中遠海運國際(香港)有限公司
COSCO SHIPPING INTERNATIONAL (HONG KONG) CO., LTD.
(Incorporated in Bermuda with limited liability)
(Stock Code: 00517)

2026 INTERIM RESULTS

RESULTS AND OPERATION HIGHLIGHTS

- Revenue increased by 8% to HK$2,092,450,000, mainly due to the increase in revenues from coatings, insurance brokerage and marine equipment and spare parts segments.
- Gross profit increased by 4% to HK$516,793,000, mainly due to the increase in revenue from insurance brokerage segment and the increase in gross profit of marine equipment and spare parts segment.
- Gross profit margin decreased by 1 percentage point to 25%, mainly due to the impact of the U.S.–Iran war, rising raw materials and transportation costs led to a decline in gross profit margin of coatings segment.
- Profit before income tax from the core business of shipping services increased by 7% to HK$440,812,000.
- Profit attributable to equity holders of the Company decreased by 0.3% to HK$485,637,000, mainly due to the decrease in finance income and net exchange gains.
- Basic and diluted earnings per share was 33.13 HK cents (2025: 33.24 HK cents), decreased by 0.3%. The Board has declared an interim dividend of 33 HK cents (2025: 33 HK cents) per share.
- The Group had net cash (represented by total restricted bank deposits and current deposits and cash and cash equivalents, net of short-term borrowings) of HK$6,041,824,000 as at 30 June 2026.

The board of directors (the “Board” or the “Director(s)”) of COSCO SHIPPING International (Hong Kong) Co., Ltd. (the “Company” or “COSCO SHIPPING International”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2026. The unaudited condensed consolidated results of the Group for the six months ended 30 June 2026 have been reviewed by the audit committee of the Company (the “Audit Committee”).

The Group's unaudited condensed consolidated income statement, unaudited condensed consolidated statement of comprehensive income, unaudited condensed consolidated statement of financial position and explanatory notes 1 to 11 as presented below are extracted from the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 (the "Unaudited Condensed Consolidated Interim Financial Information"), which has been reviewed by the Company's independent auditor, SHINEWING (HK) CPA 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 Hong Kong Institute of Certified Public Accountants (the "HKICPA").

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2026

		Unaudited Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**2,092,450**	1,934,118
Cost of sales		**(1,575,657)**	(1,435,315)
Gross profit		**516,793**	498,803
Management fee income		**40,583**	42,277
Other income and gains — net	*4*	**74,551**	63,560
Selling, administrative and general expenses		**(347,473)**	(354,277)
Operating profit	*5*	**284,454**	250,363
Finance income	*6*	**97,087**	112,872
Finance costs	*6*	**(773)**	(726)
Finance income — net	*6*	**96,314**	112,146
Share of profits of joint ventures	*3*	**175,419**	178,709
Share of profits of associates	*3*	**3,493**	8,616
Profit before income tax		**559,680**	549,834
Income tax expenses	*7*	**(60,462)**	(55,209)
Profit for the period		**499,218**	494,625
Profit attributable to:			
Equity holders of the Company		**485,637**	487,223
Non-controlling interests		**13,581**	7,402
		499,218	494,625
Earnings per share attributable to equity holders of the Company during the period			
— basic and diluted, HK cents	*8*	**33.13**	33.24

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit for the period	**499,218**	494,625
Other comprehensive income/(losses)		
Items that may be reclassified subsequently to profit or loss:		
Share of currency translation differences of joint ventures	**18,471**	13,360
Share of statutory reserves of subsidiaries, a joint venture and an associate, net of tax	**4,473**	1,546
Currency translation differences	**64,570**	48,065
Items that will not be reclassified to profit or loss:		
Fair value (losses)/gains on financial assets at fair value through other comprehensive income, net	**(19,228)**	28,676
Other comprehensive income for the period	**68,286**	91,647
Total comprehensive income for the period	**567,504**	586,272
Total comprehensive income attributable to:		
Equity holders of the Company	**539,204**	573,104
Non-controlling interests	**28,300**	13,168
	567,504	586,272

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**Unaudited 30 June 2026** *HK$'000*	Audited 31 December 2025 *HK$'000*
ASSETS			
Non-current assets			
Intangible assets		**346,760**	349,506
Property, plant and equipment		**202,455**	196,192
Right-of-use assets		**36,747**	38,037
Investment properties		**138,277**	136,207
Investments in joint ventures		**795,820**	874,368
Investments in associates		**418,686**	246,565
Financial assets at fair value through other comprehensive income		**103,494**	122,722
Deferred income tax assets		**35,176**	29,611
Non-current bank deposits		**–**	1,023,753
		2,077,415	3,016,961
Current assets			
Inventories		**366,226**	450,278
Trade and other receivables	*10*	**1,961,217**	1,233,953
Current income tax recoverable		**1,394**	11,482
Restricted bank deposits		**5,757**	5,536
Current deposits and cash and cash equivalents		**6,048,088**	4,787,573
		8,382,682	6,488,822
Total assets		**10,460,097**	9,505,783

	Note	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**146,597**	146,597
Reserves		**7,909,181**	7,795,108
		8,055,778	7,941,705
Non-controlling interests		**355,329**	327,029
Total equity		**8,411,107**	8,268,734
LIABILITIES			
Non-current liabilities			
Lease liabilities	*11*	**5,025**	7,263
Deferred income tax liabilities		**83,789**	81,396
		88,814	88,659
Current liabilities			
Trade and other payables	*11*	**1,606,127**	782,277
Contract liabilities	*11*	**304,549**	344,618
Current income tax liabilities		**31,880**	16,243
Short-term borrowings		**12,021**	–
Lease liabilities	*11*	**5,599**	5,252
		1,960,176	1,148,390
Total liabilities		**2,048,990**	1,237,049
Total equity and liabilities		**10,460,097**	9,505,783

NOTES:

1 GENERAL INFORMATION

The Group is principally engaged in the provision of shipping services and general trading.

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. Its principal place of business is 47th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong.

The ultimate holding company of the Company is 中國遠洋海運集團有限公司 (China COSCO Shipping Corporation Limited*), a state-owned enterprise established in the People's Republic of China (the "PRC").

The Unaudited Condensed Consolidated Interim Financial Information is presented in Hong Kong dollars, unless otherwise stated.

The Unaudited Condensed Consolidated Interim Financial Information was approved by the board of directors of the Company for issue on 28 August 2026.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Unaudited Condensed Consolidated Interim Financial Information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025, which were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.

