CSSC (Hong Kong) Shipping Company Limited
中國船舶集團(香港)航運租賃有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 3877)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of CSSC (Hong Kong) Shipping Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026, together with comparative figures for the same period of 2025 or as at 31 December 2025, which shall be read in conjunction with the management discussion and analysis, as follows.

FINANCIAL HIGHLIGHTS

1. Summary of Condensed Consolidated Income Statement

	Six months ended 30 June		
	2026	2025	**Change**
	HK$'000	*HK$'000*	
	(Unaudited)	(Unaudited)	
Revenue	**1,911,234**	2,017,965	(5.29%)
Profit for the period	**1,288,428**	1,151,157	11.92%
Earnings per share *(HK$)*:			
– Basic	**0.197**	0.179	10.06%
– Diluted *(Note)*	**0.177**	0.178	(0.56%)

Note:

For the six months ended 30 June 2026, the Group's diluted earnings per share decreased compared to the corresponding period of last year, primarily due to the dilutive effect of the convertible bonds issued during the period. In calculating diluted earnings per share, it should assume that the convertible bonds have been converted from the date of issuance. Although the after-tax interest expenses that would have been saved upon the assumed conversion was added back in the calculation, the impact of the increased weighted average number of potential ordinary shares upon the assumed conversion on the denominator was more significant, thereby resulting in the decrease in diluted earnings per share.

2. Summary of Condensed Consolidated Statement of Financial Position

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)	**Change**
Total assets	**43,049,120**	43,192,791	(0.33%)
Total liabilities	**27,153,784**	28,058,968	(3.23%)
Total equity	**15,895,336**	15,133,823	5.03%

3. Selected Financial Ratios

	Six months ended/ As at 30 June 2026	Year ended/ as at 31 December 2025
Profitability indicators		
Return on average assets ("**ROA**") [(1)]	**5.98%**	4.55%
Return on average net assets ("**ROE**") [(2)]	**15.91%**	12.64%
Average cost of interest-bearing liabilities [(3)]	**2.78%**	2.91%
Net profit margin [(4)]	**67.41%**	48.98%
Liquidity indicators		
Asset-liability ratio [(5)]	**63.08%**	64.96%
Risk asset-to-equity ratio [(6)]	**2.50 times**	2.60 times
Gearing ratio [(7)]	**1.57 times**	1.75 times
Net debt-to-equity ratio [(8)]	**1.40 times**	1.52 times
Credit rating		
S&P Global Ratings	**A-**	A-
Fitch Ratings	**A-**	A-
Dagong Global Credit Ratings	**AAA**	AAA

Notes:

(1) Calculated by dividing annualised net profit for the period/year by the average balance of total assets at the beginning and the end of the period/year.

(2) Calculated by dividing annualised net profit attributable to the equity holders of the Company for the period/year by the average balance of net assets attributable to the equity holders of the Company at the beginning and the end of the period/year.

(3) Calculated by dividing annualised finance costs and bank charges for the period/year by the average balance of borrowings at the beginning and the end of the period/year.

(4) Calculated by dividing net profit for the period/year by total revenue for the period/year.

(5) Calculated by dividing total liabilities by total assets.

(6) Calculated by dividing risk assets by total equity. Risk assets are total assets minus cash and cash equivalents and time deposits with maturity over three months.

(7) Calculated by dividing total borrowings by total equity.

(8) Calculated by dividing net debts by total equity. Net debts are borrowings, convertible bonds and lease liabilities minus cash and cash equivalents.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Environment

(I) Industry Environment in the First Half of 2026

In the first half of 2026, the international shipping market operated at a high level in general, providing a favorable market environment for the operation and value enhancement of shipping assets. The Strait of Hormuz crisis profoundly impacted global shipping market trends, as forced lengthening of shipping distances and rising demands for supply chain security and stability jointly drove a strong performance in the freight market. The ClarkSea Index rose from US$30,451/day in January 2026 to US$36,809/day in June 2026, representing an increase of 20.88%; the average index value for the first half of the year reached US$39,043/day, representing a significant period-to-period increase of 61.39%, providing solid support for the simultaneous improvement of shipping asset yields and asset values, among which:

The tanker market showed a strong recovery. The Baltic Dirty Tanker Index (BDTI) stood at 1,207 points at the beginning of the year and reached 2,097 points at the end of June 2026, representing an increase of 73.74% from the beginning of the year; the average for the first half of the year was 2,312 points, representing a period-to-period increase of 138.35%. The global crude oil trade turnover growth rate in 2025 was –1.7%, but market freight rates strengthened significantly in the first half of 2026; the refined oil tanker fleet size increased from 217 million deadweight tons at the end of 2025 to 225 million deadweight tons at the end of June 2026, representing a growth of 3.69% from the beginning of the year.

The bulk carrier market saw demand-driven growth and high freight rate levels with high pivot and strong elasticity. Iron ore ton-mile demand continued to expand, driven by an increased share of long-haul routes; coal shipping experienced periodic rush shipments driven by the recurring Strait of Hormuz tensions and European energy security concerns, pushing up freight rates; soybean shipments were supported by the peak export season in South America. The average Baltic Dry Index (BDI) for the first half of the year was 2,347 points, up by 81.94% period-to-period. The global bulk carrier fleet size increased from 1.07 billion deadweight tons at the end of 2025 to 1.09 billion deadweight tons at the end of June 2026, representing a growth of 1.87% from the beginning of the year.

The container vessel market exhibited an upward trend, driven by robust non-US trade demand, rising fuel costs resulting from the Middle East conflict, and a "rush-shipping wave" triggered by US tariff policy adjustments. The average Shanghai Containerized Freight Index (SCFI) for the first half of 2026 was 1,957 points, up by 15.05% period-to-period; the average China Containerized Freight Index (CCFI) was 1,249 points, down slightly by 0.32% period-to-period due to the high base in the same period of the previous year. The global container fleet size increased from 33.074 million TEUs at the end of 2025 to 33.756 million TEUs at the end of June 2026, representing a growth of 2.06% from the beginning of the year.

The liquefied natural gas carrier (LNGC) market experienced significant freight rate increases with high volatility, as the Strait of Hormuz crisis reduced the available fleet and lengthened voyage distances, and panic chartering was triggered by LNG production suspensions in certain Middle East countries. The average spot freight rates for 145,000 m^3, 160,000 m^3 and 174,000 m^3 LNGCs in the first half of 2026 were US$17,346/day, US$54,904/day and US$77,327/day, respectively, representing period-to-period increases of 321.53%, 309.03% and 214.26%, respectively. The global large-scale LNG carrier fleet size increased from 122 million cubic meters at the end of 2025 to 129 million cubic meters at the end of June 2026, representing a growth of 5.74% from the beginning of the year.

The very large liquefied gas carrier (VLGC) market experienced increased capacity demand driven by geopolitical tensions in the Middle East, congestion in the Panama Canal, and the release of US shale gas production capacity. The average one-year time charter rate for 84,000 m^3 VLGCs in the first half of 2026 was US$53,331/day, representing a period-to-period increase of 35.29%. The global VLGC fleet size increased from 38 million cubic meters at the end of 2025 to 41 million cubic meters at the end of June 2026, representing a growth of 7.89% from the beginning of the year.

In the new shipbuilding market, global new ship orders in the first half of 2026 reached 1,481 vessels with a total value of US$132.6 billion, the highest semi-annual level in history; the Clarksons NewBuild index rose to 185.2; the order book-to-fleet ratio reached 21%, with the ratio for tankers rising from 19% at the beginning of the year to 25%, hitting the highest since 2011. Delivery schedules at core shipyards have been extended to approximately 4.3 years, with order book coverage second only to the peak of the 2007–2008 cycle. The second-hand vessel market was also active, with prices for most vessel types trading at a premium over new shipbuilding prices, and prices for 5-year and 10-year old Handymax bulk carriers reaching new highs since the end of 2008.

Although the shipping and new shipbuilding markets experienced another significant upturn in the first half of 2026, this upcycle was primarily driven by lengthened shipping distances due to geopolitical factors, resulting in a temporary tightening of effective market capacity. The sustainability of the market's high-level operation is highly correlated with geopolitical variables. Facing unpredictable external variables such as geopolitics, long-term stable development across market cycles can only be achieved through the continuous accumulation of professional capabilities. As the first shipyard-affiliated leasing company in Greater China, the core of the Group's response strategy lies in leveraging the industrial advantages of its controlling shareholder, China Shipbuilding Group, the world's largest shipbuilding group, to integrate shipbuilding, financing, ship management and after-sales services into a comprehensive solution package. The Group will continue to deepen strategic synergy with its controlling shareholder, adhere to quality-driven scale growth, prudently balance the relationship between returns and risks in project selection, continuously enhance the value-added service content per unit of asset, and drive the Company towards stable development that transcends market cycles.

