, senior management is evaluated on metrics such as "financing costs," while project-level staff are assessed on operational indicators like "certification of sustainability-linked bonds" and "execution of green financing." This differentiated approach enhances the relevance and effectiveness of the incentives. Feedback from performance evaluations indicates that these measures have successfully increased employee engagement and motivation in advancing the Group's green and low-carbon initiatives, thereby accelerating progress in green finance and green shipping projects.

Office Operations

As a ship leasing company, the Group not only implements green management practices in vessel operations but also integrates the principles of "green, low-carbon, energy-saving, and environmentally protection" into its daily office activities, aiming to reduce various emissions and pollutants, including greenhouse gases. During the Reporting Period, the Group continued to advance its office energy-saving and emission-reduction goals in accordance with the *Green Office Guidelines*.

During office operations, air pollutants and GHG emissions primarily stem from business travel—such as the use of vehicles or air flights—and electricity consumption. To address this, the Group has implemented the *Management Measures of Vehicles* that encourages employees to use public transportation for daily commuting and promotes virtual meetings to reduce unnecessary business travel, thereby lowering GHG emissions. Regarding emissions associated with electricity use, the Group has adopted practical energy-saving measures, including posting energy-efficiency signage in offices, scheduling automatic lighting shutdowns after working hours, and sending email reminders to staff to turn off all power sources before holidays—all contributing to its energy conservation and emission reduction goals.

In response to national strategies and the global imperative to combat climate change, the Group is actively driving an energy transition by participating in renewable energy procurement. Through market-based mechanisms such as International Renewable Energy Certificates (I-RECs), the Group purchases renewable electricity via contractual agreements. Since 2024, the Group has formally commenced green power procurement. During the Reporting Period, the volume of I-RECs acquired fully offset its annual purchased electricity consumption, demonstrating the Group's firm commitment to energy transition and decarbonization.

By continuously expanding its renewable energy procurement and exploring innovative collaboration models, the Group not only supports the growth of green power markets both domestically and internationally but also lays a solid foundation for achieving its medium- to long-term greenhouse gas reduction targets. Going forward, the Group will further refine its energy procurement strategy and actively encourage partners across its value chain to join collective decarbonization efforts, steadily enhancing its climate resilience.

In terms of water resource management, the Group's water supply is sourced from the municipal water network and centrally managed by the property management provider. During the Reporting Period, the Group did not encounter any water supply shortages. Employees are encouraged to conserve water in their daily work activities to reduce overall consumption.

Regarding waste management, the Group generates primarily non-hazardous waste, such as office paper and a small amount of plastic bottles, and a limited quantity of hazardous waste, including ink cartridges and batteries. The Group promotes digital office practices and encourages double-sided printing to minimize paper use. Except for certain essential documents, the Group has largely achieved a paperless office environment. Additionally, employees are actively encouraged to adopt waste reduction at source, recycling, and resource reuse practices. All used ink cartridges are collected and recycled by suppliers, while other hazardous waste is handled and disposed of by the property management team in accordance with regulations.



To further advance green and environmentally responsible office operations and better implement and manage the energy conservation and environmental protection targets set by China State Shipbuilding Corporation for the Company, the Group has established a series of ESG objectives and corresponding action plans covering greenhouse gas emissions, waste generation, and energy use (as outlined in the table below), and reviewed progress against these ESG targets during the Reporting Period.

Aspect	Environmental Targets	Measurement Indicators	Action Plan	Completion Timeline for Action Plan ¹⁴	Actions Taken and Progress Status During the Reporting Period
GHG Emissions¹⁵ 	Reduce GHG emissions	Increase the penetration rate of clean energy/new energy/hybrid vehicles	When replacing old official vehicles, give priority to the procurement of new official vehicles such as electric or hybrid vehicles	Long-term	Consideration will be given to hybrid or new energy vehicles in future procurement plans.
	Procure green electricity ¹⁶	Increase the proportion of office electricity covered by green electricity using the market-based method	Procure green electricity certificates to match the electricity consumption of the Group's office premises using the market-based method, thereby reducing GHG emissions associated with purchased electricity	Long-term	During the Reporting Period, 220,000 kWh of I-RECs were purchased, matching 100% of the electricity consumption of the Company's office premises during the Reporting Period.
Waste Generation 	Improve waste resource utilisation rate	Increase the number of waste sorting training/publicity activities	Promote waste recycling; Conduct regular publicity and education on waste sorting; Encourage employees to participate in waste sorting at the source	Medium-term	A statistical scope covering all daily office supplies has been established; a unified waste statistics system will be established when feasible in the future.
	Reduce waste generation	Implement a paperless office	Fully promote paperless office practices, such as fully paperless daily meetings, encourage employees to print double-sided, and give preference to paper with FSC (Forest Stewardship Council) certification labels	Medium-term	Further advance digital file management and gradually realise electronic files.
Energy Use 	Reduce energy consumption in office operations and improve energy efficiency	Reduce electricity consumption	Turn off office equipment promptly; Turn off lights when leaving meeting rooms and offices; Maintain air-conditioned rooms at no lower than 26°C in summer and no higher than 20°C in winter	Medium-term	Promptly turn off office lighting upon leaving; encourage employees to maintain air-conditioned rooms at no lower than 26°C in summer and no higher than 20°C in winter.
		Increase the coverage rate of energy conservation publicity and/or the number of awareness campaigns	Conduct energy conservation publicity activities; Disseminate energy-saving knowledge through posters in office areas	Medium-term	Conduct energy conservation and environmental protection publicity during holidays and festivals.

07.

Inclusive and Mutually Beneficial, Advancing Together with Employees

This section focuses on addressing the following material issues:

Health and Safe | Labor Standards

“Talent Strengthens the Enterprise” is one of the Group's key strategies. We place significant emphasis on attracting, retaining, and developing talent through competitive compensation and benefits packages, regular salary reviews, clear performance management systems, and comprehensive training mechanisms. This approach fosters a fair, open, and dynamic work environment, continuously enhancing organizational development momentum. Additionally, we strictly adhere to the laws and regulations of all operational regions, establishing and continuously improving human resources policies and employment management measures to cultivate an efficient and outstanding talent pool.

Employment and Rights

The Group constructs and continually optimizes its human resource management system in accordance with relevant laws and regulations and internal conditions. This system covers various aspects such as employee recruitment, labor contracts, promotions, training, compensation and benefits, working hours, leave, dismissal, and retirement. By signing labor contracts with employees, we clearly define their rights, responsibilities, remuneration, and terms of dismissal.

Human Rights Commitment

The Group is committed to upholding labor standards and protecting human rights by avoiding child labor, forced labor, and discrimination, and by combating human trafficking. We also encourage our suppliers and partners to adhere to these same commitments. Any violations will be promptly addressed according to relevant laws and regulations. During recruitment and employment, we rigorously verify applicants’ and employees’ valid identification documents to prevent hiring individuals under 16 years old. If false or forged information is detected, we will not hire or will dismiss the individual in accordance with local labor laws. Furthermore, we fully respect and uphold employees' personal freedom and rest rights. We legally sign employment contracts or labor agreements with new hires, specifying that weekly working hours do not exceed 40 hours and prohibiting forced labor. Moreover, we advocate for equality, diversity, and anti-discrimination, ensuring no bias based on gender, age, nationality, race, etc., and promoting equal opportunities and workforce diversity among male and female employees.