The accounting policies and methods used in the preparation of the Unaudited Condensed Consolidated Interim Financial Information are consistent with those set out in the annual financial statements of the Group for the year ended 31 December 2025 except that the Group has adopted, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards Volume 11

The adoption of the above amendments to existing standards had no material impact on the Group's financial performance and financial positions for the current and prior periods and/or on the disclosures set out in the Unaudited Condensed Consolidated Interim Financial Information.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The following new standards and amendments to existing standards have been published by the HKICPA and are relevant to the Group's operations. They are not yet effective for accounting periods beginning on 1 January 2026 and have not been early adopted by the Group:

HKFRS 18	Presentation and Disclosure in Financial Statements[1]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
HKAS 21	Translation to a Hyperinflationary Presentation Currency[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

[1] Effective for annual periods beginning on or after 1 January 2027

[2] Effective for annual periods beginning on or after a date to be determined

Except as described below, the directors of the Company anticipate that the adoption of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 — Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated income statement and consolidated statement of comprehensive income; provides disclosures on management-defined performance measures in the notes to the consolidated financial statements and improves aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. The adoption of HKFRS 18 is not expected to have impact on the Group's financial positions, but is expected to affect the presentation of the consolidated income statement and consolidated statement of comprehensive income.

3 REVENUE AND SEGMENT INFORMATION

Turnover, representing revenue, recognised at a point in time, during the period is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Sale of coatings	**933,460**	822,892
Sale of marine equipment and spare parts	**909,221**	886,183
Commission income from ship trading agency	**97,747**	97,791
Commission income from insurance brokerage	**149,924**	119,639
Intelligent shipping services	**2,079**	1,754
General trading	**19**	5,859
	2,092,450	1,934,118

The executive directors have been identified as the chief operating decision-makers. The executive directors review the Group's internal reports in order to make decisions about resources to be allocated to the segments and assess their performance. Management considers the business from a product perspective and has identified the following reportable segments on the basis of these reports:

Reportable segments	**Business activities**
Coatings	Production and sale of coatings, and holding of investments in joint ventures, namely Jotun COSCO Marine Coatings (HK) Limited ("Jotun COSCO") and 常熟耐素生物材料科技有限公司 (Nasurfar Biomaterial Technology (Changshu) Co., Ltd.*) ("Nasurfar Changshu")
Marine equipment and spare parts	Trading and supply of marine equipment and spare parts, and holding of investments in joint ventures
Ship trading agency	Provision of agency services relating to shipbuilding, ship trading and bareboat charter business, and holding of investments in a joint venture and an associate
Insurance brokerage	Provision of insurance brokerage services
Intelligent shipping services	Provision of green, low-carbon, digital and intelligent solutions for the full life cycle of the shipping industry
General trading	Trading, storage, processing and supply of asphalt and other products, and holding of investments in associates, including 浙江四兄繩業有限公司 (Zhejiang Four Brothers Rope Co., Ltd.*) ("Zhejiang Four Brothers Rope")

Others mainly comprise the holding of the Group's financial assets at fair value through other comprehensive income ("FVOCI"), the results of a subsidiary (namely Sinfeng Marine Services Pte. Ltd. ("Sinfeng")) and holding of investments in an associate (namely 上海吉遠綠色能源有限公司 (Shanghai JOYFuel Green Energy Co., Ltd. *) ("Shanghai JOYFuel Green Energy")).

Management assesses the performance of the operating segments based on a measure of profit before income tax.

	Shipping services						General trading	Others	Inter-segment elimination	Total
	Coatings	Marine equipment and spare parts	Ship trading agency	Insurance brokerage	Intelligent shipping services	Total				
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Six months ended and as at 30 June 2026									
Profit or loss items:										
Segment revenue	933,460	909,221	97,747	151,075	2,079	2,093,582	19	–	(1,151)	2,092,450
Inter-segment revenue	–	–	–	(1,151)	–	(1,151)	–	–	1,151	–
Revenue from external customers	933,460	909,221	97,747	149,924	2,079	2,092,431	19	–	–	2,092,450
Segment operating profit/(loss)	44,818	49,530	68,358	105,376	(14,803)	253,279	3,427	(2,492)	–	254,214
Finance income	303	4,984	994	6,356	6	12,643	927	995	–	14,565
Finance costs	(220)	(415)	(2)	(56)	(61)	(754)	(2)	(4)	–	(760)
Share of profits of joint ventures	173,023	1,904	492	–	–	175,419	–	–	–	175,419
Share of profits/(losses) of associates	–	–	225	–	–	225	4,048	(780)	–	3,493
Segment profit/(loss) before income tax	217,924	56,003	70,067	111,676	(14,858)	440,812	8,400	(2,281)	–	446,931
Income tax (expenses)/credit	(7,812)	(11,268)	(17,453)	(20,237)	963	(55,807)	–	(51)	–	(55,858)
Segment profit/(loss) after income tax	210,112	44,735	52,614	91,439	(13,895)	385,005	8,400	(2,332)	–	391,073
Balance sheet items:										
Total segment assets	2,044,019	1,116,813	259,155	1,446,438	13,593	4,880,018	272,194	377,908	(3,333)	5,526,787
Total segment assets include:										
— Joint ventures	772,672	14,907	8,241	–	–	795,820	–	–	–	795,820
— Associates	–	–	1,746	–	–	1,746	178,334	238,606	–	418,686
Total segment liabilities	436,863	270,041	60,123	772,985	21,776	1,561,788	28,616	29	(3,333)	1,587,100
Other items:										
Depreciation and amortisation, net of amount capitalised	(11,107)	(1,498)	(716)	(6,746)	(621)	(20,688)	(353)	–	–	(21,041)
Reversal of provision for impairment of trade receivables, net	7,965	318	–	–	–	8,283	–	–	–	8,283
Reversal of provision for impairment of other receivables, net	–	–	–	–	–	–	8,211	–	–	8,211
(Provision)/Reversal of provision for impairment of inventories, net	(968)	–	–	–	–	(968)	118	–	–	(850)
Additions to non-current assets (other than financial assets at FVOCI and deferred income tax assets)	13,219	378	212	2,781	611	17,201	–	–	–	17,201