(II) Industry Environment Outlook for the Second Half of 2026

In terms of capacity demand, the global economic recovery remains relatively weak, with US tariff policies and geopolitical conflicts in the Middle East continuing to create uncertainties. The Organisation for Economic Co-operation and Development and the World Bank have revised down their global economic growth forecasts to 2.8% and 2.5%, respectively, and global maritime trade in the second half of 2026 remains relatively weak. The continuation of geopolitical conflicts in the Middle East continues to disrupt global oil and LPG trade, with overall demand for physical commodities weakening, but forced lengthening of shipping distances will enable ton-mile volumes to sustain growth. ClarkSea forecasts that global maritime trade volume and ton-mile turnover growth rates will be -0.1% and 1.3%, respectively, representing decreases of 2.2 percentage points and 1.1 percentage points, respectively, compared to 2024.

In terms of capacity supply, new vessels ordered over the past two years will be delivered in a concentrated manner, continuing to expand the global fleet size. ClarkSea data shows that global fleet capacity (measured in deadweight tons) is expected to grow by 4.4% in 2026. By vessel type: crude oil carrier capacity is expected to grow by 3.8%, higher than the -4.6% growth rate of ton-mile turnover; however, considering factors such as the persistent shortage of compliant capacity, forced lengthening of shipping distances, and diversification of energy imports, profitability in the crude oil transportation market is expected to remain at elevated levels with volatility; refined oil tanker capacity is expected to grow by 7.0%, significantly higher than the -2.9% growth rate of ton-mile turnover, while constrained Middle Eastern refining capacity will continue to support import diversification; bulk carrier capacity is expected to grow by 3.9%, higher than the 3.1% growth rate of ton-mile turnover, and vessel-type profitability may decline; container vessel capacity is expected to grow by 4.6%, higher than the 3.3% and 3.0% growth rates of trade volume and ton-mile turnover, and the supply-demand balance is expected to weaken; LNG carrier capacity is expected to grow by 10.3%, higher than the 7.5% growth rate of ton-mile turnover, and the short-term capacity shortage is expected to ease, with spot freight rate fluctuations becoming more stable; VLGC capacity is expected to grow by 12.7%, higher than the 5.1% growth rate of ton-mile turnover, and the upward trend in charter rates will be limited.

In summary, most vessel types in the second half of 2026 will enter a phase where "capacity growth outpaces demand growth", and the support for high freight rates will increasingly come from geopolitical factors rather than supply-demand fundamentals. This assessment has been fully reflected in the Group's asset allocation arrangements: maintaining moderate investment in vessel types with resilient fundamentals, prudently controlling incremental exposure to vessel types where supply-demand is trending towards loosening, promoting direct capacity cooperation with energy companies and cargo-owner groups, and prioritizing project structures with long-term charter lock-ins and strong charterer creditworthiness. The average remaining lease term for leases exceeding one year in the Group's operating fleet is 7.5 years, and the rental cash flows of the vast majority of assets are insulated from short-term freight rate fluctuations, providing stronger cycle-resilience.

In the medium to long term, this round of order boom also heralds a window for the return of leasing demand. The period of 2027–2028 will see a concentrated peak in deliveries (with 2027 expected to reach a record high of 61.1 million CGT), at which time the substantial outstanding construction payments coupled with the normalization of freight rate pivots will create a renewed funding gap for shipowners. The Group's response strategy is to "stabilize existing stock and prepare for incremental opportunities", positioning itself for rapid deployment when the window opens.

In terms of vessel greening, the implementation of shipping emission reduction policies remains uncertain. The IMO MEPC 84 meeting concluded in April 2026 failed to finalize a globally binding net-zero framework for shipping, and the effective date has yet to be determined; the EU FuelEU Maritime has entered the phase of substantive compliance years, with increasingly stringent regulations on fleets calling at European ports, and overall fleet emission performance compliance has become a new pathway for shipowners to flexibly balance carbon intensity. From an industrial development perspective, LNG has emerged as a mature transitional low-carbon fuel with distinct advantages: short-term carbon penalty costs are manageable, and when combined with bio-LNG and onboard carbon capture equipment in the longer term, there remains room for emission reduction optimization, with lower risks of premature vessel scrapping and significant asset depreciation; in the first half of 2026, global new orders for LNG dual-fuel vessels accounted for over 70% of total new orders for green-powered vessels. New orders for methanol-fueled vessels declined sharply, and the ordering boom of 2023–2025 will result in concentrated deliveries in 2026–2027, with supply already approaching saturation in the short term. The Group has identified LNG dual-fuel as the primary direction for its green transition in vessel type selection, consistent with mainstream market trends, effectively reducing the risk of asset depreciation arising from uncertainties in alternative fuel technology pathways.

In terms of vessel intelligence, the IMO's International Safety Code for Maritime Autonomous Surface Vessels (MASS Code), as the world's first unified international framework regulating the safe operation of autonomous commercial vessels, has officially entered a two-year voluntary implementation phase. It is planned that, based on experience accumulation, the development of a mandatory version will commence in 2028, with the mandatory MASS Code expected to be promulgated in 2030 and become effective on 1 January 2032. The MASS Code applies to cargo vessels of 500 gross tonnage and above engaged in international voyages, covering all scenarios of vessels with four levels of automation. It systematically defines the operational specifications for shore-based Remote Operation Centers (ROCs), ship cybersecurity protection, search and rescue disposal for unmanned vessels, and legal liability allocation between human operators and machines, and clarifies that the captain remains fully accountable for the safety and compliance of the vessel even when he is not physically onboard, filling a long-standing regulatory gap in intelligent shipping. China Classification Society has officially released the 2026 edition of the "Smart Vessel Regulations", which took effect on 1 June 2026, and autonomous vessels are at a critical inflection point transitioning from pilot applications to commercialization. The Group had already equipped certain bulk carriers with intelligent navigation equipment developed by CSSC 704 Research Institute for application trials in 2025. This year, the Group plans to equip certain container vessels with intelligent engine room systems developed by CSSC 604 Research Institute, conducts joint research and development on digital delivery for certain LNG vessels under construction, and undertakes digital and intelligent upgrades to its proprietary leasing asset management system. Leveraging the technological strength of its controlling shareholder, China Shipbuilding Group, the Company will actively embrace the industrial opportunities presented by vessel greening and intelligence, accelerate the technological upgrading of its fleet and the digital and intelligent transformation of its internal management, and continuously enhance operational quality and efficiency.

2. Work Summary for the First Half of the Year

In the first half of 2026, the evolving global political and economic landscape brought about significant uncertainties, with risks and opportunities coexisting across various vessel types. Adapting to market conditions, the Group adhered to the cross-cycle strategy of "counter-cyclical investment and pro-cyclical operation", further enhanced the operating efficiency of its shipping-related businesses, maintained the liquidity attributes of ship leasing assets, prudently proceeded with new vessel deliveries, and at the same time seized favorable opportunities for vessel disposals to realize value-added premiums.

In terms of financial performance, in the first half of 2026, the Group achieved operating revenue of HK$1,911.2 million, representing a period-to-period decrease of 5.29%; and achieved net profit of HK$1,288.4 million, representing a period-to-period increase of 11.92%. The decrease in operating revenue was primarily attributable to the expiration and settlement of certain finance lease projects from the previous year and early repurchases by customers, resulting in a lower base for interest income. The key drivers of the increase in net profit for the current period include: first, the upward cycle in the oil tanker market driven by geopolitical factors, which significantly enhanced the profit contribution from joint ventures; second, the Group's disposal of vessels at a favourable window when vessel prices were high, which generated asset appreciation gains; third, the continued optimisation of financing structure and the decrease in finance costs, making a positive contribution to the Group's profit. In addition, the Group's non-performing asset ratio continued to remain at a low level, and the overall asset quality remained sound.

As of 30 June 2026, the Group's total assets were HK$43.05 billion, total liabilities were HK$27.15 billion, and the liability to assets ratio was 63.08%. As of 30 June 2026, the ROE was 15.91%, and the ROA was 5.98%.