Employment Management

During the Reporting Period, the Group revised the *Management Measures of the Recruitment and Employment* to further improve talent selection mechanisms and optimize recruitment processes, achieving a scientifically rational allocation of human resources. We adhere to the principles of “strategic orientation, job-based staffing; matching people with positions based on both character and competence; open recruitment from society; equal competition and merit-based hiring”. The Human Resources Department develops annual recruitment plans based on needs and attracts talent through various channels, including internal recommendations, campus recruitment, online recruitment, on-site job fairs, and recruitment agencies. In the future, we plan to strengthen the introduction and development of high-level international management talent, establish compensation management mechanisms suited to international operations, and optimize localized employee management. During the Reporting Period, the Group hired three new employees. No external service fees were incurred in the recruitment process, and therefore no hiring costs were involved.

The Group has enhanced its management of employee retirement, rehiring, attendance, and job position settings through measures such as the *Employee Retirement, Renewal, and Re-employment Management Measures*, *Employee Attendance and Leave Management Measures* and *Position Setting and Management Measures*. These adjustments aim to adapt to the continuously changing external environment and internal reform requirements. For dismissals, the *Employment Contract* clearly stipulates that after the probationary period, the notice period for termination is one month.

Compensation and Performance Management

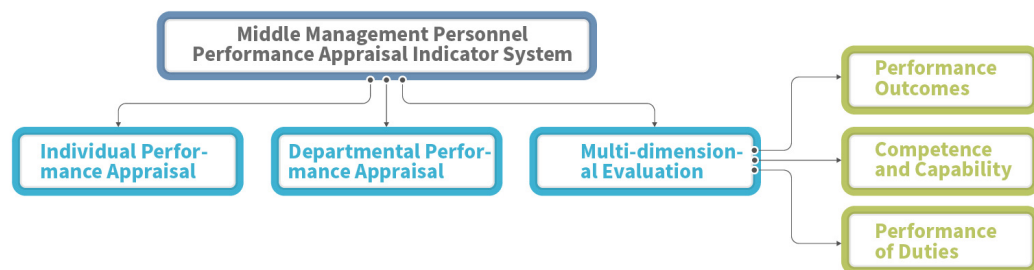
During the Reporting Period, the Group revised the *Management Measures for Employee Compensation* and the *Management Measures for Employee Performance Appraisal*, further refining a differentiated compensation allocation mechanism that balances efficiency and fairness—grounded in job value and centered on individual performance. Employee compensation follows a job-performance-based wage system, typically comprising five components: base salary, performance pay, bonuses, allowances and subsidies, and medium- to long-term incentives.

Benefits Overview	
Base Salary	The basic remuneration paid to employees for fulfilling their core job responsibilities, ensuring their fundamental living needs are met
Performance Pay	Reflects differences in employees’ actual performance and contributions; serves as an incentive tied to work output, conduct, and value delivered to the company.
Bonuses	One-time cash awards are granted to employees who have made exceptional contributions or received significant honors.
Allowances and Subsidies	Compensation is provided to address additional labor demands or special circumstances, such as challenging working conditions, specialized technical skills, or other unique factors affecting job performance.
Medium-to Long-Term Incentives	Implemented based on operational needs and strategic objectives, with specific arrangements governed by relevant internal policies and regulations.

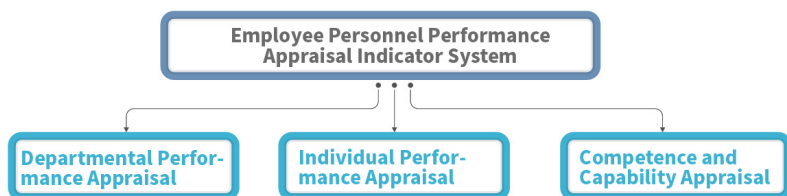
The Group provides share option plans and other long-term incentive mechanisms to closely align the interests of shareholders, senior management, and key talent. This approach aims to attract, retain, and motivate outstanding management personnel and core technical staff. Participants in these plans include executive directors and senior management members, as well as core technical personnel and backbone managers deemed by the Board to have a direct impact on the Group’ s overall operational performance and sustainable development. In determining eligibility and vesting conditions for these incentives, sustainability performance metrics are considered alongside other performance evaluation criteria. During the Reporting Period, the share option plan was applicable to 16 individuals, with 15 employees below the senior management level participating, representing 20.8% of the total non-senior management workforce.

The *Employee Performance Management Measures* apply to all employees except for the management layer, covering the entire cycle of performance planning, coaching, evaluation, and application of performance results. The company conducts annual performance reviews, while departments may also organize monthly or quarterly evaluations as needed. The performance management system is primarily quantitative, supplemented by qualitative assessments. Quantitative metrics translate the company’ s strategic objectives into specific operational and management indicators, which are categorized based on job responsibilities and assigned appropriate weights. Qualitative metrics focus on behavioral assessments, balancing performance outcomes with evaluations of capabilities and attitudes. Performance evaluation results serve as critical references for performance pay, honors and awards, job adjustments, salary adjustments, and employment relationship management.

The annual performance evaluation metrics for mid-level managers consist of three components: departmental performance results, individual performance assessment, and multi-dimensional evaluations. The multi-dimensional evaluation covers ESG-related dimensions that are critical to the Group's sustainable development, including: Political integrity (e.g., contribution to national strategic objectives), Professional competence (e.g., non-performing asset ratio), Leadership and management capabilities, Reform and innovation (e.g., initiatives in green finance), and Work ethics and discipline (e.g., compliance adherence). The scores for the multi-dimensional evaluation are derived from assessments conducted by both senior management and employees within the manager's department, who rate the manager's competencies and qualities. Different evaluator groups—such as superiors and subordinates—are assigned distinct weighting factors in the final scoring calculation.



The annual employee performance evaluation consists of three components: departmental performance, individual performance, and competency assessment. The competency assessment is conducted by multiple raters, including the employee themselves, other team members, and the department head. Employees are expected to jointly develop a performance accountability agreement with their department head, fostering ongoing, agile communication and timely feedback throughout the year. Department heads are responsible for providing performance coaching to their team members, proactively identifying and addressing challenges employees encounter, and offering appropriate support to ensure performance success.



For employees who cause major liability accidents due to personal reasons, make significant errors at work resulting in substantial losses, or severely violate laws, regulations, or company policies leading to negative impacts, their annual performance evaluation can be directly determined as unsatisfactory. Employees who bear direct or leadership responsibility for legal risk events, quality and safety incidents, or breaches of confidentiality cannot be rated as excellent in their evaluations.



Benefits and Protections

The Group is committed to maintaining a comprehensive range of employee benefits and continuously improving the welfare protection system. We strictly adhere to local laws regarding paid annual leave, marriage leave, maternity leave, paternity leave, and other employee benefits in all operational regions. For example, Female employees nursing infants under one year old are entitled to one hour of breastfeeding time per day. Parents with children up to three years old are eligible for five or ten days of paid parental leave annually, depending on regional regulations. Employees with children receive subsidies on Children's Day (June 1st) based on the number of children they are raising. Our office buildings are equipped with nursing rooms to support working parents. The *Employee Attendance and Leave Management Measures* clearly stipulate that all employees are entitled to paid annual leave and specify the relevant number of days. Employees should arrange and use their annual leave by December 31st each year. If it's not possible to take the leave within the specified timeframe, it can be deferred until March 31st of the following year. Additionally, we offer flexible working hours and remote work arrangements for eligible employees.