	Coatings	Marine equipment and spare parts	Ship trading agency	Insurance brokerage	Intelligent shipping services	Total	General trading	Others	Inter-segment elimination	Total
	Shipping services									
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Year ended and as at 31 December 2025									
Balance sheet items:										
Total segment assets	2,026,216	1,072,052	262,598	992,999	14,168	4,368,033	590,997	244,412	(5,573)	5,197,869
Total segment assets include:										
— Joint ventures	854,380	12,545	7,443	–	–	874,368	–	–	–	874,368
— Associates	–	–	1,913	–	–	1,913	169,411	75,241	–	246,565
Total segment liabilities	409,487	269,638	48,887	415,179	8,458	1,151,649	365,072	2,552	(5,573)	1,513,700
Other items:										
Additions to non-current assets (other than financial assets at FVOCI, deferred income tax assets and non-current bank deposits)	11,599	2,835	1,701	1,322	2,718	20,175	33	–	–	20,208

	Coatings	Marine equipment and spare parts	Ship trading agency	Insurance brokerage	Intelligent shipping services	Total	General trading	Others	Inter-segment elimination	Total
	Shipping services									
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Six months ended and as at 30 June 2025									
Profit or loss items:										
Segment revenue	822,892	886,183	97,791	120,612	2,297	1,929,775	5,859	–	(1,516)	1,934,118
Inter-segment revenue	–	–	–	(973)	(543)	(1,516)	–	–	1,516	–
Revenue from external customers	822,892	886,183	97,791	119,639	1,754	1,928,259	5,859	–	–	1,934,118
Segment operating profit/(loss)	26,729	48,209	80,087	79,547	(12,990)	221,582	6,108	5,454	–	233,144
Finance income	774	4,884	1,179	4,382	90	11,309	424	1,036	–	12,769
Finance costs	(296)	(326)	(3)	(88)	–	(713)	(2)	(5)	–	(720)
Share of profits of joint ventures	176,931	1,336	442	–	–	178,709	–	–	–	178,709
Share of profits/(losses) of associates	–	–	104	–	–	104	8,583	(71)	–	8,616
Segment profit/(loss) before income tax	204,138	54,103	81,809	83,841	(12,900)	410,991	15,113	6,414	–	432,518
Income tax expenses	(6,545)	(9,216)	(19,432)	(15,577)	–	(50,770)	–	–	–	(50,770)
Segment profit/(loss) after income tax	197,593	44,887	62,377	68,264	(12,900)	360,221	15,113	6,414	–	381,748
Balance sheet items:										
Total segment assets	1,821,880	1,344,279	264,179	1,107,075	24,727	4,562,140	595,044	201,952	(2,073)	5,357,063
Total segment assets include:										
— Joint ventures	670,593	12,629	6,939	–	–	690,161	–	–	–	690,161
— Associates	–	–	1,944	–	–	1,944	169,899	38,288	–	210,131
Total segment liabilities	348,146	383,059	64,502	548,269	9,756	1,353,732	33,848	220	(2,073)	1,385,727
Other items:										
Depreciation and amortisation, net of amount capitalised	(8,956)	(1,350)	(624)	(6,515)	(345)	(17,790)	(598)	–	–	(18,388)
(Provision)/Reversal of provision for impairment of trade receivables, net	(19,968)	571	–	–	–	(19,397)	11,045	–	–	(8,352)
Reversal of provision for impairment of other receivables, net	–	–	–	–	–	–	2,419	–	–	2,419
(Provision)/Reversal of provision for impairment of inventories, net	(1,744)	–	–	–	–	(1,744)	551	–	–	(1,193)
Additions to non-current assets (other than financial assets at FVOCI, deferred income tax assets and non-current bank deposits)	3,459	2,602	1,584	1,229	2,295	11,169	–	–	–	11,169

	Shipping services						General trading	Others	Inter-segment elimination	Total
	Coatings	Marine equipment and spare parts	Ship trading agency	Insurance brokerage	Intelligent shipping services	Total				
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Year ended and as at 31 December 2024									
Balance sheet items:										
Total segment assets	1,902,744	1,183,879	260,184	776,361	28,965	4,152,133	575,715	138,790	(787)	4,865,851
Total segment assets include:										
— Joint ventures	742,194	11,107	6,394	–	–	759,695	–	–	–	759,695
— Associates	–	–	1,810	–	–	1,810	160,569	3,760	–	166,139
Total segment liabilities	391,526	283,916	49,016	287,218	1,388	1,013,064	34,536	1,071	(787)	1,047,884
Other items:										
Additions to non-current assets (other than financial assets at FVOCI and deferred income tax assets)	6,437	3,369	1,481	5,156	96	16,539	150	–	–	16,689

A reconciliation of the total of the reportable segments' profit before income tax to the Group's profit after income tax is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit before income tax for reportable segments	**449,212**	426,104
(Loss)/profit before income tax for others	**(2,281)**	6,414
Profit before income tax for all segments	**446,931**	432,518
Elimination of segment income from corporate headquarters	**(1,095)**	(890)
Elimination of segments' finance income from corporate headquarters	**(8,506)**	(6,938)
Corporate finance income	**91,028**	107,041
Corporate finance costs	**(13)**	(6)
Corporate net exchange gains	**44,358**	49,755
Corporate expenses, net of income	**(13,023)**	(31,646)
Profit before income tax for the Group	**559,680**	549,834
Income tax expenses for all segments	**(55,858)**	(50,770)
Corporate income tax expenses	**(4,604)**	(4,439)
Profit after income tax for the Group	**499,218**	494,625

A reconciliation of the total of the reportable segments' assets to the Group's total assets is as follows:

	30 June 2026	31 December 2025	30 June 2025
	HK$'000	*HK$'000*	*HK$'000*
Total assets for reportable segments	**5,152,212**	4,959,030	5,157,184
Total assets for others	**377,908**	244,412	201,952
Elimination of inter-segment receivables	**(3,333)**	(5,573)	(2,073)
Total assets for all segments	**5,526,787**	5,197,869	5,357,063
Corporate assets (mainly deposits and cash and cash equivalents)	**5,460,725**	5,111,099	5,103,851
Elimination of receivables between corporate headquarters and segments	**(527,415)**	(803,185)	(529,017)
Total assets for the Group	**10,460,097**	9,505,783	9,931,897

A reconciliation of the total of the reportable segments' liabilities to the Group's total liabilities is as follows:

	30 June 2026	31 December 2025	30 June 2025
	HK$'000	*HK$'000*	*HK$'000*
Total liabilities for reportable segments	**1,590,404**	1,516,721	1,387,580
Total liabilities for others	**29**	2,552	220
Elimination of inter-segment payables	**(3,333)**	(5,573)	(2,073)
Total liabilities for all segments	**1,587,100**	1,513,700	1,385,727
Corporate liabilities	**989,305**	526,534	594,760
Elimination of payables between corporate headquarters and segments	**(527,415)**	(803,185)	(529,017)
Total liabilities for the Group	**2,048,990**	1,237,049	1,451,470