2.1 Maintaining Overall Stability in Fleet Scale while Further Enhancing the Operational Attributes and High-Value-Added Characteristics of the Fleet

In the first half of 2026, new shipbuilding prices continued to rise slowly at elevated levels, core shipyards further extended the coverage period of their order backlogs, and competition in the shipping finance market intensified. The Group prudently assessed project risks, effectively leveraged its industrial background advantages, and continued to promote the development of its fleet structure towards green, intelligent, premium and high-value-added directions.

In the first half of the year, the Company completed the signing of six sale and lease back transactions involving new shipbuilding orders with a total contract value of US$324 million, including one LR2 oil tanker and one LPG carrier. As of 30 June 2026, the Group's fleet size was 130 vessels, comprising 107 operating vessels and 23 vessels under construction, with an average age of approximately 4.8 years for operating vessels; the average remaining lease term for leases exceeding one year (excluding spot operation projects and leases expiring within one year) was 7.5 years. Within the operating fleet portfolio, marine clean energy equipment, container vessels, liquid cargo vessels, bulk carriers and special-purpose vessels accounted for approximately 38.66%, 24.96%, 11.85%, 11.88% and 12.65%, respectively. In the first half of the year, the Group completed the restructuring of transaction structures for five heavy-lift vessels, realizing a disposal gain of HK$254 million. The rental collection rate for vessel-related projects remained at 100%, and the non-performing asset ratio maintained at a low level, with asset quality continuing to be excellent.

2.2 *Further Strengthening Financial Management to Maintain a Sound Cost of Funds and Asset-Liability Structure*

In the first half of 2026, amid the external environment of persistently high US interest rates maintained by Federal Reserve (with the federal funds rate target ranging from 3.50% to 3.75%), the Group adopted multiple measures to continuously reduce finance costs. As of the end of June 2026, the comprehensive finance costs decreased to 2.78%, representing a further reduction of 16bps from the beginning of the year; interest-bearing liabilities decreased by 8.90% compared to the end of the previous year; the asset-liability ratio also decreased compared to the end of the previous year. The reduction in comprehensive finance costs against the trend during a period of persistently high offshore U.S. dollar finance costs was primarily achieved through diversification of financing instruments, proactive optimization of currency mix, establishment of low-cost onshore RMB funding channels and replacement of high-interest existing bank loans.

In the first half of 2026, RMB appreciated by over 3% against U.S. dollar. The Group proactively reduced RMB-denominated liabilities and seized opportunities for foreign exchange settlement, achieving settlement rates that outperformed the market average, significantly reducing foreign exchange risk exposure compared to the beginning of the year. Looking ahead to the second half of the year, RMB is expected to continue its moderate appreciation trend but with a slower pace and greater volatility. The Group will maintain its regular hedging mechanism to avoid one-sided directional bets.

Financing channels continued to expand. In the first half of 2026, the Company successfully issued HK$2.338 billion in offshore convertible bonds, with a coupon rate at a historically low level for the Group. This not only provided the Company with ample liquidity support, but also optimized its capital structure and extended debt duration. The Group has also established a US$3 billion medium-term note framework programme and an onshore RMB financing framework agreement, formulating a multi-currency, multi-market and multi-instrument financing system that provides stable support for the funding needs of vessel and marine equipment projects.

2.3 Taking Lean Management as the Guidance to Solidly Promote Quality Improvement and Efficiency Enhancement of the Enterprise

In the first half of 2026, the Group's internal audit work adhered to a risk-oriented approach, closely focused on strategic priorities, and promoted the optimization and improvement of multiple systems and processes, achieving substantial management enhancements in equity-accounted investment governance, equity integration and asset management. Risk management work broke through the traditional model driven solely by business-level risk control needs, continuously establishing and improving a comprehensive risk management system covering major risks, with a particular focus on supplementing and refining the tracking and management mechanism for specialized quantitative risk indicators aligned with business development strategies, operational objectives, financial conditions and compliance management targets. Internal audit, internal control, risk management, legal affairs and compliance achieved information sharing and functional synergy, enhancing supervisory effectiveness in an all-round manner. In terms of corporate governance, the absorption and merger of onshore subsidiaries was completed, further streamlining the legal entity structure and management chain. In the first half of the year, the Company continued to promote the enhancement of its governance system and governance capabilities, further optimizing Board management, the institutional framework and parent-subsidiary management and control, and was recognized by the State-owned Assets Supervision and Administration Commission of the State Council as a "Double Hundred Action" reform benchmark enterprise.

3. Work Outlook for the Second Half of the Year

In the second half of 2026, the Company will comprehensively advance the formulation and implementation of the "15th Five-Year Plan", adhere to the overall work principle of seeking progress while maintaining stability, continuously strengthen core functions and enhance core competitiveness, and carry out all aspects of work in a solid manner to promote the Company's sustainable and high-quality development.

To vigorously expand vessel and marine equipment leasing businesses. Actively promote the deep cooperation between the controlling shareholder and central state-owned enterprise cargo owners, serve the national strategies of economic development and building a transportation powerhouse, continuously strengthen customer relationship management, maintain existing customers and expand the customer base, and deepen strategic-level cooperation. Strive to innovate and establish direct capacity cooperation with cargo-owner groups, build comprehensive lifecycle service capabilities for vessels, replace pure price competition with a comprehensive "purchase-financing-operation" solution package, and continuously consolidate the Group's unique advantages in industrial chain synergy.

To strengthen vessel asset management and risk prevention and control. Enhance continuous monitoring of the condition of vessel and marine equipment assets, maintain a high charter hire collection rate and sound operational status; strengthen regular monitoring of shipping routes for vessels in operation to ensure safe asset operations; continuously and vigorously advance the resolution or disposal of existing asset risks, striving for further progress; strictly control potential incremental risks to safeguard asset quality. Always prioritize risk prevention and control, adhere to bottom-line thinking, and resolutely prevent systemic operational and compliance risks.

To strictly implement comprehensive finance cost control. Dynamically optimize the currency mix of financing, strictly manage and control exchange rate risks and reduce risk exposure; effectively utilize instruments such as the US$3 billion medium-term note framework programme to continuously broaden financing channels; refine the preparation and implementation of capital plans, activate idle funds and adopt other comprehensive measures to strive for further reductions in comprehensive finance costs, ensuring the funding allocation for leasing projects.

To continuously deepen reforms to enhance operational efficiency. Optimize the corporate governance structure, improve market-oriented operating mechanisms, and optimize the efficiency of resource allocation. Accelerate digital transformation, advance the construction of a global operating system in accordance with the principle of "one platform, one system and one set of processes", enabling real-time visibility and accessibility of key operating data. Leverage the advantage of being close to the front line of shipowner market intelligence, and establish a linkage mechanism for market information sharing and product innovation.

4. Finance Review

4.1 Analysis on Condensed Consolidated Income Statement

	Six months ended 30 June		
	2026	2025	**Change**
	HK$'000	*HK$'000*	
	(Unaudited)	(Unaudited)	
Revenue	**1,911,234**	2,017,965	(5.29%)
Profit for the period	**1,288,428**	1,151,157	11.92%
Earnings per share *(HK$)***:**			
– Basic	**0.197**	0.179	10.06%
– Diluted *(Note)*	**0.177**	0.178	(0.56%)

Note:

For the six months ended 30 June 2026, the Group's diluted earnings per share decreased compared to the corresponding period of last year, primarily due to the dilutive effect of the convertible bonds issued during the period. In calculating diluted earnings per share, it should assume that the convertible bonds have been converted from the date of issuance. Although the after-tax interest expenses that would have been saved upon the assumed conversion was added back in the calculation, the impact of the increased weighted average number of potential ordinary shares upon the assumed conversion on the denominator was more significant, thereby resulting in the decrease in diluted earnings per share.

4.1.1 Profit for the period

For the six months ended 30 June 2026, the Group recorded profit before income tax of HK$1,400.8 million, representing a year-on-year increase of 8.69%, reflecting the sustained solid performance of its core operations, while profit for the period increased by 11.92% to HK$1,288.4 million. The year-on-year growth was primarily attributable to the gain on disposal of vessels of HK$253.6 million recognised from the sale of five heavy-lift vessels during the period; a rise in the Group's share of results of joint ventures by HK$208.2 million to HK$339.5 million, mainly driven by gains recognised from the completion of the disposal of two chemical MR oil tankers and the continued impact of geopolitical factors, which led to the reorganisation of shipping trade routes and increased ton-mile demand, thereby benefiting freight rates in the tanker market; additionally, finance costs and bank charges decreased by HK$53.4 million to HK$362.6 million, which also contributed to the profit growth.