The Group complies strictly with the *Mandatory Provident Fund Scheme Ordinance* (Chapter 485 of the Laws of Hong Kong) to establish a Mandatory Provident Fund (MPF) plan for eligible employees in Hong Kong. In mainland China, we follow relevant labor standards to contribute to social insurance and housing provident funds for eligible employees. Furthermore, according to our internal Enterprise Annuity Implementation Rules, we establish enterprise annuities for eligible employees.

We regularly organize annual health check-ups to comprehensively assess potential occupational health and safety risks faced by employees. We provide various insurances, including traffic accident insurance, medical insurance, and long-term critical illness insurance, along with mental health support. During the Reporting Period, focusing on the differentiated health needs of employees, we customized “dual-track” health examination packages, increasing the examination budget standard by 15%. We have also collaborated deeply with professional health examination institutions to secure green service channels, creating an efficient and convenient one-stop health screening experience for employees. These measures reflect our high level of attention to employee health, aiming to create a stable and reassuring work and living environment for our employees.

Benefits Overview

Statutory Social Welfare	- Mandatory Provident Fund (MPF) - Social Insurance (including pension, medical, unemployment, work injury, and maternity insurance) and Housing Provident Fund
Supplementary Medical Coverage	- Provide group medical insurance for employees to cover basic needs such as outpatient visits, inpatient surgeries, and dental care - Provide critical illness insurance and life insurance; the supplementary critical illness insurance for mainland China employees offers lifetime coverage - Extend medical coverage to the children of mainland China-based employees
Childcare Support	- Child-rearing allowance - Nursing/breastfeeding break time - Nursery room
Health Check-ups	- Reimburse annual health check-up expenses for employees with one year or more of service - Reimburse pre-employment health check-up expenses for new hires
Leave Entitlements	Provide statutory holidays and various types of leave to meet employees' diverse needs
Allowances and Subsidies	- Communication allowance - Confidentiality allowance - Overseas assignment allowance
Transportation Support	Provide transportation support for work-related travel, including access to company vehicles and reimbursement of transportation expenses

Enhancing employee cohesion and a sense of belonging is key to the steady development of our company. The Group actively organizes and encourages employees to participate in various sports activities and cultural events to relieve stress, promote team communication, and improve the quality of life for employees. We support these activities, such as daily sports and cultural events, group outings, and participation in sports competitions, with funding, adhering to the principle of being "frugal yet effective."

The labor union actively shows care and provides condolences during holidays, on employees' birthdays, and during significant personal events such as weddings, bereavements, illnesses, or childbirth. In accordance with relevant regulations, we provide care packages and/or cash gifts. We also extend warmth to retired employees by conducting visits and distributing gift money and gifts every year before the Spring Festival. During the Reporting Period, we organized several employee activities, including a "Celebrating National Day and Welcoming Mid-Autumn Festival - Reunion and Harmony in CSSC" event held in October at our Hong Kong office. This event enriched employees' spiritual and cultural lives, provided a platform for interaction, and strengthened their sense of belonging and team cohesion.

Employee Event: Celebrating National Day and Welcoming Mid-Autumn Festival - Reunion and Harmony in CSSC ▼



Health and Safety

Our employees primarily work in office environments, and we are committed to creating a safe and healthy workplace to ensure that employees are free from occupational hazards. Additionally, we ensure that all business operations, employees, and contractors under our supervision comply with relevant occupational health and safety management policies, which are developed in consultation with employees and their representatives.

During the Reporting Period, the Group introduced and revised seven internal safety-related policies, including: *Occupational Safety Management Measures*, *Occupational Safety Responsibility Management Measures*, *Office Area Safety Management Measures*, *Detailed Rules for Supervision and Management of Ship Safety Production*. These measures comprehensively enhance our safety management system and actively foster a culture of safety.

The *Occupational Safety Management Measures* clearly designate the Company's General Manager as the primary person accountable for safety management. The Company's Occupational Safety Committee, composed of senior management and heads of relevant departments, is responsible for coordinating and guiding all aspects of occupational safety and health. The Group has established quantifiable objectives for improving occupational health and safety and has implemented a series of safety management measures, including:

- Department heads serve as designated safety officers and are responsible for organizing regular safety inspections;
- Conducting hazard identification and safety risk assessments, and carrying out unified renovation and maintenance of office areas that no longer meet safety or operational requirements due to aging equipment or infrastructure, thereby eliminating potential hazards;
- Strengthening the management of flammable, explosive, and other hazardous materials, and regularly organizing fire safety training and emergency drills;
- Ensuring that the installation and use of all computer equipment comply with safety standards, with designated personnel responsible for their custody;
- Providing employees with personal protective equipment (PPE) that meets safety requirements and enrolling them in statutory work injury insurance as required by law;
- Delivering regular safety education and training to ensure employees possess the necessary skills and awareness to prevent accidents;
- Prioritizing safety expenditures in the annual budget, allocating funds as required and based on actual needs for hazard remediation, safety technology measures, safety training, PPE, and related items;
- Legally implementing job reassignments for employees diagnosed with work-related injuries, occupational diseases, or occupational contraindications;
- Integrating occupational safety risks into the Company's enterprise-wide risk management framework;
- Establishing an emergency management system and developing comprehensive emergency response plans;
- Empowering all employees to report any violations of the Group's safety policies; and
- Offering employees supplementary medical insurance and annual health check-ups.

Development and Training

The Group remains firmly committed to advancing the “Talent Strengthens the Enterprise” strategy, continuously refining its employee development system to build a world-class talent pool. During the Reporting Period, we revised the *Management Measures of Staff Training* to establish an institutionalized mechanism for training and development. Through continuous and structured training programs, we aim to enhance employees’ professional knowledge, management capabilities, and overall competencies required to fulfill their roles—thereby supporting the company’s business growth and long-term operational needs. We are also continuously improving our job grading and career pathway framework to enhance the scientific rigor and standardization of position design and management. The Group’s job families primarily include management positions, professional/technical positions, and support positions. The *Measures for the Setting and Management of Positions* clearly define criteria such as position qualifications, staffing and adjustments, and job rotation and cross-functional exchanges, providing employees with clearer career progression pathways.

In terms of training mechanisms, the Group adopts a tiered and categorized training model, integrating corporate-level and department-level training plans. We combine centralized training with ongoing learning, internal with external training, and in-person with online learning to create diverse and flexible learning pathways. Throughout the training implementation process, we encourage interdepartmental collaboration and experience sharing, and leverage a training outcomes sharing mechanism to facilitate knowledge transfer and practical application within teams—enabling employees to enhance both their professional expertise and human-machine collaboration skills in real-world work scenarios.

Regarding training formats, the Group continues to invest substantial resources in learning and development, organizing a wide range of training initiatives, including:

Internal training

Training sessions conducted by the Group for employees, facilitated by a team of instructors, which includes both external and internal lecturers.

External training

Based on training needs, employees are assigned to participate in externally organized training.

Rotation training

Employees are trained across departments to accumulate and improve business skills and experience.

Mentor Training

Instructors or leaders in the departments train employees and impart business knowledge, skills and experience.

Employee Self-Learning

According to the needs of the position or career development, employees learn the necessary knowledge and skills on their own.

Online Learning

The Group uses the Internet and other modern information technology to provide training courses, improving the level of training management informatization.