4 OTHER INCOME AND GAINS — NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Other income/(expenses):		
— Rental income	**1,661**	1,499
— Direct operating expenses for generating rental income	**(29)**	(27)
— Dividend income from financial assets at FVOCI	**6,432**	5,782
Other income — net	**8,064**	7,254
Other gains/(losses):		
— Net gains on disposal of property, plant and equipment	**124**	104
— Reversal of provision/(provision) for impairment of trade receivables, net *(note 10(b))*	**8,283**	(8,352)
— Reversal of provision for impairment of other receivables, net	**8,211**	2,419
— Provision for impairment of inventories, net	**(850)**	(1,193)
— Subsidy income	**2,670**	682
— Net exchange gains	**40,471**	56,382
— Others	**7,578**	6,264
Other gains — net	**66,487**	56,306
Other income and gains — net	**74,551**	63,560

5 OPERATING PROFIT

Operating profit is stated after charging the following:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Employee benefit expenses, including directors' emoluments and provident funds	**252,290**	253,458
Expenses related to short-term leases	**18,669**	20,923
Depreciation and amortisation, net of amount capitalised in inventories totalling HK$2,918,000 (2025: HK$1,070,000)	**21,202**	19,469

6 FINANCE INCOME — NET

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest income from:		
— a fellow subsidiary	**2,463**	2,847
— bank deposits	**94,624**	110,025
Total finance income	**97,087**	112,872
Interest expenses on:		
— loan from a fellow subsidiary	**(61)**	–
— lease liabilities	**(226)**	(312)
Other finance charges	**(486)**	(414)
Total finance costs	**(773)**	(726)
Finance income — net	**96,314**	112,146

7 INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the period.

The PRC enterprise income tax has been calculated on the estimated assessable profit derived from the Group's operations in the PRC for the period at 15% to 25% (2025: 25%).

Other overseas taxation has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 17% to 35% (2025: 17% to 35%) during the period.

Deferred income tax is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the reporting date.

The amount of income tax charged for the period to the condensed consolidated income statement is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current income tax		
— current period		
— Hong Kong profits tax	**24,058**	16,409
— PRC enterprise income tax	**30,606**	34,140
— other overseas taxation	**3,135**	3,764
— under-provision/(over-provision) in prior years		
— PRC enterprise income tax	**2,723**	(126)
— other overseas taxation	**1**	(354)
Deferred income tax (credit)/charge, net	**(61)**	1,376
Income tax expenses	**60,462**	55,209

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. However, the enactment or substantial enactment of Pillar Two legislation in additional jurisdictions in which the Group operates does not have a material impact to the Group's overall exposure to Pillar Two income taxes.

8 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit attributable to equity holders of the Company of HK$485,637,000 (2025: HK$487,223,000) and the weighted average number of ordinary shares outstanding during the period of 1,465,971,429 shares (2025: 1,465,971,429 shares).

There was no potential dilutive ordinary share in existence during both periods.

9 DIVIDEND

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend, declared, of HK$0.33 (2025: HK$0.33) per ordinary share	**483,771**	483,771

At the board meeting held on 28 August 2026, the directors of the Company declared an interim dividend of HK$0.33 per ordinary share for the six months ended 30 June 2026. This dividend has not been recognised as a liability in the Unaudited Condensed Consolidated Interim Financial Information, but will be recognised in shareholders' equity for the year ending 31 December 2026.

A final dividend of HK$278,534,000 and a special dividend of HK$146,597,000 relating to the year ended 31 December 2025 were approved at the annual general meeting held on 29 May 2026 and payable as at 30 June 2026, and a final dividend of HK$315,184,000 relating to the year ended 31 December 2024 was paid in June 2025.

10 TRADE AND OTHER RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Trade receivables	**950,319**	463,162
Less: provision for impairment	**(26,156)**	(33,308)
Trade receivables, net *(note (a))*	**924,163**	429,854
Bills receivable, prepayments, deposits, other receivables and amounts due from related parties, net of provision for impairment	**1,037,054**	804,099
	1,961,217	1,233,953

Notes:

(a) The ageing analysis of trade receivables (including amounts due from related parties which are trading in nature) based on invoice date and after provision for impairment is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Current–90 days	**752,936**	305,056
91–180 days	**136,270**	81,455
Over 180 days	**34,957**	43,343
	924,163	429,854

For the sale of coatings, marine equipment and spare parts, asphalt and other products, the majority of sales are on credit terms from 30 days to 120 days. Other than those with credit terms, all invoices are payable upon presentation.

(b) Movements on the provision for impairment of trade receivables are as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
At 1 January	**33,308**	25,053
Currency translation differences	**1,131**	449
(Reversal of provision)/provision for impairment, net *(note 4)*	**(8,283)**	8,352
At 30 June	**26,156**	33,854

11 TRADE AND OTHER PAYABLES, CONTRACT LIABILITIES AND LEASE LIABILITIES

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Trade payables *(note (a))*	**831,170**	462,389
Dividends payable	**426,277**	945
Bills payable, accrued liabilities, other payables and amounts due to related parties	**348,680**	318,943
	1,606,127	782,277
Contract liabilities	**304,549**	344,618
Lease liabilities *(note (c))*	**10,624**	12,515
	1,921,300	1,139,410

Notes:

(a) The ageing analysis of trade payables (including amounts due to related parties which are trading in nature) based on invoice date is as follows:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Current–90 days	**650,857**	359,695
91–180 days	**111,769**	46,084
Over 180 days	**68,544**	56,610
	831,170	462,389

(b) Revenue recognised in the current reporting period related to brought-forward contract liabilities:

	Six months ended 30 June	
	2026 *HK$'000*	2025 *HK$'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the period	**294,439**	143,625

(c) Maturity analysis of lease liabilities is as below:

	30 June 2026 *HK$'000*	31 December 2025 *HK$'000*
Within one year	**5,599**	5,252
From the second to fifth year inclusive	**5,025**	7,263
	10,624	12,515