4.1.2 Revenue

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

The Group's revenue decreased by 5.29% or HK$106.8 million from HK$2,018.0 million for the six months ended 30 June 2025 to HK$1,911.2 million for the six months ended 30 June 2026, and such decrease was primarily attributable to the decrease in revenue generated from financing services.

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

	Six months ended 30 June		
	2026	2025	**Change**
	HK$'000	*HK$'000*	
	(Unaudited)	(Unaudited)	
Integrated shipping services			
– Operating lease services	**1,230,658**	1,208,824	1.81%
– Shipbroking services	**–**	22,514	(100.00%)
	1,230,658	1,231,338	(0.06%)
Financing services			
– Finance lease services	**463,869**	549,995	(15.66%)
– Loan borrowing services	**216,707**	236,632	(8.42%)
	680,576	786,627	(13.48%)
Total	**1,911,234**	2,017,965	(5.29%)

Integrated shipping services

For the six months ended 30 June 2026, revenue generated from operating lease services under the integrated shipping services segment increased by 1.81% from HK$1,208.8 million for the six months ended 30 June 2025 to HK$1,230.7 million for the six months ended 30 June 2026. The growth was primarily attributable to the reconfiguration of shipping routes in the container shipping market during the period, which significantly extended vessel voyage distances and sailing days, driving the overall container vessel shipping market to remain at an elevated level. The Group held a total of 11 container vessels during the period, and revenue from operating lease services increased accordingly.

Financing services

Revenue generated from the financial services segment decreased by 13.48% from HK$786.7 million for the six months ended 30 June 2025 to HK$680.6 million for the six months ended 30 June 2026. The decrease was primarily attributable to the scheduled repayment of principal by charterers under the Group's finance lease and loan borrowing projects, as well as the completion of certain finance lease projects in 2025 and the first half of 2026, resulting in a contraction in overall revenue from the financial services segment.

4.1.3 Other Income and other gains, net

For the six months ended 30 June 2026, the Group's other income and other gains, net amounted to HK$191.2 million, primarily deriving from the gain on disposal of vessels of HK$253.6 million recognised from the sale of five heavy-lift vessels during the period.

4.1.4 Expenses

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

	Six months ended 30 June		
	2026	2025	**Change**
	HK$'000	*HK$'000*	
	(Unaudited)	(Unaudited)	
Depreciation	**369,724**	297,993	24.07%
Finance costs and bank charges	**362,628**	416,021	(12.83%)
Vessel operating costs	**159,952**	188,209	(15.01%)
Net provision for/(reversal of) impairment losses on loan and lease receivables	**47,076**	(132,323)	(135.58%)
Other operating expenses	**40,866**	34,728	17.67%
Employee benefits expenses	**34,928**	28,669	21.83%
Total	**1,015,174**	833,297	21.83%

Depreciation

The Group's depreciation expenses increased by 24.07% or HK$71.7 million from HK$298.0 million for the six months ended 30 June 2025 to HK$369.7 million for the six months ended 30 June 2026. The increase in depreciation expenses was primarily attributable to the exercise of purchase options by charterers for three of the Group's container vessels under operating leases in 2025, which shortened the useful lives of the relevant vessels to 2027 starting from 2025, resulting in an increase in depreciation expenses of HK$96.9 million during the period.

Finance Costs and Bank Charges

For the six months ended 30 June 2026, the Group's finance costs and bank charges amounted to HK$362.6 million, representing a year-on-year decrease of 12.83% or HK$53.4 million. The Group's finance costs primarily consist of interest and expenses on: (i) convertible bonds; (ii) bonds; (iii) bank borrowings; and (iv) other borrowings. For the six months ended 30 June 2026, the average cost of interest-bearing liabilities was 2.78%, representing a further decrease compared to last year and remaining at a relatively low level within the industry, reflecting the Group's highly efficient financing strategy.

During the period, the Group maintained several measures to effectively manage and reduce finance costs, including: (i) adopting cross-currency financing, on the basis of USD financing, the Group optimised and controlled finance costs by utilising a diversified range of currencies, including Renminbi, Hong Kong dollars and Euros; (ii) for bank borrowings on hand, the Group has reached agreements with several banks to lower the interest rates on existing borrowings to more favourable levels, so as to keep the interest rates on bank borrowings on hand at a low market level to reduce interest expenses; and (iii) hedging interest rate risk through financial derivatives.

These measures have allowed the Group to continually maintain a competitive advantage in managing its overall financing scale while effectively lowering financing expenses. By employing a combination of cross currency financing, proactive debt management and risk hedging tools, the Group has strengthened its financial position and improved its ability to adapt to changing interest rate conditions.

Vessel Operating Costs

Vessel operating costs primarily represent expenses incurred in connection with the operation of vessels under operating lease arrangements, including crew costs, vessel maintenance and repair expenses, vessel management fees, vessel insurance, as well as supplies and consumables. During the period, as the Group disposed of three bulk carriers in the second half of 2025, relevant vessel operating costs decreased, and the successful implementation of effective cost control measures further reduced related expenses. Vessel operating costs therefore decreased by 15.01% from HK$188.2 million for the six months ended 30 June 2025 to HK$160.0 million for the six months ended 30 June 2026.

Net Provision for Impairment Losses on Loan and Lease Receivables

For the six months ended 30 June 2026, the Group's net impairment losses on loan and lease receivables amounted to HK$47.1 million. In respect of new finance lease and lease loan projects added during the period, the Group adopted a prudent approach and made impairment provisions for such projects, and also adjusted the credit ratings of certain lease projects in accordance with market conditions as of the reporting date.

Employee Benefits Expenses

The Group's employee benefits expenses mainly comprise: (i) wages, salaries, other allowances and retirement benefit costs; and (ii) share-based compensation expenses. For the six months ended 30 June 2026, the Group recognised employee benefits expenses of HK$34.9 million. During the period, the Group's wages, salaries, other allowances and retirement benefit costs remained broadly flat compared to the corresponding period of last year. The increase in employee benefits expenses was primarily attributable to the reversal of share-based compensation expenses of HK$4.9 million in the corresponding period of last year due to the waive of exercise rights of share options by certain grantees during the corresponding period of last year.

4.1.5 Share of Results of Joint Ventures

The Group's share of results of joint ventures increased by 158.51% from HK$131.3 million for the six months ended 30 June 2025 to HK$339.5 million for the six months ended 30 June 2026, representing an increase of HK$208.2 million.

The significant increase in the share of results of joint ventures was mainly driven by the following factors: (i) two chemical MR oil tankers were successfully disposed of in the first half of 2026, with gains on disposal recognised; and (ii) compared with the same period of last year, ongoing geopolitical risks continued to impact the shipping market, prompting the reorganisation of crude oil and refined oil trade routes, which significantly extended voyage distances and sailing days, directly boosting ton-mile demand and further raising freight rates in the tanker market and the profit performance of joint ventures.

4.1.6 Income Tax Expense

The Group has applied the OECD Pillar Two Model Rules (i.e. "**Global Anti-Base Erosion**" or "**GloBE**" Rules) since 1 January 2025 to reform international corporate taxation. Large multinational enterprises with consolidated revenue of over EUR750 million are subject to the rules and are required to calculate their GloBE effective tax rate for each jurisdiction where they operate and will be liable to pay a minimum effective tax rate of 15%.

As the Group is part of an in-scope multinational enterprise group and has operations in Hong Kong, China, it falls within the scope of the Pillar Two model rules. Under these rules, profits derived by the Group from international shipping and certain related ancillary activities are exempt from tax, while other non-qualifying profits are subject to tax at the minimum tax rate of 15%. The Group has estimated the current tax provision in accordance with the Pillar Two model rules guidance. Accordingly, the Group recognised an income tax expense of HK$112.4 million for the six months ended 30 June 2026.

4.2 Analysis on Condensed Consolidated Statement of Financial Position

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)	**Change**
Total assets	**43,049,120**	43,192,791	(0.33%)
Total liabilities	**27,153,784**	28,058,968	(3.23%)
Total equity	**15,895,336**	15,133,823	5.03%

As at 30 June 2026, the Group's total assets amounted to HK$43,049.1 million, representing a decrease of HK$143.7 million compared to the total assets as at 31 December 2025. The Group utilised charter income from leasing projects and dividends received from joint ventures to increase its investment portfolios in listed bonds, and to make advance shipbuilding payments to shipyards under new finance lease projects, while also making reasonable arrangements for the repayments of bank borrowings.