The Group tailors training programs to different categories of employees, including managers, business personnel, functional staff, and new hires. Training content covers a broad range of topics such as management skills, professional competencies, compliance and risk management, corporate culture, and job-specific knowledge. Specifically, Management Training focuses on enhancing leadership and management capabilities. New Employee Training concentrates on introducing the company’s background, business structure, policies, procedures, and corporate culture to help new hires integrate quickly into the work environment. Additionally, in line with business development needs, we offer training related to information technology and digitalization to support operational efficiency improvements. In addition, the Group closely follows market trends and regulatory priorities by organizing thematic, company-wide training sessions. For example, during the Reporting Period, we invited an analyst from Fitch Sustainable (an ESG rating agency) to deliver a comprehensive ESG-focused training session for all employees. The session shared insights on ESG market developments and rating methodologies, deepening staff understanding of ESG principles and practices.

Middle Management Performance Management Training

During the Reporting Period, to enhance the leadership skills of management personnel and promote the effective implementation of the Company’s performance management system, the Company invited external human resources management experts to conduct offline, face-to-face performance management training. The training targeted middle management and above, with a total of 16 participants. The training content was tailored to the Company’s business nature and management requirements, providing a systematic explanation of performance management, covering aspects such as its underlying principles, goal setting, performance coaching, performance evaluation, and performance feedback and application.

For high-potential employees and management trainees, we have developed comprehensive development plans. These include: Daily Training: Regular skill-building sessions. Cross-Departmental Exchanges: Opportunities for exposure to different parts of the business. Secondments to Subsidiaries: Assignments that broaden experience and perspective. These initiatives aim to foster talent growth and achieve a “win-win” situation for both employees and the company. Our *Management Trainee Development Measures* outline structured development plans that combine task-based learning and mentorship to equip trainees with the necessary professional knowledge and practical experience. We employ a variety of methods such as centralized training, mentor-led development, and rotational assignments to provide comprehensive and multifaceted training. This approach aims to stimulate innovation and creativity, ensuring continuous talent cultivation and deployment.

Centralized Training

Training content covers the company’s organizational structure, strategic objectives, and industry knowledge. Delivery formats include thematic lectures, online training, and off-site training programs.

Mentorshi Development

Upon onboarding, each management trainee is assigned a one-on-one mentor from their hiring department to provide personalized guidance, ensuring they can independently perform their job responsibilities.

Rotational Development

After completing a specified period of employment, management trainees may undergo job rotations based on career development needs and business requirements. Rotation pathways include: Intra-departmental rotation, Cross-departmental rotation, Shipyard internships.

The “Rotation Program” is designed to periodically arrange job rotations and exchanges for designated personnel—including management trainees—based on business development needs, talent pipeline requirements, and individual career growth objectives. The program aims to optimize human resource allocation, enhance employees’ overall competencies, and broaden their business experience. During the Reporting Period, eight employees participated in this rotation program.

Each year, the Group conducts a training needs survey and formulates an annual training plan accordingly. The Human Resources Department oversees the implementation and monitors the execution of the plan. All completed training activities and associated training hours are recorded and maintained in individual training records. General management staff are required to complete at least 110 training hours per year. General employees must complete at least 90 training hours per year. Completion of these training requirements serves as a key reference in performance evaluations and position management decisions.

During the Reporting Period, the Group continued to increase its investment in employee training and development, offering a diverse range of programs, including legal and regulatory compliance training, management training, skills training, and integrity training, etc. Full-time employee training coverage rate reached 100%, average training expenditure per employee reached RMB 2,309.49, and average training hours per employee reached 62.51 hours. The following table shows the average training expenditure per full-time employee by training category:

Training Type	Per capita training expenses for full-time employees(RMB)
Skills Training	762.38
Management Training	736.19
Legal and Regulatory Training	227.27
Cybersecurity Training	0
Integrity Training	0
Others	583.64



08.

Win-Win Cooperation, Building a Sustainable Supply Chain Together

This section focuses on addressing the following issues:

Supply Chain Management | Community Engagement

As a responsible state-owned enterprise, CSSC places significant emphasis on fulfilling its social responsibilities and actively promotes sustainable development throughout its value chain. In supply chain management, the Group adheres to the principles of sustainability, working hand-in-hand with partners to build a green, efficient, and responsible supply chain system. In customer management, the Group continuously improves service quality by conducting customer satisfaction surveys. In community engagement, the Group focuses on regional economic development and improvement of living standards, deeply integrating into local communities through public welfare activities to give back to society and demonstrate its commitment as a responsible corporate citizen.

Building a Responsible Supply Chain

The Group's primary suppliers are those providing shipbuilding services. As of the end of the Reporting Period, the Group has six qualified shipbuilding service providers, primarily located in mainland China.

The Group has established and implemented the *Guidance on Supplier Management*, which outlines the requirements for hiring and evaluating shipbuilding service suppliers. Suppliers are rated based on their performance and past cooperation, forming a list of qualified suppliers. Relevant departments conduct annual evaluations of these suppliers, assessing not only their ability to fulfill contracts, design and R&D capabilities, and production capacity but also the environmental impact and safety records of ongoing and upcoming projects. This includes checking if any major safety incidents have occurred within the last two years, thereby providing a comprehensive assessment of suppliers' environmental and social risks. Any changes to the list of qualified suppliers resulting from these evaluations must be approved by senior management. During the Reporting Period, all cooperating suppliers were approved by the General Manager Office.

Under the strategic guidance of developing green ships, the Group prioritizes collaboration with suppliers who present lower environmental and social risks, mainly focusing on shipbuilding enterprises under CSSC Group. CSSC Group incorporates green and intelligent elements into ship design and R&D stages, continually increasing investment in green ship research to reduce resource consumption and environmental impact. The Group also pays close attention to the safety conditions of shipbuilding service suppliers. For instance, for LNG ship construction services, suppliers are required to have internal Health, Safety, and Environment (HSE) policies and dedicated personnel responsible for HSE matters.

Occupational health and safety management of ship management companies is a crucial aspect of building a responsible supply chain. The Group annually invites classification societies and third-party organizations to conduct spot checks on the management systems and daily operations of ship management companies, ensuring timely identification of issues and promoting corrective actions. Based on typical hazards and various levels of emergencies that ships may face, the Group, through ship management companies, develops emergency manuals and procedures, updating them annually.

In operational management, the Group requires ship management companies to report on-board safety dynamics every two weeks and provide technical management reports every three months, reviewing the management status of safety equipment and facilities on each vessel. When ships dock at Chinese ports, the Group endeavors to send technicians to visit the vessels in person, emphasizing safe operations, and assisting ship management companies in conducting crew safety training.

During the Reporting Period, the Group revised the *Detailed Rules for Vessel Safety Production Management* to further refine safety management standards for vessel assets. Key vessel safety management measures include:

Key vessel safety management measures

- Conduct annual reviews of the Document of Compliance for ship management companies and the Safety Management Certificate for each vessel to ensure their validity.
- Ensure that all vessels and crew members are fully insured with various types of insurance policies and that these policies are renewed in a timely manner.
- Hold biannual safety meetings with ship management companies to review reports on safety hazard identification, personnel safety training, emergency drills, risk assessments, and other relevant matters.
- Perform regular vessel safety inspections and hire qualified institutions to conduct professional checks on at least one vessel managed by each ship management company annually.
- Strengthen the vessel safety capabilities of relevant employees by actively participating in safety-related training organized by classification societies, maritime authorities, and other relevant bodies. This enhances their ability to supervise ship management companies effectively.
- In the event of an accident, follow relevant laws and regulations to conduct accident determination and reporting. Collaborate with management companies to handle the incident, summarize lessons learned, propose corrective actions, and monitor their implementation.
- Conduct annual spot checks on the emergency drill plans of ship management companies as well as the plans for joint ship-shore emergency exercises.
- Organize at least two joint ship-shore emergency exercise activities annually with different ship management companies to enhance coordination and preparedness.