OVERALL ANALYSIS OF RESULTS

During the first half of 2026, profit attributable to equity holders of the Company was HK$485,637,000 (2025: HK$487,223,000), decreased by 0.3% year-on-year, while the basic and diluted earnings per share was 33.13 HK cents (2025: 33.24 HK cents), decreased by 0.3% year-on-year. The decrease was mainly due to the decrease in finance income and net exchange gains.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group's revenue was HK$2,092,450,000 (2025: HK$1,934,118,000), increased by 8% year-on-year. Revenue from the core business of shipping services was HK$2,092,431,000 (2025: HK$1,928,259,000), increased by 9% year-on-year, and accounted for nearly 100% (2025: 99.7%) of the Group's revenue, mainly due to the increase in revenues from coatings, insurance brokerage and marine equipment and spare parts segments. Revenue from general trading segment was HK$19,000 (2025: HK$5,859,000), decreased by 100% year-on-year, and accounted for nearly 0% (2025: 0.3%) of the Group's revenue.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2026, the Group's gross profit was HK$516,793,000 (2025: HK$498,803,000), increased by 4% year-on-year, mainly due to the increase in revenue from insurance brokerage segment and the increase in gross profit of marine equipment and spare parts segment. The overall gross profit margin was 25% (2025: 26%), decreased by 1 percentage point year-on-year, mainly due to the impact of the U.S.–Iran war, where rising raw materials and transportation costs led to a decline in gross profit margin of coatings segment.

Management Fee Income

For the six months ended 30 June 2026, management fee income arising from the provision of management services by the Company in relation to the day-to-day business operations and management of COSCO SHIPPING (Hong Kong) Co., Limited ("COSCO SHIPPING (Hong Kong)") and its subsidiaries (other than those relating to the Group and Piraeus Port Authority S.A.) was HK$40,583,000 (2025: HK$42,277,000), decreased by 4% year-on-year, mainly due to the decrease in administrative and general expenses related to COSCO SHIPPING (Hong Kong) and its subsidiaries mentioned above.

Other Income and Gains — Net

For the six months ended 30 June 2026, other income and gains — net was HK$74,551,000 (2025: HK$63,560,000), increased by 17% year-on-year, mainly due to the increase in net reversal of provision for impairment of trade receivables, which was partly offset by a decrease in net exchange gains.

Selling, Administrative and General Expenses

For the six months ended 30 June 2026, selling, administrative and general expenses was HK$347,473,000 (2025: HK$354,277,000), decreased by 2% year-on-year, mainly due to the decrease in employee benefit expenses.

Operating Profit

The Group's operating profit was HK$284,454,000 (2025: HK$250,363,000), increased by 14% year-on-year, mainly due to the increase in revenue and gross profit.

Finance Income

Finance income, which primarily represented interest income on the Group's bank deposits, was HK$97,087,000 (2025: HK$112,872,000), decreased by 14% year-on-year, mainly due to the decrease in interest rates of deposits.

Finance Costs

Finance costs, which primarily represented interest expenses on lease liabilities, short-term borrowings and other finance charges, was HK$773,000 (2025: HK$726,000), increased by 6% year-on-year.

Share of Profits of Joint Ventures

The Group's share of profits of joint ventures was HK$175,419,000 (2025: HK$178,709,000). This item primarily represented the share of profits of Jotun COSCO of HK$163,675,000 (2025: HK$171,319,000) and Nasurfar Changshu of HK$9,348,000 (2025: HK$5,612,000), which were included in the coatings segment.

Share of Profits of Associates

The Group's share of profits of associates was HK$3,493,000 (2025: HK$8,616,000). This item primarily represented the share of profit of Zhejiang Four Brothers Rope of HK$2,335,000 (2025: HK$6,144,000), which was included in the general trading segment.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company was HK$485,637,000 (2025: HK$487,223,000), decreased by 0.3% year-on-year.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2026, capital and reserves attributable to the Company's equity holders increased by 1% to HK$8,055,778,000 (as at 31 December 2025: HK$7,941,705,000). As at 30 June 2026, total cash and deposits (including restricted bank deposits of HK$5,757,000) of the Group was HK$6,053,845,000 (as at 31 December 2025: HK$5,816,862,000, including restricted bank deposits of HK$5,536,000). During the period, the Group had net drawdown of short-term borrowings in the amount of RMB10,441,000 (approximately HK$12,021,000) (for the same period of 2025: nil). As at 30 June 2026, total trading related facilities of the Group amounted to HK$353,153,000 (as at 31 December 2025: HK$342,492,000), of which HK$65,407,000 (as at 31 December 2025: HK$49,993,000) had been utilised. The gearing ratio, which represented total borrowings over total assets, was 0.11% (as at 31 December 2025: nil). As at 30 June 2026, the Group had net cash (represented by total non-current bank deposits, restricted bank deposits and current deposits and cash and cash equivalents, net of short-term borrowings) of HK$6,041,824,000 (as at 31 December 2025: HK$5,816,862,000). To enhance the Group's finance income and to ensure availability of cash at appropriate times to meet the Group's commitments and needs, the Group, on the basis of balancing risk, return and liquidity, invested in a mixture of stable and conservative financial products, including overnight deposits, term deposits and offshore fixed deposits. During the period, return on the Group's cash was 3.27% (for the same period of 2025: 3.75%). The Group had no financial instruments for interest rate hedging purposes.

FINANCIAL RISK MANAGEMENT

The Group principally operates in Hong Kong, the PRC and overseas, and is exposed to foreign exchange risk arising from foreign currencies held, mainly Renminbi and U.S. dollars. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities. The Group manages its foreign exchange exposure by regularly reviewing the foreign currency exposure of its operating subsidiaries and will consider hedging exposure by foreign exchange forward contracts when the need arises. The Group exercises stringent control over the use of derivative financial instruments. In addition, the conversion of Renminbi into foreign currencies in the PRC is subject to the rules and regulations of foreign exchange controls promulgated by the government of the PRC.

EMPLOYEES

As at 30 June 2026, excluding those in joint ventures and associates, the Group had 805 (as at 31 December 2025: 808) employees, of whom 202 (as at 31 December 2025: 205) were Hong Kong employees. During the period, total employee benefit expenses, including directors' emoluments and provident funds, were HK$252,290,000 (for the same period of 2025: HK$253,458,000). Employees were remunerated on the basis of their performance and experience. Remuneration packages include salary and a year-end discretionary bonus, which are determined with reference to market conditions and individual performance. During the period, all Hong Kong employees participated in the Mandatory Provident Fund Scheme or recognised occupational retirement schemes.

The share option incentive scheme of the Company was adopted by the shareholders of the Company (the "Shareholder(s)") at the special general meeting of the Company on 9 April 2020 (the "Share Option Incentive Scheme").