As at 30 June 2026, the Group's total liabilities amounted to HK$27,153.8 million, representing a decrease of HK$905.2 million compared with the total liabilities as at 31 December 2025, primarily attributable to the repayment of a matured RMB bond in the first half of 2026, the prudent use of funds from early completion of lease projects and charter income to reduce the scale of interest-bearing liabilities, and the issuance of a convertible bond, which helped reduce the scale of interest-bearing liabilities to a reasonable level and lower the overall finance costs.

As at 30 June 2026, the Group's total equity amounted to HK$15,895.3 million, representing an increase of HK$761.5 million compared with the total equity as at 31 December 2025. The Group's liability to assets ratio decreased by approximately 1.92 percentage points from 65.00% as at 31 December 2025 to 63.08% as at 30 June 2026.

Assets

As at 30 June 2026, the total assets of the Group mainly comprised loan and lease receivables, property, plant and equipment, cash and bank deposits and financial assets at fair value, which accounted for 91.94% of the Group's total assets.

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)	**Change**
Loan and lease receivables	**19,192,890**	18,542,316	3.51%
Property, plant and equipment	**14,292,569**	15,536,140	(8.00%)
Cash and cash equivalents and time deposits with maturity over three months	**3,387,700**	3,795,364	(10.74%)
Financial assets at fair value	**2,705,658**	2,242,715	20.64%
Other assets	**3,470,303**	3,076,256	12.81%
Total	**43,049,120**	43,192,791	(0.33%)

4.2.1 Loan and Lease Receivables

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

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)	**Change**
Lease receivables	**12,421,336**	12,678,426	(2.03%)
Loan receivables	**6,634,163**	5,716,660	16.05%
Loans to joint ventures	**137,391**	147,230	(6.68%)
Total	**19,192,890**	18,542,316	3.51%

a) Lease Receivables

As at 31 December 2025 and 30 June 2026, the Group's net lease receivables amounted to HK$12,678.4 million and HK$12,421.3 million, respectively. The 2.03% decrease in the lease receivables was primarily due to the scheduled repayment of principal by charterers, as well as the completion or early termination of certain finance lease projects during the period.

b) Loan Receivables

Loan receivables primarily represent receivables arising from the Group's provision of secured loans, which increased by 16.05% during the period, mainly due to new secured loan projects. As at 30 June 2026, the Group's loan receivables were secured and repayable during the period from 2026 to 2036.

c) Loans to Joint Ventures

As at 30 June 2026, the Group's loan balance amounted to HK$137.4 million extended to a joint venture on a proportion basis to its joint venture agreement.

4.2.2 Property, Plant and Equipment

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

As at 30 June 2026 and 31 December 2025, the Group's property, plant and equipment amounted to HK$14,292.6 million and HK$15,536.1 million, respectively. The decrease of 8.00% in the Group's property, plant and equipment as at 30 June 2026 was primarily due to (i) the sale of five heavy-lift vessels during the first half of 2026; and (ii) the depreciation of vessels for the chartering business.

4.2.3 Cash and cash equivalents and time deposits with maturity over three months

The Group's cash and cash equivalents and time deposits with maturity over three months decreased by 10.74% from HK$3,795.4 million as at 31 December 2025 to HK$3,387.7 million as at 30 June 2026, primarily due to the Group's increased investment portfolio in listed bonds, reasonable arrangements for the repayments of certain bank borrowings and the repayment of maturing RMB bonds during the period.

4.2.4 Financial Assets at Fair Value

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

As at 30 June 2026, the Group's total financial assets measured at fair value amounted to HK$2,705.7 million, representing an increase of 20.64% compared to 31 December 2025, mainly due to the Group's further expansion of its investment portfolio in listed bonds during the period. The Group continued to diversify the risk of its investment portfolio through investments in various listed bonds and wealth management products. The Group will continue to optimise the allocation of its financial assets, and maintain an appropriate portfolio of listed bonds and wealth management products, so as to achieve stable returns.

4.2.5 Other Assets

The Group's other assets primarily include interests in joint ventures, as well as prepayments, deposits and other receivables.

As at 30 June 2026 and 31 December 2025, the Group's interests in joint ventures amounted to HK$1,722.0 million and HK$1,632.9 million, respectively, representing an increase of 5.46%, primarily due to the operating profits generated by the Group's joint ventures during the period. During the same period, prepayments, deposits and other receivables increased by 46.15% to HK$872.8 million as at 30 June 2026, mainly due to advance shipbuilding payments made to shipyards by the Group under new finance lease business during the period.

Liabilities

As at 30 June 2026, the total liabilities of the Group mainly represented borrowings, including bank borrowings, bonds, other borrowings and convertible bonds, which accounted for 92.13% of its total liabilities.

	As at 30 June 2026 *HK$'000* **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)	**Change**
Borrowings – bank borrowings	**10,050,007**	12,668,800	(20.67%)
Borrowings – bonds	**10,564,780**	11,548,088	(8.51%)
Borrowings – others	**2,247,728**	2,249,642	(0.09%)
Convertible bonds	**2,155,032**	–	100.00%
Other liabilities	**2,136,237**	1,592,438	34.15%
Total	**27,153,784**	28,058,968	(3.23%)

4.2.6 Borrowings – Bank Borrowings

As at 30 June 2026, the Group's bank borrowings amounted to HK$10,050.0 million as compared with HK$12,668.8 million as at 31 December 2025, representing a decrease of HK$2,618.8 million or 20.67% during the period. Such decrease was primarily attributable to the Group's proactive debt management during the period, including the early repayment of certain high-interest bank borrowings and the timely repayment of maturing borrowings, thereby effectively reducing the overall debt level, decreasing interest expenses and further optimising the Group's capital structure and financial position.

4.2.7 Borrowings – Bonds

As at 30 June 2026, the Group held bonds denominated in U.S. dollars and Renminbi. The Group's bonds decreased from HK$11,548.1 million as at 31 December 2025 to HK$10,564.8 million as at 30 June 2026, representing a decrease of 8.51%, primarily attributable to the full and timely repayment of the RMB1 billion (equivalent to approximately HK$1.133 billion) Panda Bonds (First Tranche of 2023) that fell due during the period.

In terms of USD bonds, as at 30 June 2026, the Group's existing USD bonds were guaranteed and listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), including: (i) US$400 million (equivalent to approximately HK$3.112 billion) guaranteed bonds due in February 2030; and (ii) US$500 million (equivalent to approximately HK$3.890 billion) green and blue dual-certified bonds due in July 2026.

In terms of RMB bonds, the Group's existing bonds were listed on the Stock Exchange and the National Association of Financial Market Institutional Investors (the "**NAFMII Bond Market**"). In respect of the listing on the Stock Exchange, the Group successfully established a US$3 billion equivalent offshore medium-term note programme framework in September 2025, and made the first issuance of dim sum bonds under this framework in November 2025, being RMB1 billion offshore bonds due in November 2028 (equivalent to approximately HK$1.144 billion). This bond set a new record-low coupon rate for the Group's RMB bonds, with issuance costs significantly lower than USD finance costs and the cost of concurrently available RMB bank loans. In respect of the listing on the NAFMII Bond Market, the Group held two "Panda Bonds", namely the Second Tranche of 2023 Medium-term Notes due in September 2026 and the First Tranche of 2024 Medium-term Notes due in September 2029, with amounts of RMB1.2 billion (equivalent to approximately HK$1.373 billion) and RMB800 million (equivalent to approximately HK$0.915 billion), respectively.

4.2.8 Convertible Bonds

The Group actively sought diversified financing channels and flexibly utilised financial instruments to optimise its capital structure. In January 2026, the Group successfully issued its first offshore convertible bond with an aggregate principal amount of HK$2.338 billion, due in 2031 with a coupon rate of 0.75%. This issuance represents a significant initiative by the Group to deepen diversified cross-border finance, which not only significantly reduced the comprehensive financing cost, but also effectively extended the debt duration and enhanced financial soundness. The proceeds will be primarily used to replace existing high-interest liabilities (directly saving finance expenses), as well as for vessel acquisitions and to supplement the Group's general working capital, in order to fully support fleet upgrades and green vessel deployment and further consolidate the competitive advantage of the "shipbuilding + leasing" industrial synergy.