Enhancing Customer Satisfaction

The Group is committed to optimizing customer service by continuously improving service processes, enhancing customer communication and support, and comprehensively elevating the customer experience. To this end, we conducted a 2025 Customer Satisfaction Survey at the beginning of 2026 to gain deeper insights into customer feedback and expectations regarding our services.

The customer satisfaction survey invited nearly all of the Group's key clients, achieving a final effective response rate of 65%. This relatively high response rate not only reflects customers' trust and support but also underscores the strength of our collaborative relationships.

Survey results showed that the overall customer satisfaction rate reached 97.2%, a further improvement from the previous survey result (94.1%) and 7.2 percentage points higher than our target of 90%. None of the surveyed customers expressed "dissatisfied/disagree", "very dissatisfied/strongly disagree", or any other negative feedback on the surveyed items. During the Reporting Period, the Group received no customer complaints.



Fulfilling Social Responsibility

The Group actively fulfills its social responsibilities, emphasizing public welfare initiatives and giving back to society and the communities where we operate through new and innovative methods. By strengthening community engagement and support, we share the fruits of our corporate development with society and integrate effective social investment principles into our management and decision-making processes. Specific measures include, but are not limited to:

- Promoting rural revitalization and implementing consumption-based assistance programs.
- Supporting employees who volunteer in their local communities.

During the Reporting Period, our efforts in rural revitalization continued to focus on consolidating and expanding the achievements of poverty alleviation. We persistently worked on consumption-based assistance to help rural products access broader sales channels. The total investment in rural revitalization and consumption assistance during this Reporting Period amounted to approximately RMB 20,800.

As a state-owned enterprise based in Hong Kong, we actively integrate into local society, encouraging our employees to engage in and lead community-based public welfare activities under the theme of "Chinese Enterprises Serving the Community". Through volunteer work, our employees provided services to residents. During the Reporting Period, employees from our Hong Kong office participated in the "Housing Visit Initiative" activity, accompanying families living in unsafe housing on tours of transitional housing units in Yuen Long and Kai Tak, helping them address housing difficulties. Our employees leveraged their extensive connections in the shipping and finance industries to facilitate exchanges between Hong Kong and mainland enterprises, contributing to deeper cooperation between Guangdong and Hong Kong, and effectively promoting Hong Kong's integration into the broader national development framework.



Appendix I: Performance of 2025 Environmental Aspect¹⁷

Key Performance Indicators ¹⁸	Units	2025	2024	2023	Key Performance Indicators ¹⁸	Units	2025	2024	2023
Air Pollutants¹⁹					Non-hazardous Waste Generated				
NO _x	kg	0.05	0.24	0.52	Total Amount of Non-hazardous Waste Generated ²⁹	tonnes	3.46x10 ⁻³	0	0
SO _x	kg	0.01	0.02	0.04	Ink Cartridge/Toner	tonnes	3.46x10 ⁻³	0	0
CO	kg	1.47	5.48	12.56	Non-hazardous Waste Recycled				
PM	kg	0.01	0.03	0.07	Total Amount of Non-hazardous Waste Generated	tonnes	1.06	1.45	1.30
Greenhouse Gas Emission					Non-hazardous Waste Intensity	kg/million HK\$	0.26	0.36	0.36
Total GHG Emissions(Scope 1 and 2) ²⁰	tCO ₂ e	1.12	7.49	96.58	Paper	tonnes	1.02	1.33	1.18
GHG Emission Intensity(Scope 1 and 2)	tCO ₂ e/million HK\$	2.78x10 ⁻⁴	1.86x10 ⁻³	0.03	Plastic	tonnes	0.04	0.12	0.12
Scope 1					Non-hazardous Waste Recycled				
Direct Emissions from Mobile Sources with Operational Control ²¹	tCO ₂ e	1.12	2.43	5.64	Total Amount of Non-hazardous Waste Recycled	tonnes	0.03	0.07	0.07
Scope 2					Paper ³⁰	tonnes	0.03	0.07	0.07
Indirect Emissions from Purchased Electricity — location-based ²²	tCO ₂ e	115.55	103.03	90.94	Use of Resources				
Indirect Emissions from Purchased Electricity — market base ²³	tCO ₂ e	0.00	5.06	90.94	Total Amount of Resources Consumption	MWh	215.01	189.27	171.85
Scope 3					Resources Consumption Intensity	MWh/million HK\$	0.05	0.05	0.05
Business Air Travel by Employees ²⁴	tCO ₂ e	118.26	150.56	186.92	Direct Energy				
Leased Assets (Downstream) – Leased out Vessels ²⁵	tCO ₂ e	854,897.67	1,059,264.60	706,279.52	Petrol Consumption	MWh	4.56 ³¹	9.84	22.75
Purchased Services ²⁶	tCO ₂ e	61.36	/	/	Petrol Consumption Intensity	MWh/million HK\$	1.13x10 ⁻³	2.44x10 ⁻³	6.27x10 ⁻³
Hazardous Waste Generated					Indirect Energy				
Total Amount of Hazardous Waste Generated ²⁷	tonnes	4.92x10 ⁻³	11.18x10 ⁻³	2.79x10 ⁻³	Purchased Electricity Consumption	MWh	210.45	179.43	149.10
Hazardous Waste Intensity	kg/million HK\$	1.22 x10 ⁻³	2.77x10 ⁻³	0.77x10 ⁻³	Purchased Electricity Consumption Intensity	MWh/million HK\$	0.05	0.04	0.04
Waste Batteries	tonnes	4.92x10 ⁻³	9.82x10 ⁻³	1.89x10 ⁻³	Renewable Electricity Purchased ³²	MWh	220.00	170.00	/
Ink Cartridge/Toner	tonnes	0 ²⁸	1.36x10 ⁻³	0.90x10 ⁻³					

Appendix I: Performance of 2025 Social Aspect

Key Performance Indicators	Units	2025	2024	2023
Employees	Person	77	83	87
Number of Employees by Region³³				
Mainland China	Person	52	53	71
Hong Kong	Person	25	30	16
Number of Employees by Gender				
Female	Person	40	43	44
Male	Person	37	40	43
Number of Employees by Employment Type				
Full-time	Person	77	83	87
Part-time	Person	0	0	0
Number of Employees by Age				
Below 30	Person	10	12	13
30 - 40	Person	30	40	44
41 - 50	Person	26	22	21
Above 50	Person	11	9	9
Employees Turnover Rate	%	11	7	13
Turnover Rate by Region				
Mainland China	%	6	4	3
Hong Kong	%	24	13	13
Turnover rate by Gender				
Female	%	8	2	7
Male	%	16	13	2
Turnover rate by Age				
Below 30	%	0	8	23
30 - 40	%	13	0	0
41 - 50	%	4	9	0
Above 50	%	36	33	11