The Company granted an aggregate of 23,830,000 share options to certain directors of the Company and certain employees of the Group to subscribe for a total of 23,830,000 shares of the Company (the "Share(s)") at a price of HK$2.26 per share on 28 April 2020 under the Share Option Incentive Scheme. Subject to the fulfillment of the relevant conditions, these share options granted are exercisable from 28 April 2022 to 27 April 2026 in batches.

The Company granted an aggregate of 2,460,000 share options to certain employees of the Group to subscribe for a total of 2,460,000 shares of the Company at a price of HK$2.184 per share on 6 October 2020 under the Share Option Incentive Scheme. Subject to the fulfillment of the relevant conditions, these share options granted are exercisable from 6 October 2022 to 5 October 2026 in batches.

The Company granted an aggregate of 1,370,000 share options to certain employees of the Group to subscribe for a total of 1,370,000 shares of the Company at a price of HK$2.72 per share on 7 April 2021 under the Share Option Incentive Scheme. Subject to the fulfillment of the relevant conditions, these share options granted are exercisable from 7 April 2023 to 6 April 2027 in batches.

Each batch of the above share options is exercisable within the periods stated as follows: (a) 33.3% of the share options will be exercisable commencing on the first trading day after the expiration of the 24-month period (the second anniversary) from the respective dates of grant and ending on the last trading day of the 36-month period from the respective dates of grant; (b) 33.3% of the share options will be exercisable commencing on the first trading day after the expiration of the 36-month period (the third anniversary) from the respective dates of grant and ending on the last trading day of the 48-month period from the respective dates of grant; and (c) 33.4% of the share options will be exercisable commencing on the first trading day after the expiration of the 48-month period (the fourth anniversary) from the respective dates of grant and ending on the last trading day of the 72-month period from the respective dates of grant.

INTERIM DIVIDEND

The Board has declared an interim dividend of 33 HK cents (2025: 33 HK cents) per share for the six months ended 30 June 2026 which will be payable on 25 September 2026 to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") on 17 September 2026.

For the purpose of ascertaining the Shareholders' entitlement to the interim dividend, the Register of Members will be closed from 14 September 2026 to 17 September 2026, both days inclusive, during which no transfer of shares of the Company will be registered. In order to qualify for the interim dividend for the six months ended 30 June 2026, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 11 September 2026.

REVIEW OF BUSINESS OPERATIONS

In the first half of 2026, lingering uncertainties surrounding U.S. tariff and trade policies continued to weigh on markets, while geopolitical tensions in the Middle East — particularly disruptions to shipping through the Strait of Hormuz — intensified significantly. Global financial markets experienced sharp volatility, and downside risks to the global economy showed no signs of abating.

The global shipbuilding industry has been in an upward cycle since 2021 and saw a notable rebound in the first half of 2026. According to Clarksons data, global new ship orders totaled 1,644 vessels, equivalent to 137,505,226 deadweight tonnages ("DWT"), representing a year-on-year surge of 125% in DWT terms — the highest level for any first-half period on record. In terms of alternative-fuel vessels, data from Det Norske Veritas (DNV)'s Alternative Fuel Insights platform show that a total of 137 alternative-fuel ship orders were placed globally in the first half of 2026, down from 155 in the same period of 2025. Liquefied Natural Gas (LNG) dual-fuel vessels remained the dominant choice (73 vessels), while orders for Liquefied Petroleum Gas (LPG)/ethane-powered vessels rose significantly to 55. In contrast, orders for emerging alternative fuels such as methanol and ammonia were nearly nonexistent.

Despite shifts in the composition of newbuilding orders, and against the backdrop of a still-strong delivery cycle for new ships, the Group's core shipping services business maintained stable operations. The Company has proactively advanced the deep integration of its marine equipment and spare parts supply business with its shipping services technology operations, leveraging digital technologies to expand low-carbon service scenarios and capitalise on the structural opportunities arising from the industry's green transition.

1. Core Business — Shipping Services

The Group's core shipping services business mainly include ship trading agency services, insurance brokerage services, supply of marine equipment and spare parts, production and sale of coatings and intelligent shipping services, etc..

During the period, revenue from the Group's shipping services amounted to HK$2,092,431,000 (2025: HK$1,928,259,000), representing a year-on-year increase of 9%. Profit before income tax from shipping services reached HK$440,812,000 (2025: HK$410,991,000), up 7% year-on-year, which was mainly due to strong performance in the segments of coatings, insurance brokerage and marine equipment and spare parts.

1.1 *Ship Trading Agency Services*

The Group's ship trading agency services business is principally engaged in the provision of agency services relating to shipbuilding, ship trading and chartering for shipping enterprises.

During the period, revenue from the ship trading agency segment of the Group was HK$97,747,000 (2025: HK$97,791,000), remaining flat. Segment profit before income tax was HK$70,067,000 (2025: HK$81,809,000), down 14% year-on-year. This was mainly due to the change of vessel type and structure of newbuild vessel resulting in a decrease in commission rates.

During the period, the Group's total number of newbuild vessels deliveries was 29 (2025: 22), aggregating 1,282,166 DWT (2025: 1,192,700 DWT). A total number of 71 (2025: 58) newbuild vessels have been ordered, aggregating 6,143,700 DWT (2025: 4,102,000 DWT). In addition, the sale and purchase of a total of 11 (2025: 10) second-hand vessels were recorded, aggregating 540,400 DWT (2025: 483,185 DWT).

1.2 *Insurance Brokerage Services*

The Group's insurance brokerage services business is primarily engaged in the insurance and reinsurance intermediary services of marine and non-marine insurance, including the provision of professional insurance brokerage services such as risk assessment and analysis, designing insurance and reinsurance programmes, discussing insurance coverage, reviewing insurance policies, claims adjustment and claims handling for domestic and international customers, and receive service commissions.

During the period, revenue from the insurance brokerage segment of the Group was HK$149,924,000 (2025: HK$119,639,000), up 25% year on-year. Segment profit before income tax was HK$111,676,000 (2025: HK$83,841,000), up 33% year-on-year. This was mainly due to the increase in commission income from hull and protection & indemnity (P&I) insurance, driven by the notable growth in deliveries of mega vessels, as well as successful expansion of new non-marine insurance businesses.

1.3 *Supply of Marine Equipment and Spare Parts*

The Group's supply of marine equipment and spare parts business is principally engaged in the sale and installation of equipment and spare parts for existing and newbuild vessels, as well as equipment of radio communications systems, satellite communications and navigation systems for ships, offshore facilities, coastal stations and land users; marine materials supply and voyage repair. Its business network covers cities such as Hong Kong, Shanghai and Beijing and countries such as Japan, Singapore, Germany and the United States, etc..