4.2.9 Other Liabilities

As at 30 June 2026, other liabilities primarily comprised other payables and accrued expenses, income tax payable and lease liabilities. During the period, other liabilities increased by 34.15% to HK$2,136.2 million, mainly due to the declaration of the final dividend for the year ended 31 December 2025 by the Group, charter income received in advance, and the provision for income tax during the period.

5. Asset Quality

The Group writes off loans and lease receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the cessation of enforcement activities. The Group may write off loans and lease receivables that are still subject to enforcement activities. The Group did not write off any loans and lease receivables during the year ended 31 December 2025 and the six months ended 30 June 2026.

6. Liquidity and Working Capital

The Group funds its operations and growth primarily through the cash generated from operating activities, bank borrowings and issuance of bonds. During the period, the Group continued to maintain a stable risk appetite for liquidity management. The goal of the Group's liquidity risk management is to maintain moderate liquidity reserves and assets and sufficient funding resources to adequately meet the repayment needs of matured liabilities and the funding needs of business development. When determining the allocation of its capital resources, the Group primarily considers its business strategies and development plans, future capital needs and projected cash flows, in order to achieve a higher interest rate margins level and control the liquidity management costs on the premise of controllable liquidity risks.

The Group manages liquidity risk and strikes a balance between interest rate spread and liquidity risk through the following measures: (i) continuously improving the capital operation and management system, continuously optimising and upgrading the financial information system and liquidity management functions, achieving close monitoring, dynamic tracking, and rolling calculation and analysis of working capital, and providing timely advance warnings of funding shortfalls; (ii) proactively managing the duration of assets and liabilities, rolling forward projections of future cash flows and setting risk thresholds to control maturity mismatch exposure, so as to reduce structural liquidity risk; and (iii) establishing a diversified source of funds through the reserve of sufficient banking facilities, and improving the Group's financing and daily liquidity management capabilities to obtain sufficient funds to meet debt repayment and business development needs. During the period, the Group had sufficient cash flow, while the credit facilities granted by the banks to the Company were sufficient, and there was no significant change in the indebtedness and credit standing. In addition, during the period, the Group maintained an AAA rating for domestic entities by Dagong Global Credit Rating Co., Ltd. (大公國際資信評估有限公司), and international ratings of A- from S&P and Fitch, with the rating outlooks remaining stable during the period.

Taking into account the historical and expected future cash flows from operations, unutilised available banking facilities of the Group and the bonds issued by the Group during the period, the Directors expected that the Group would have adequate resources to meet its liabilities and commitment as and when they fall due and be able to continue its operation in the foreseeable future.

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**1,914,968**	1,320,276
Net cash (used in)/generated from investing activities	**(550,045)**	286,880
Net cash used in financing activities	**(2,024,888)**	(2,345,639)
Net decrease in cash and cash equivalents	**(659,965)**	(738,483)
Cash and cash equivalents at the beginning of the period	**3,706,672**	1,773,896
Effect of foreign exchange rate changes	**(19,293)**	17,256
Cash and cash equivalents at the end of the period	**3,027,414**	1,052,669

The net cash generated from operating activities amounted to HK$1,915.0 million, which was mainly because the Group received charter income from leasing projects and generated a profit from operation for the six months ended 30 June 2026.

The net cash used in investing activities amounted to HK$550.1 million, primarily because the Group increased its investment portfolio of listed bonds during the six months ended 30 June 2026.

Net cash used in financing activities amounted to HK$2,024.9 million, primarily attributable to the Group's proactive and reasonable debt management during the six months ended 30 June 2026, which involved repaying certain bank borrowings and maturing RMB bonds while successfully issuing its first convertible bonds.

7. Bank Loans and Capital Structure

In the first half of 2026, with the positive development of its main business, the Group's operating revenue continued to improve. Benefiting from excellent international ratings and good market reputation, the Group's liquidity was solid, and its financing capabilities continued to increase and financing methods were increasingly diversified. The Group kept abreast of the changes in macroeconomic conditions, actively responded to the complicated financial environment at home and abroad, proactively grasped the market trend and adjusted its financing strategies in a timely manner to further optimise its debt structure and balance its finance costs. Affected by international situations and domestic inflation, the Federal Reserve did not adjust the benchmark interest rate in the first half of the year, and the finance cost of the U.S. dollar remained high as compared with other major currencies. By contrast, HKD interest rates, due to ample market liquidity, maintained a significant interest rate differential with USD rates during the same period. Therefore, the Group opportunistically added certain HKD financing during the period while reducing the proportion of RMB financing, effectively controlling the excessive growth of finance costs while managing exchange rate risk exposure. As the Group continued to implement its "cross-currency" financing measures during the period, it effectively controlled the excessive growth of finance costs and achieved positive results, with comprehensive finance costs remaining at a relatively low level in the market. The average cost of the Group's interest-bearing liabilities decreased from 2.91% for the year ended 31 December 2025 to 2.78% for the six months ended 30 June 2026. The Group actively sought diversified financing channels and took effective countermeasures in a timely manner. During the period, the Group issued its first offshore convertible bond with an aggregate principal amount of HK$2,338 million, due in 2031, with a coupon rate of 0.75%. Meanwhile, the Group continued to expand the number and quality of cooperative financial institutions, explore low-cost financing channels, and reasonably reduce the financing interest rates of existing liabilities., which effectively reduced the negative impact of heightened U.S. dollar interest rates. The Group continued to closely monitor our exposure to exchange rate risks arising from multi-currency financing, and adopted prudent foreign exchange risk management strategies to effectively hedge foreign exchange risk exposure with the use of financial instruments such as cross-currency swaps.

The Group continued to deepen its partnership with core banks based on its existing financing channels in accordance with its strategic development needs, forming in-depth strategic partnerships with banks including the large banks and policy banks, as well as international commercial banks. As at 30 June 2026, the Group held credit facilities of banks and financial institutions of approximately HK$41.62 billion (approximately US$5.35 billion), utilised facilities of approximately HK$12.30 billion (approximately US$1.58 billion) and unutilised facilities of approximately HK$29.32 billion (approximately US$3.77 billion). The credit facility balance was sufficient, and the Company continued to pursue additional credit facilities to enhance its financing capabilities. As at 30 June 2026, the Group's total assets and total liabilities were HK$43,049.1 million and HK$27,153.8 million, respectively, its equity attributable to owners was HK$15,719.3 million and the gearing ratio was 1.6 times. By improving the existing fund operation, enhancing the utilisation efficiency of funds, strictly implementing funding plans and controlling the scale of interest-bearing indebtedness, it remained at a lower level in the industry and consistently maintained a healthy gearing position.

8. Pledge of Assets

As at 30 June 2026, the Group's loan and lease receivables of approximately HK$2,563.0 million (31 December 2025: HK$7,489.9 million), floating charge on deposits of approximately HK$120.5 million (31 December 2025: HK$222.8 million), property, plant and equipment of approximately HK$1,502.5 million (31 December 2025: HK$4,141.9 million), shares of certain subsidiaries, general assignments, bareboat charterer assignments and intra-group loan assignments were secured to banks to acquire bank loans.

9. Risk Management

9.1 Interest Rate Risk

Interest rate risk is the risk that the future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans and other financing, as well as finance lease receivables and other loans. During the period, the Federal Reserve paused rate cuts, the benchmark USD rate maintained at the range of 3.50% to 3.75%, and is expected to remain at current levels for a considerable period of time. In order to cope with the high interest rate environment in the U.S. dollar interest rate market, the Group has maintained its usual interest rate risk control measures by using financial instruments such as interest rate swaps to hedge its interest rate risk exposure. As at 30 June 2026, the notional principal amount of the Group's existing interest rate swap products was approximately HK$2,981.6 million, and the locked-in U.S. dollar average long-term fixed interest rate was approximately 1.44%, which effectively hedged the negative impact of the high interest rate of the U.S. dollar. In terms of interest rate structure, the Group continued to maintain its original interest rate risk management strategies and proactively managed the matching of assets and liabilities in terms of interest rate structure. For the Group's operating lease assets, the Group continued to improve the matching of interest calculation methods between assets and liabilities through measures such as the issuance of fixed interest rate bonds, fixed interest rate loans and operating interest rate swaps, thereby effectively preventing interest rate risks, and the existing interest rate risk exposure is relatively low. Meanwhile, the Group's finance lease assets and bank loan liabilities were both primarily at floating rates, so the effects of fluctuations in U.S. dollar interest rates can be offset by mutual hedging.