Key Performance Indicators	Units	2025	2024	2023
Employee Training³⁴				
Percentage of Trained Employees by Gender				
Female	%	51.95	51.81	50.57
Male	%	44.05	48.19	49.43
Percentage of Trained Employees by Employee				
High-level	%	6.49	8.43	8.05
Mid-level	%	15.58	13.25	11.49
Basic-level	%	72.92	78.31	80.46
Average Training Hours by Gender				
Female	Hour	61.93	40.17	14.73
Male	Hour	63.14	44.18	30.84
Average Training Hours by Employee Category				
High-level	Hour	157.30	64.64	72.29
Mid-level	Hour	122.63	80.00	34.80
Basic-level	Hour	42.58	33.26	16.00
Work Safety				
Work-related Fatalities	Person	0	0	0
Rate of Work-related Fatalities	%	0	0	0
Lost Days Due to Work Injury	Day	0	0	0
Number of Suppliers by Geographical Region³⁵				
Mainland China	No.	6	10	7

Appendix 2 List of Laws and Regulations

ESG Aspects	Laws and regulations - Hong Kong	Laws and regulations - Mainland China	Compliance Status
Environmental	Cap.311 Air Pollution Control Ordinance Cap.354 Waste Disposal Ordinance	Environmental Protection Law of the People's Republic of China Environmental Impact Assessment Law of the People's Republic of China Environmental Protection Tax Law of the People's Republic of China Implementing Regulations on the Environmental Protection Tax Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Solid Waste Prevention and Control Law of the People's Republic of China	During the Reporting Period, the Group did not experience any violation of laws and regulations relating to the Group's air emissions and GHG emissions, discharges into water and land, waste generation and disposal that had a significant impact on the Group.
Employment and Labor Standards	Cap.57 Employment Ordinance Cap.480 Sex Discrimination Ordinance Cap.487 Disability Discrimination Ordinance Cap.602 Race Discrimination Ordinance	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Minors Protection Law of the People's Republic of China Provisions on the Prohibition of Using Child Labor	During the Reporting Period, the Group did not receive any information about laws and regulations that had a significant impact on the Group and are related to employment, employment of child labor, and forced labor.
Work Health and Safety	Cap.509 Occupational Safety and Health Ordinance Cap.282 Employees' Compensation Ordinance	Occupational Diseases Prevention and Treatment Law of the People's Republic of China Fire Control Law of the People's Republic of China	During the Reporting Period, the Group did not receive any complaints about occupational health and safety that had a significant impact on the Group.
Product Responsibility	Cap.362 Trade Descriptions Ordinance Cap.486 Personal Data (Privacy) Ordinance Cap.559 Trademarks Ordinance Cap.571 Securities and Futures Ordinance	Patent Law of the People's Republic of China Trademark Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Intellectual Property Law of the People's Republic of China	During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations concerning the provision and use of the Group's products and services, which cover product and service information and labelling, privacy, marketing communications (including advertising, promotion and sponsorship), and property rights (including intellectual property rights) that had a significant impact on the Group.
Anti-corruption	Cap.201 Prevention of Bribery Ordinance Cap.204 Independent Commission Against Corruption Ordinance Cap.571 Securities and Futures Ordinance Cap.615 Anti-Money Laundering and Counter-Terrorist Financing Ordinance Cap.622 Companies Ordinance	Anti-Money Laundering Law of the People's Republic of China Interim Provisions on Banning Commercial Bribery	During the Reporting Period, the Group did not receive any laws and regulations relating to the prevention of bribery, extortion, fraud, and money laundering, and did not receive any cases relating to internal employees involved in bribery, extortion, and money laundering.

Appendix 3 Content Index

Disclosure

Chapter

Mandatory Disclosure Requirements

Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.		Deepening Reform to Enhance Governance Effectiveness Low-Carbon Transition, Addressing Climate Change
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	About This Report
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	About This Report
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report
Reporting Principles	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		About This Report

Appendix 3 Content Index

A.Environmental

Disclosure

Chapter

“Comply or explain” Provisions

Aspect A1: Emissions	General Disclosure		Low-Carbon Transition, Addressing Climate Change
	Information on:		Appendix 2 List of Laws and Regulations
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste		
	Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride Hazardous wastes are those defined by national regulations.		
KPI A1.1	Types of emissions and related emission data.		Appendix 1 Performance of 2025
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Appendix 1 Performance of 2025
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Appendix 1 Performance of 2025
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.		Low-Carbon Transition, Addressing Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them.		Low-Carbon Transition, Addressing Climate Change
Aspect A2: Use of Resources	General Disclosure		Low-Carbon Transition, Addressing Climate Change
	Policies on the efficient use of resources, including energy, water and other raw materials.		Appendix 2 List of Laws and Regulations
	Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix 1 Performance of 2025
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Not Applicable ³⁶
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Low-Carbon Transition, Addressing Climate Change
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Low-Carbon Transition, Addressing Climate Change
	KPI A2.5	Total packaging material used for finished products (in tones) and, if applicable, with reference to per unit produced.	Not Applicable ³⁷
Aspect A3: The Environment and Natural Resources	General Disclosure		Low-Carbon Transition, Addressing Climate Change
	Policies on minimizing the issuer's significant impact on environment and natural resources.		
	KPI A3.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Low-Carbon Transition, Addressing Climate Change

Appendix 3 Content Index

B. Social / Employment and Labor Practices

Disclosure

Chapter

"Comply or explain" Provisions

Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, another benefits and welfare.		Inclusive and Mutually Beneficial, Advancing Together with Employees Appendix 2 List of Laws and Regulations
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix 1 Performance of 2025
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 1 Performance of 2025
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards		Inclusive and Mutually Beneficial, Advancing Together with Employees Appendix 2 List of Laws and Regulations
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 1 Performance of 2025
	KPI B2.2	Lost days due to work injury.	Appendix 1 Performance of 2025
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Inclusive and Mutually Beneficial, Advancing Together with Employees
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		Inclusive and Mutually Beneficial, Advancing Together with Employees
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1 Performance of 2025
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 1 Performance of 2025
Aspect B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.		Inclusive and Mutually Beneficial, Advancing Together with Employees Appendix 2 List of Laws and Regulations
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Inclusive and Mutually Beneficial, Advancing Together with Employees
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Inclusive and Mutually Beneficial, Advancing Together with Employees

Appendix 3 Content Index

B. Social / Operating Practices

Disclosure

Chapter

“Comply or explain” Provisions

Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risk of supply chain.		Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B5.1	Number of suppliers by geographical region.	Appendix 1 Performance of 2025
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Win-Win Cooperation, Building a Sustainable Supply Chain Together
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix 2 List of Laws and Regulations
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Not Applicable ³⁸
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B6.4	Description of quality assurance process and recall procedures.	Deepening Reform with a Focus on Value Creation
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Not Applicable
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Deepening Reform with a Focus on Value Creation
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix 2 List of Laws and Regulations
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Deepening Reform with a Focus on Value Creation
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Deepening Reform with a Focus on Value Creation

B. Social / Community

Aspect B8: Community investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Win-Win Cooperation, Building a Sustainable Supply Chain Together
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Win-Win Cooperation, Building a Sustainable Supply Chain Together