During the period, revenue from the supply of marine equipment and spare parts segment of the Group was HK$909,221,000 (2025: HK$886,183,000), up 3% year-on-year. Segment profit before income tax was HK$56,003,000 (2025: HK$54,103,000), up 4% year-on-year. The segment's performance stabilised following the easing of tariff-related trade disputes.

1.4 *Production and Sale of Coatings*

The coating business of the Group primarily includes the production and sale of container coatings, industrial heavy-duty anti-corrosion coatings and marine coatings. COSCO Kansai Paint & Chemicals (Zhuhai) Co., Ltd. ("COSCO Kansai (Zhuhai)"), 中遠關西塗料(上海)有限公司 (COSCO Kansai Paint (Shanghai) Co., Ltd.*) ("COSCO Kansai Paint (Shanghai)") and 中遠關西塗料化工(上海)有限公司 (COSCO Kansai Paint & Chemicals (Shanghai) Co., Ltd.*) ("COSCO Kansai (Shanghai)") (collectively "COSCO Kansai Companies") are non-wholly owned subsidiaries of the Company. COSCO Kansai (Zhuhai) and COSCO Kansai Paint (Shanghai), which have their own plants, are principally engaged in the production and sale of coatings, while COSCO Kansai (Shanghai) is primarily engaged in the sale of coatings. Jotun COSCO, a 50/50 joint venture formed by the Company and Jotun A/S, Norway, an international coatings supplier, is principally engaged in the production and sale of marine coatings. Nasurfar Changshu, in which the Company held 33% equity interest, is principally engaged in the research and development, production and sales of biomaterial application products, including surfactants, coating raw materials and additives, as well as resin modifiers, etc..

During the period, revenue from the coatings segment of the Group was HK$933,460,000 (2025: HK$822,892,000), up 13% year-on-year. Segment profit before income tax was HK$217,924,000 (2025: HK$204,138,000), up 7% year-on-year.

For container coatings, sales volume has increased, accompanied by a growing market share. During the period, the sales volume of container coatings surged by 29% year-on-year to 37,060 tonnes (2025: 28,723 tonnes).

The sales volume of industrial heavy-duty anti-corrosion coatings (including workshop primer) down 3% year-on-year to 10,810 tonnes (2025: 11,167 tonnes). The domestic industrial heavy-duty anti-corrosion coatings market is currently undergoing a critical transition from "quantity" to "quality". The Group will continue to strive for a foothold in the high-end market in order to maintain its competitiveness.

For marine coatings, the sales volume of Jotun COSCO's marine coatings amounted to 78,615,000 litres (equivalent to approximately 106,130 tonnes) (2025: 69,186,000 litres (equivalent to approximately 93,401 tonnes)), up 14% year-on-year. Among them, the sales volume of coatings for newbuild vessels reached 58,494,000 litres (2025: 48,719,000 litres), up 20% year-on-year. The sales volume of coatings for repair and maintenance was 20,121,000 litres (2025: 20,467,000 litres), down approximately 2% year-on-year. During the period, the Group's share of profit from Jotun COSCO was HK$163,675,000 (2025: HK$171,319,000), down 4% year-on-year. Production costs surged due to volatile commodity markets, but the impact was largely mitigated through prudent cost management measures.

During the period, the Group's share of profit from Nasurfar Changshu was HK$9,348,000 (2025: HK$5,612,000), up 67% year-on-year. The significant increase was mainly due to the strong demand for epoxy diluent and resin modifier, supported by the thriving marine coatings and container coatings sectors, and reinforced by enhanced synergies with COSCO Kansai Companies and Jotun COSCO.

1.5 ***Intelligent Shipping Services***

The Group's intelligent shipping services business is committed to providing green, low-carbon, digital and intelligent solutions throughout the full life cycle of the shipping industry. In 2023, the Company and 中遠海運科技股份有限公司 (COSCO SHIPPING Technology Co., Ltd.*) ("COSCO SHIPPING Technology") jointly established 中遠海運綠色數智船舶服務有限公司 (COSCO SHIPPING Smart-Sailing Marine Solutions Co., Ltd.*) ("COSCO SHIPPING Smart-Sailing"), in which the Company held 51% equity interest. COSCO SHIPPING Smart-Sailing is principally engaged in the development and application of digital and intelligent solutions for vessels. On 5 January 2026, the Company, COSCO SHIPPING Technology and COSCO SHIPPING Smart-Sailing entered into the capital increase agreement ("Capital Increase Agreement"), pursuant to which the Company and COSCO SHIPPING Technology shall make additional capital contribution to COSCO SHIPPING Smart-Sailing in the following manner: (a) the Company shall transfer all its 100% equity interests in Yuantong Marine Service Co. Limited ("Yuantong") (a wholly-owned subsidiary of the Company) to COSCO SHIPPING Smart-Sailing; and (b) COSCO SHIPPING Technology shall transfer the SMART SAILING Platform (the SMART SAILING Platform launched by COSCO SHIPPING Technology, being technological products designed and developed by COSCO SHIPPING Technology) and make a cash contribution of RMB213,010,416 to COSCO SHIPPING Smart-Sailing. Upon completion of the capital increase of COSCO SHIPPING Smart-Sailing (the "Capital Increase"), the Company's equity interests in COSCO SHIPPING Smart-Sailing will increase from 51% to 80% whereas COSCO SHIPPING Technology's equity interests in COSCO SHIPPING Smart-Sailing will decrease from 49% to 20%, details of which were disclosed in the announcement of the Company dated 5 January 2026 and the circular of the Company dated 13 February 2026. The resolution of Capital Increase Agreement and the transactions contemplated thereunder was voted for by all the Shareholders presented at the special general meeting of the Company held on 12 March 2026. COSCO SHIPPING Smart-Sailing is now undergoing the process of overseas direct investment (ODI) filing in accordance with the PRC laws in respect of the transfer of the equity interests in Yuantong to the COSCO SHIPPING Smart-Sailing.

During the period, revenue from the segment of intelligent shipping services of the Group was HK$2,079,000 (2025: HK$1,754,000), and the segment loss before income tax amounted to HK$14,858,000 (2025: loss before income tax of HK$12,900,000). The loss was mainly resulted from the fact that COSCO SHIPPING Smart-Sailing was still at the stage of start-up investment and the research and development of products.

2. General Trading

The Group's general trading business is principally engaged in the trading, storage, processing, and supply of asphalt and other comprehensive trading.