9.2 Exchange Rate Risk

Exchange rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The vessels under finance leases and operating leases are mainly purchased in U.S. dollars, and the corresponding finance lease receivables and fixed assets are denominated in U.S. dollar, while the main source of funding are bank loans and bonds denominated in U.S. dollars and Hong Kong dollars. Therefore, there is no significant exposure to exchange rate risk. The Group holds certain monetary funds denominated in Renminbi and Euros, but the overall proportion is relatively small. In terms of exchange rate structure, the Group continued to uphold its original exchange rate risk management strategies and maintained the basic matching of assets and liabilities in currency. The Group has adopted a prudent foreign exchange risk management strategy and established a foreign exchange rate risk tracking system to monitor the trend of major currencies around the world in a timely manner. During the period, since January 2026, the RMB exchange rate has been on a one-way appreciation trend. The Group had no new RMB liabilities and continued to reduce RMB liabilities, as well as exchange rate risk exposure. The Group hedged its foreign exchange risk exposure partially by entering into the financial instrument of cross-currency swaps, and partially by replacing RMB financing with HKD financing. Exchange rate risk had a certain impact on the Group during the period.

FINANCIAL STATEMENTS AND MATERIAL NOTES

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue	*3*	**1,911,234**	2,017,965
Other income and other gains/(losses), net		**191,167**	(17,618)
Expenses			
Finance costs and bank charges	*4*	**(362,628)**	(416,021)
Net (provision for)/reversal of impairment losses on loan and lease receivables		**(47,076)**	132,323
Depreciation		**(369,724)**	(297,993)
Employee benefits expenses		**(34,928)**	(28,669)
Vessel operating costs		**(159,952)**	(188,209)
Other operating expenses		**(40,866)**	(34,728)
Total expenses		**(1,015,174)**	(833,297)
Profit from operations	*5*	**1,087,227**	1,167,050
Share of results of joint ventures		**339,494**	131,328
Share of results of associates		**(25,880)**	(9,491)
Profit before income tax		**1,400,841**	1,288,887
Income tax expense	*6*	**(112,413)**	(137,730)
Profit for the period		**1,288,428**	1,151,157
Profit for the period attributable to:			
– Equity shareholders of the Company		**1,222,452**	1,105,585
– Non-controlling interests		**65,976**	45,572
		1,288,428	1,151,157
Earnings per share *(HK$)*	*7*		
Basic		**0.197**	0.179
Diluted		**0.177**	0.178

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**1,288,428**	1,151,157
Other comprehensive income/(expense) for the period		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations	**5,023**	2,311
– Share of other comprehensive expense of joint ventures	**(9,200)**	(11,925)
– Changes in fair value of debt instruments at fair value through other comprehensive income	**(21,024)**	8,294
– Changes in fair value of cash flow hedges	**41,451**	(40,765)
Items that are reclassified to profit or loss:		
– Reclassification adjustment from hedging reserve to profit or loss	**(39,816)**	(55,652)
– Release of investment revaluation reserve upon disposal of debt instruments at fair value through other comprehensive income	**(7,026)**	–
Total other comprehensive expense for the period	**(30,592)**	(97,737)
Total comprehensive income for the period	**1,257,836**	1,053,420
Total comprehensive income for the period attributable to:		
– Equity shareholders of the Company	**1,191,823**	1,007,830
– Non-controlling interests	**66,013**	45,590
	1,257,836	1,053,420

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**As at 30 June 2026** **HK$'000** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Assets			
Property, plant and equipment		**14,292,569**	15,536,140
Right-of-use assets		**5,208**	7,979
Interests in joint ventures		**1,722,038**	1,632,923
Interests in associates		**161,223**	181,406
Loan and lease receivables	*9*	**19,192,890**	18,542,316
Derivative financial assets		**268,767**	260,336
Prepayments, deposits and other receivables		**872,822**	597,208
Financial assets at fair value through profit or loss		**970,575**	486,608
Financial assets at fair value through other comprehensive income		**1,735,083**	1,756,107
Deferred tax assets		**341**	1,559
Amounts due from joint ventures		**429,445**	387,070
Amounts due from non-controlling interests		**10,459**	7,775
Time deposits with maturity over three months		**360,286**	88,692
Cash and cash equivalents		**3,027,414**	3,706,672
Total assets		**43,049,120**	43,192,791

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Note	**As at 30 June 2026 HK$'000 (Unaudited)**	As at 31 December 2025 HK$'000 (Audited)
Liabilities			
Income tax payables		**329,904**	240,761
Borrowings		**22,862,515**	26,466,530
Convertible bonds		**2,155,032**	–
Derivative financial liabilities		**–**	25,563
Amounts due to non-controlling interests		**80,366**	127,965
Other payables and accruals		**1,428,495**	882,874
Lease liabilities		**297,472**	315,275
Total liabilities		**27,153,784**	28,058,968
Net assets		**15,895,336**	15,133,823
Equity			
Share capital	*10*	**6,723,521**	6,715,125
Reserves		**8,995,762**	8,296,210
Equity attributable to equity shareholders of the Company		**15,719,283**	15,011,335
Non-controlling interests		**176,053**	122,488
Total equity		**15,895,336**	15,133,823

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. Basis of preparation

This condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This condensed consolidated financial information is unaudited, but has been reviewed by Baker Tilly Hong Kong Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

This condensed consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA.

The financial information relating to the year ended 31 December 2025 that is included in the condensed consolidated financial information for the six months ended 30 June 2026 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

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

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

2. Accounting policies

The condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with the same accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the application of amendments to HKFRS Accounting Standards which are effective from 1 January 2026, and application of accounting policies which became relevant and were newly applied by the Group in the current interim period.

(a) *Application of amendments to HKFRS accounting standards*

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial information:

– Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Contracts referencing nature-dependent electricity

– Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments

– Annual improvements to HKFRS Accounting Standards – Volume 11

The application of these amendments has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial information.

(b) *Accounting policies newly applied by the Group*

The Group has applied the following accounting policies which became relevant to the Group in the current interim period.

Convertible bonds

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method. Interest is recognised in profit or loss. The equity component is not remeasured and is recognised in the convertible bonds equity reserve until the convertible bonds are converted.

If the convertible bonds are converted, the convertible bonds equity reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital as consideration for the shares issued.

3. Segment information and revenue

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

Integrated shipping services

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

Financing services

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

The segment information provided to the executive director for the six months ended 30 June 2026 and 2025 are as follows:

The Group derives revenue from the following streams:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Integrated shipping services		
– Operating lease services	**1,230,658**	1,208,824
– Shipbroking services	**–**	22,514
	1,230,658	1,231,338
Financing services		
– Finance lease services	**463,869**	549,995
– Loan borrowing services	**216,707**	236,632
	680,576	786,627
	1,911,234	2,017,965

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

For the six months ended 30 June 2025, commission income included in revenue from shipbroking services that are recognised at a point in time and over time amounted to HK$10,699,000 and HK$11,815,000, respectively.

For the six months ended 30 June 2026, revenue from non-lease component included in operating leasing services amounted to HK$141,633,000 (six months ended 30 June 2025: HK$138,891,000).

Segment assets and liabilities

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

4. Finance costs and bank charges

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bonds	**137,623**	145,577
Interest on bank borrowings	**148,075**	220,066
Interest on other borrowings	**37,532**	39,593
Interest on convertible bonds	**29,777**	–
Interest on lease liabilities	**8,741**	9,686
Bank charges	**880**	1,099
	362,628	416,021

5. Profit from operations

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation on		
– property, plant and equipment	**366,729**	295,952
– right-of-use assets	**2,995**	2,041
Employee benefits expenses	**34,928**	28,669
Interest income from financial assets at fair value through other comprehensive income	**(31,976)**	(31,880)
Net gain on changes in fair value of financial assets at fair value through profit or loss	**(17,167)**	(16,226)
Net gain on disposal of debt instruments at fair value through other comprehensive income	**(7,026)**	(12,327)
Net gain on disposal of property, plant and equipment	**(253,638)**	–
Net gain on derecognition of finance lease receivables	**(12,204)**	(21,560)

6. Income tax expense

Income tax expense in the condensed consolidated income statement represents:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current taxation		
– Hong Kong China profits tax	**7,114**	8,970
– Overseas taxation	**10,188**	10,849
– Top up taxes under Pillar Two model rules	**93,856**	116,474
Under-provision in respect of prior years		
– Overseas taxation	**–**	2,013
	111,158	138,306
Deferred tax		
– Origination and reversal of temporary differences	**1,255**	(576)
Income tax expense	**112,413**	137,730

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

Hong Kong China profits tax is provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) based on the estimated assessable profits arising from Hong Kong China.