Appendix 3 Content Index

Disclosure		Chapter
“Climate-related Disclosures” Provisions		
Governance		
Governance	The issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Deepening Reform to Enhance Governance Effectiveness
Strategy		
Climate-related risks and opportunities	The issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Low-Carbon Transition, Addressing Climate Change
Business model and value chain	The issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Low-Carbon Transition, Addressing Climate Change
Strategy and decision-making	The issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Low-Carbon Transition, Addressing Climate Change
Financial position, financial performance and cash flows	Current financial effect: The issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. Anticipated financial effect: The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration its investment and disposal plans and its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Low-Carbon Transition, Addressing Climate Change³⁹ Low-Carbon Transition, Addressing Climate Change⁴⁰
Climate resilience	The issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	Low-Carbon Transition, Addressing Climate Change
Risk Management		
Risk Management	The issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about the inputs and parameters, whether and how it uses climate-related scenario analysis, how it assesses the nature, likelihood and magnitude of effects, whether and how it prioritises climate-related risks relative to other types of risks, and how it monitors these risks; (b) the processes it uses to identify, assess, prioritise and monitor climate-related opportunities (including whether and how it uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Low-Carbon Transition, Addressing Climate Change

Appendix 3 Content Index

Disclosure		Chapter
“Climate-related Disclosures” Provisions		
Metrics and Targets		
Greenhouse gas emissions	The issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Low-Carbon Transition, Addressing Climate Change Appendix I: Performance of 2025
Climate-related transition risks	The issuer shall disclose the approach it uses to measure its greenhouse gas emissions. The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks	Appendix I: Performance of 2025 Not Applicable ⁴¹
Climate-related physical risks	The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Not Applicable ⁴²
Climate-related opportunities	The issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Not Applicable ⁴³
Capital deployment	The issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Low-Carbon Transition, Addressing Climate Change
Internal carbon prices	The issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	Not Applicable ⁴⁴
Remuneration	The issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Deepening Reform to Enhance Governance Effectiveness Low-Carbon Transition, Addressing Climate Change
Industry-based metrics	The issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Low-Carbon Transition, Addressing Climate Change
Climate-related targets	The issuer shall disclose: (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Deepening Reform to Enhance Governance Effectiveness Low-Carbon Transition, Addressing Climate Change
	The issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	Deepening Reform to Enhance Governance Effectiveness Low-Carbon Transition, Addressing Climate Change
	The issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Low-Carbon Transition, Addressing Climate Change
	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Low-Carbon Transition, Addressing Climate Change ⁴⁵
Applicability of cross-industry metrics and industry-based metrics	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics and (ii) industry-based metrics.	Low-Carbon Transition, Addressing Climate Change ⁴⁶

1.	The Group conducted assessments and analyses of climate risk at the end of 2023, covering the Group's Investment and Financing Projects and Office Operations. During the Reporting Period, the Group reviewed the results of the assessments.	24.	The Scope 3 - Business Air Travel by Employees emissions data generated by employees' business air travel is based on the calculation of CO ₂ emissions from air travel developed by the International Civil Aviation Organization (ICAO), an agency of the United Nations. For more details, please refer to the link.
2.	Covering current and expected financial impacts.	25.	Activity data for GHG emissions from leased assets (Downstream) - leased out vessels, are derived from the relevant management system of the ship management company.
3.	Covering current and expected financial impacts.	26.	Activity data for GHG emissions from purchased services are derived from internal system records. Emissions data for purchased services are calculated with reference to the Chinese Environmentally Extended Input-Output Database (CEEIO).
4.	The operational carbon intensity indicator (CII) is one of the short-term measures adopted by the IMO to achieve the shipping industry's GHG emission reduction targets. From January 2023, applicable ships are required to gradually reduce their carbon emission intensity through operational measures and undergo annual ratings. The rating requirements will become increasingly stringent over time. Ships rated D will have a grace period of three year, while those rated E will have a one-year grace period to implement measures aimed at achieving a C rating or higher.	27.	Waste battery generation data for 2024 covers all three offices.
5.	The Energy Efficiency Existing Ship Index (EEXI) is one of the short-term measures introduced by the IMO. It was certified during the first inspection following January 2023, requiring applicable ships to achieve the minimum energy-efficiency standards.	28.	In 2025, the Group did not dispose of any ink cartridges/toners as waste. Instead, they were handed over to printing companies for recycling, where they are either remanufactured or cleaned for reuse in the production of new cartridges.
6.	Based on the current availability of data, this Report presents the environmental performance data for 41 vessels in the Group's fleet for 2025 and 45 vessels for 2025. The fleet composition for the two years are not entirely consistent.	29.	In 2025, the Group began to collect data on the recycling of hazardous waste.
7.	Emissions of air pollutants result from the combustion of fuel in marine engines and boilers. Calculations reference the <i>Fourth IMO Greenhouse Gas Study 2020</i> published by IMO, and emission factors are based on the <i>EMEP/EEA Air Pollutant Emission Inventory Guidebook 2023</i> .	30.	The paper recycling data for 2024 covers both the Hong Kong and Shanghai offices, while previous years' data only covered the Hong Kong office.
8.	The increase in SOx emissions in 2025 compared to 2024 is mainly attributable to a higher proportion of high-sulfur fuel oil (HSFO) used among vessels included in the 2025 calculation scope.	31.	The decrease in petrol consumption in 2025 compared to 2024 is primarily attributable to: (1) the exclusion of the Guangzhou office, which was vacated in mid-2024 and is therefore not included in the 2025 data; and (2) a reduction in mileage driven by the Group's vehicles in 2025 compared to the previous year.
9.	The reduction in CO emissions in 2025 compared to 2024 is primarily due to lower LNG consumption by vessels within the 2025 calculation scope relative to those in 2024. The four vessels that accounted for relatively high LNG consumption in 2024 are not included in the 2025 statistical scope.	32.	All procured through International Renewable Energy Certificates (I-REC).
10.	The GHG emissions from vessels are mainly generated from the combustion of vessel engines and boilers. The calculation is based on the <i>Fourth IMO Greenhouse Gas Study 2020</i> published by IMO, and the emission factors refer to the <i>Life Cycle GHG Intensity for Marine Fuels</i> .	33.	The Group's employee statistics based on regional segmentation are "working in mainland China" and "working in Hong Kong".
11.	The significant reduction in LPG consumption in 2025 compared to 2024 is primarily because the three vessels that accounted for relatively high LNG consumption in 2024 are not included in the 2025 calculation scope.	34.	The percentage of employees trained in a specific category=Total number of employees trained in the specific category divided by the total number of employees trained.
12.	The baseyear is 2022. The short-term corresponds to a time frame of 1-2 years; the mid-term corresponds to 3-5 years; the long-term corresponds to 6-10 years. As of the end of the Reporting Period, all short-term targets have been achieved; therefore, the table only presents the medium- and long-term targets currently in progress.	35.	The primary suppliers of the Group are those who provide shipbuilding services. The supplier data here refers to the number of qualified shipbuilding service providers.
13.	This qualitative climate-related target covers the Group's Scope 3 GHG emissions, yet only address carbon dioxide(CO ₂).	36.	As the water usage of each office is managed by the property management, the Group is currently unable to provide an accurate annual water consumption of each individual office. Therefore, this indicator is not applicable.
14.	The baseyear is 2022. The short-term corresponds to a time frame of 1-2 years; the mid-term corresponds to 3-5 years; the long-term corresponds to 6-10 years. As of the end of the Reporting Period, all short-term targets have been achieved; therefore, the table only presents the medium- and long-term targets currently in progress.	37.	The major business activities of the Group are leasing services, ship brokerage services and loan services of which the business process, the use of packaging materials for finished products are not involved. Therefore, the indicator is not applicable.
15.	This is a qualitative climate-related target and covers the Group's Scope 1 and 2 greenhouse gas emissions, including three greenhouse gases: CO ₂ , methane, and nitrous oxide.	38.	The Group understands the importance of publicity for the benefit of the company. However, the Group's current business strategy does not rely on advertising for publicity. The Group's main business is the provision of financial services which does not involve any health and safety issues related to the services, issues of quality assurance and product recalls. As there are no actual product sales in the Group's direct operations, no matters related to product labeling are involved.
16.	The target of "Promote carbon offset initiatives" has been specified as "Procure green electricity".	39.	Regarding quantitative information on current or anticipated financial impacts: As it is difficult to isolate the specific effects of climate-related risks or opportunities (e.g., weather-related delays) on financial performance from other market factors (e.g., freight rate fluctuations, fuel price changes), and given the high level of uncertainty inherent in the models used for quantitative assessment, the Group has opted not to provide quantitative data on the financial impact of climate risks for the current year. Nevertheless, management believes that climate risks have not had a material adverse impact on the Group's financial position during the reporting period.
17.	The environmental key performance indicators for 2025 cover the Group's Hong Kong and Shanghai offices, while data for 2024 and prior years cover the Hong Kong, Shanghai, and Guangzhou offices. The Guangzhou office was vacated at the end of June 2024. Furthermore, as the water usage of each office is managed by the property management, the Group is currently unable to provide an accurate annual water consumption of each individual office.	40.	Regarding anticipated financial impacts: Accurately projecting the financial effects of long-term climate scenarios requires complex actuarial models and extensive historical data. The Group is currently in the process of building its capacity for relevant data collection and assessment. Therefore, quantitative disclosures on expected financial impacts are not available for this reporting period. We will continue to monitor developments in relevant assessment methodologies and plan to make such disclosures at an appropriate time in the future.
18.	To illustrate the correlation between the environmental intensity indicators and business growth of the Group, the annual consolidated revenue of the Group serves as the denominator in all calculations of these intensity metrics.	41.	Regarding quantitative assessment of assets or business activities vulnerable to climate-related physical risks, transition risks, or opportunities: Conducting a precise quantitative assessment of assets or business activities exposed to climate-related physical risks, transition risks, or opportunities would require substantial technical resources and specialized evaluation. At present, undertaking such a comprehensive assessment would involve undue cost and effort. Therefore, the Group has temporarily refrained from disclosing the specific amounts and percentages of affected assets in this reporting period. We have identified high-risk areas through qualitative analysis and are concentrating resources on their priority management.
19.	The calculation of air emissions is based on the <i>Technical Guide for the Preparation of Road Vehicle Air Pollutant Emission Inventory</i> published by the Ministry of Ecology and Environment of the People's Republic of China. The decrease in air pollutant emissions in 2025 compared to 2024 is primarily attributable to: (1) the 2024 data included emissions from the Guangzhou office, which was vacated in mid-2024 and has been excluded from the 2025 data; and (2) the replacement of two official vehicles from China National IV to China National VI standards in 2025, along with a reduction in mileage driven compared to 2024.	42.	Same as above.
20.	Scope 2 emissions in the total GHG emissions are reported using the market-based method. As the Group continues to explore expanding its Scope 3 calculations and to ensure historical data comparability, the indicators "Total GHG Emissions" and "GHG Emission Intensity" have been revised to "Total GHG Emissions (Scope 1 and 2)" and "GHG Emission Intensity (Scope 1 and 2)", effective from the Reporting Period. The data for 2024 and 2023 have been restated accordingly.	43.	Same as above.
21.	Activity data for GHG emissions from mobile sources are derived from vehicle mileage records and fueling receipts. The calculation method refers to the <i>Guidelines for Accounting and Reporting of GHG Emissions of Land Transportation Industries (Trial)</i> and the <i>Guidelines for Accounting and Reporting of GHG Emissions of Industrial and Other industry</i> published by the National Development and Reform Commission of the People's Republic of China. The density of gasoline is calculated at 747.5 kg/m ³ .	44.	The Group has not yet implemented an internal carbon pricing mechanism. We will continue to monitor developments in international regulations and assess the feasibility of introducing such measures at an appropriate time.
22.	Activity data for GHG emissions from purchased electricity are derived from the electricity bills of the Hong Kong and Shanghai offices. The emission factors used in the 2025 calculation are based on the <i>Announcement on the 2023 Electricity CO₂ Emission Factors</i> issued in 2025 by the Ministry of Ecology and Environment of the People's Republic of China and the 2024 <i>Sustainability Report</i> published by HK Electric Investments Limited. The emission factors used in the 2024 calculation are based on the <i>Announcement on the 2022 Electricity CO₂ Emission Factors issued in 2024</i> by the Ministry of Ecology and Environment of the People's Republic of China and the 2023 <i>Sustainability Report</i> published by HK Electric Investments Limited. The 2023 emission factors refer to the <i>Notice on the Preparation of the GHG Emission Reporting and Management Work for the Electricity Generation Industry in 2023-2025 issued in 2023 by the Ministry of Ecology and Environment of the People's Republic of China</i> and the 2022 <i>Sustainability Report</i> published by HK Electric Investments Limited. This indicator is calculated on the assumption that all electricity comes from the grid, disregarding any offsets from green certificates.	45.	The Group's current climate-related targets are qualitative target; therefore, (c), (d), and (e) do not apply at this time.
23.	The Group purchased International Renewable Energy Certificates (I-RECs) in both 2024 and 2025 and completed the corresponding certificate cancellations. These purchases covered approximately 95% of the Group's purchased electricity in 2024 and 100% in 2025, which are used to report Scope 2 emissions under the market-based method.	46.	When preparing this Report, the Group has referred to the cross-industry metrics set out in paragraphs 21 to 26 and 37 to 38 of the ESG Reporting Code, and assessed their applicability based on the Group's business features. The cross-industry indicators applicable upon the assessments are disclosed in the "Low-Carbon Transition, Address Climate Change" section of this Report. In addition, the Group has disclosed the applicable shipping industry-based indicators in the "Low-Carbon Transition , Address Climate Change" section.

Independent Limited Assurance Report



Independent Limited Assurance Report

To the Management of CSSC (Hong Kong) Shipping Company Limited

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by CSSC (Hong Kong) Shipping Company Limited ("the Company") to conduct an independent limited assurance engagement on the sustainability disclosures ("Sustainability Disclosures") presented in its 2025 Environmental, Social and Governance (ESG) Report ("the Report") for the reporting period from 01 January 2025 to 31 December 2025 ("Reporting Period") and issue this Independent Assurance Report ("Assurance Report").

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA's assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements ("ISSA 5000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.

F1025-LA-SUST-ASSUR-HKOCMO-1E-08

24 March 2026

1 / 3



4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

F1025-LA-SUST-ASSUR-HKOCMO-1E-08

24 March 2026

2 / 3



This Assurance Report is made solely for the use of CSSC (Hong Kong) Shipping Company Limited and the users of its 2025 Environmental, Social and Governance (ESG) Report, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

Hong Kong, PRC
16 April 2026
Ref: 14997148

F1025-LA-SUST-ASSUR-HKOCMO-1E-08

24 March 2026

3 / 3