Mainland China corporate income tax is charged at the statutory rate of 25% (six months ended 30 June 2025: 25%) based on the estimated assessable income as determined with the relevant tax rules and regulations in Mainland China.

Malta corporate income tax is charged at the statutory rate of 35% (six months ended 30 June 2025: 35%) based on the estimated assessable income as determined with the relevant tax rules and regulations of Malta. Normally, six-sevenths of the tax paid would be deducted, taking the effective tax rate to be 5%.

Enterprises incorporated in other places are subject to income tax rates of 12.5% to 25% (six months ended 30 June 2025: 12.5% to 25%) prevailing in the places in which these enterprises operated for the six months ended 30 June 2026.

OECD Pillar Two model rules

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

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

Based on the Group’s best estimate of the calculation of globe income, the Group has recognised a current tax expense of HK$93,856,000 (six months ended 30 June 2025: HK$116,474,000) related to the top-up tax for the six months ended 30 June 2026 which is expected to be levied on the Company. The Group would continue to analyse and assess the impact brought by Pillar Two model rules.

7. Earnings per share

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to equity shareholders of the Company for the purposes of basic earnings per share	**1,222,452**	1,105,585
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds, net of tax	**25,309**	–
Earnings for the purpose of calculation of diluted earnings per share	**1,247,761**	1,105,585
	Number	Number
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**6,201,319**	6,191,104
Effect of dilutive potential ordinary shares:		
– Share options issued by the Company	**10,699**	10,792
– Convertible bonds	**827,744**	–
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	**7,039,762**	6,201,896
	HK$	*HK$*
Earnings per share		
Basic	**0.197**	0.179
Diluted	**0.177**	0.178

8. Dividends

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividend approved and paid during the period		
Special dividend of HK6 cents per ordinary share	**372,004**	–
Dividend approved and not yet paid during the period		
Final dividend in respect of the year ended 31 December 2025 of HK5 cents (2024: HK10.4 cents) per ordinary share	**310,232**	644,630
Dividend proposed:		
Interim dividend of HK5 cents (six months ended 30 June 2025: HK5 cents) per ordinary share	**310,232**	309,918

At the board meeting held on 24 August 2026, the board has declared an interim dividend of HK5 cents (six months ended 30 June 2025: HK5 cents) per share and the interim dividend is declared after the reporting period, such dividend has not been recognised as liability as at 30 June 2026.

9. Loan and lease receivables

		As at 30 June 2026		
	Note	**Gross amount**	**Allowance for impairment losses**	**Net carrying amount**
		HK$'000	***HK$'000***	***HK$'000***
		(unaudited)	**(unaudited)**	**(unaudited)**
Loan receivables	*(a)*	**6,816,942**	**(182,779)**	**6,634,163**
Lease receivables	*(b)*	**13,037,307**	**(615,971)**	**12,421,336**
Loans to joint ventures	*(c)*	**137,391**	**–**	**137,391**
		19,991,640	**(798,750)**	**19,192,890**

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

(a) Loan receivables

As at 30 June 2026, loan receivables were interest-bearing at rates ranging from 4.5% to 8.6% (31 December 2025: 4.5% to 8.8%) per annum, repayable from 2026 to 2036 (31 December 2025: 2026 to 2033) and secured by the respective vessels and certain shares of borrowers, which owned the vessels.

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

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Within 1 year	**647,249**	527,711
After 1 year but within 2 years	**636,955**	534,805
After 2 years but within 5 years	**1,994,761**	1,607,279
Over 5 years	**3,355,198**	3,046,865
	6,634,163	5,716,660

(b) Lease receivables

As at 30 June 2026, the Group's lease receivables were secured, interest-bearing at rates ranging from 6.2% to 10.0% (31 December 2025: 6.2% to 10.7%) per annum. Details of the lease receivables as at the end of each of the reporting periods are as follows:

	As at 30 June 2026	As at 31 December 2025
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Gross investment in finance leases	**18,959,848**	19,266,409
Less: Unearned finance income	**(5,922,541)**	(6,059,146)
Net investment in finance leases	**13,037,307**	13,207,263
Less: Accumulated allowance for impairment	**(615,971)**	(528,837)
Net lease receivables	**12,421,336**	12,678,426

The table below analyses the Group's gross investment in finance leases by relevant maturity groupings at the end of each of the reporting periods:

	As at 30 June 2026	As at 31 December 2025
	HK\$'000	*HK\$'000*
	(Unaudited)	(Audited)
Gross investment in finance leases		
– Within 1 year	**1,876,967**	2,037,774
– After 1 year but within 2 years	**1,637,473**	1,626,475
– After 2 years but within 3 years	**1,592,896**	1,576,593
– After 3 years but within 4 years	**1,612,025**	1,486,990
– After 4 years but within 5 years	**1,433,484**	1,665,677
– Over 5 years	**10,807,003**	10,872,900
	18,959,848	19,266,409

(c) Loans to joint ventures

As at 30 June 2026 and 31 December 2025, the amounts were unsecured, interest-bearing at 5% per annum and repayable on demand.

10. Share capital

	Number of shares *'000*	Share capital *HK$'000*
Ordinary shares, issued and fully paid:		
As at 31 December 2025 (audited)	6,199,224	6,715,125
Issuance of shares under share options scheme *(note)*	5,421	8,396
As at 30 June 2026 (unaudited)	6,204,645	6,723,521

Note:

During the six months ended 30 June 2026, the issued number of ordinary shares of the Company has been increased by 3,131,510 and 2,289,100 upon the exercise of share options at the exercise price of HK$1.32 and HK$1.15 per share respectively. The total consideration received of approximately HK$6,766,000 was credited to the share capital with the amount of approximately HK$1,630,000 has been transferred from the share option reserve to the share capital.

OTHER INFORMATION

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance in order to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and enhance its corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. During the six months ended 30 June 2026, the Company had complied with all applicable code provisions set out in the CG Code and adopted most of the recommended best practices, except for deviation from the code provision stated below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. For the six months ended 30 June 2026, Mr. Li Hongtao served as both chairman of the Board and the chief executive officer of the Company (the "**Chief Executive Officer**"). The Board believes that vesting the roles of the chairman of the Board and the Chief Executive Officer in the same person can facilitate the execution of the Group's business strategies and improve its operating efficiency. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code in such circumstances is appropriate. In addition, the Board consists of two executive Directors, two non-executive Directors and three independent non-executive Directors, it has an appropriate structure and balanced power. Under the supervision of the Board, it can provide sufficient checks and balances to protect the interests of the Company and its Shareholders.

Reference is made to the announcement of the Company on 24 August 2026, where Mr. Li Hongtao resigned from the role of the Chief Executive Officer on that date. Since then, the roles of chairman of the Board and the Chief Executive Officer have been separated and performed by two different individuals in compliance with code provision C.2.1 of the Corporate Governance Code.

INTERIM DIVIDEND

The Board declared an interim dividend (the "**Interim Dividend**") of HK$0.05 per share for the six months ended 30 June 2026 (interim dividend for the six months ended 30 June 2025: HK$0.05 per share). The aforesaid Interim Dividend will be paid on or before 30 November 2026. The date of closure of the register of members of the Company and the record date (the "**Record Date**") regarding the entitlement to the Interim Dividend will be announced in due course.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities by Directors. Having made specific enquiry with the Directors, all Directors confirmed that they had complied with the standards set out in the Model Code during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any). As at 30 June 2026, the Company did not hold any treasury shares.

REVIEW OF INTERIM RESULTS

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

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee with the senior management and the external auditor of the Company.

EVENT AFTER THE REPORTING PERIOD

There was no significant event after the reporting period up to the date of this announcement.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2026 will be sent to the Shareholders and will be published on the websites of the Company (www.csscshipping.com) and the Stock Exchange (www.hkexnews.hk) in due course.

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

Hong Kong, 24 August 2026

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