The Group's general trading segment generated revenue of HK$19,000 during the period (2025: HK$5,859,000), reflecting its gradual withdrawal from the asphalt business. Segment profit before income tax amounted to HK$8,400,000 (2025: HK$15,113,000).

During the period, the Group's share of profit from Zhejiang Four Brothers Rope amounted to HK$2,335,000 (2025: HK$6,144,000), down 62% year-on-year, largely as a result of the substantial escalation in chemical raw materials prices.

OTHERS

Reference is made to the announcements of the Company dated 14 November 2024, 26 March 2025, 27 August 2025 and 25 March 2026 respectively, Sinfeng, an indirect wholly-owned subsidiary of the Company was on 7 November 2024 served with a claim lodged by a third party commercial bank against Sinfeng at the General Division of the High Court of the Republic of Singapore ("Singapore Court"). The trial hearing took place from 3 to 6 March, and 9 to 13 March 2026. Thereafter, parties' closing submission were made in accordance with directions given by the Singapore Court. The Singapore Court has reserved its judgment. As at the date of this announcement, Sinfeng is awaiting the judgment. Based on the assessment, the litigation has no material adverse impact on the business or daily operations of the Group as a whole and has no significant financial impact on the Group.

PROSPECTS

Looking ahead to the second half of 2026, the global macroeconomic environment remains complex and volatile. In July 2026 World Economic Outlook update, the International Monetary Fund (IMF) downgraded its global growth forecast for 2026 to 3.0%, a 0.1 percentage point reduction from its April 2026 projection. The global economy is being pulled in two opposing directions: escalating conflicts in the Middle East are driving up energy prices and disrupting supply chains and global trade, while the AI boom continues to fuel technology investment and demand expansion, partially offsetting the negative shocks from geopolitical tensions. On the inflation front, the IMF revised its 2026 global inflation forecast upward to 4.7% from 4.4%, indicating that disinflation progress has stalled. Global trade volume growth is projected to moderate from 4.1% in 2025 to 2.6% in 2026. Meanwhile, U.S. tariff policies are transitioning from temporary measures toward a more legally durable framework under Section 301 and Section 232 provisions. Statutory effective tariff rates are expected to stabilise in the 9%–10% range in the coming months, though policy uncertainty continues to build, exerting pressure on economic activity in export-oriented countries.

On the shipbuilding front, Chinese shipyards secured 1,183 vessels in the first half of 2026, approximately 31.5 million Compensated Gross Tonnage (CGT), accounting for roughly 72% of the global market — more than double the volume from the same period last year — cementing China's dominant position as the world's leading shipbuilding nation. Current global shipyard capacity utilization remains at elevated levels, with major yards' order books already filled through 2029. The Clarksons Newbuilding Price Index closed at 185.44 points, approaching historical peak levels (97th percentile). Against a backdrop of tight dock space, extended delivery schedules, and high newbuild prices, a wait-and-see attitude is gradually emerging among shipowners.

From an industry development perspective, the fundamental drivers of the global shipbuilding upcycle have not undergone any fundamental shift. Geopolitical conflicts and trade frictions are accelerating the reshaping of global trade patterns, while carbon neutrality goals are driving the energy transition, which will in turn reshape maritime trade structures and shipping route configurations. The Group anticipates that as the International Maritime Organisation (IMO) regulatory framework gradually clarifies toward October 2026 while environmental technology pathways become increasingly well-defined, shipowners are likely to progressively unlock their deferred fleet renewal plans which creates new demand headroom.

Against this backdrop, COSCO SHIPPING International will closely align with the core theme of the shipping industry's green, low-carbon, digital, and intelligent transformation, focusing on two major development trajectories — the "Digital Intelligent Ship Service Platform" and the "Marine New Energy Platform" — as it strives to build a technology-driven shipping services enterprise. The Group is advancing the deep integration of its marine equipment and spare parts supply business with its shipping services technology operations through implementation of digital technology enablement and innovative intelligent shipping services business and push forward the green and low carbon concept integration across the entire processes of the existing businesses. Meanwhile, the construction of the project of Shanghai JOYFuel Green Energy is being advanced. Currently, the project is expected to be put into production in 2027.

Riding on the sustained peak delivery cycle in the shipbuilding sector, the Group anticipates steady growth in its core shipping services business. We will remain vigilant to changes in the macroeconomic environment, persist in our cost-reduction and efficiency-improvement efforts, and stay flexible in fine-tuning our operations. Furthermore, the Group's diversified business mix offers robust cross-cycle complementarity, which is expected to effectively mitigate sector fluctuations and underpin the stable and sustainable development of our core shipping services.

The year 2026 marks the inaugural year of the "15th Five-Year Plan" period. As newbuilding orders enter a concentrated delivery phase, the large-scale release of tonnage will bring substantial growth opportunities for the Group's shipping services business volume. At the same time, demand for digital intelligence upgrades and green retrofits of the existing fleet will create entirely new incremental markets. COSCO SHIPPING International will proactively align with national strategies and industry trends, accelerate the development of its technological innovation system, and strive to achieve leapfrog growth during the "15th Five-Year Plan" period, remaining committed to delivering sustained value creation for its shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2026.

CORPORATE GOVERNANCE

Maintaining high standards of corporate governance has always been one of the Company's priorities. This is achieved through an effective, timely disclosure of information by the Board and a proactive investor relations programme. The Company will continue to implement measures in order to further strengthen its corporate governance and overall risk management.

The Board believed that the Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix C1 to the Listing Rules during the six months ended 30 June 2026, except that (A) Mr. Ma Xianghui, the ex-Non-executive Director, was unable to attend the special general meeting of the Company held on 12 March 2026 (the "SGM") due to other business commitment and Mr. Ma Xianghui, the ex-Non-executive Director and Mr. Jiang, Simon X., the Independent Non-executive Director were unable to attend the annual general meeting of the Company held on 29 May 2026 (the "AGM") due to other business commitment, which deviated from the code provision C.1.5 of the CG Code; (B) the roles of the Chairman of the Board and the Managing Director are currently performed by the same individual, Mr. Zhu Changyu, which deviated from the code provision C.2.1 of the CG Code. Despite the absence of Mr. Ma Xianghui at the SGM and Mr. Ma Xianghui and Mr. Jiang, Simon X. at the AGM, those Board members who participated at the general meetings were available to answer questions from the Shareholders to ensure an effective communication with the Shareholders and they communicated with the Chairman and/or the senior management of the Company to discuss feedback received from the Shareholders after the general meetings in a bid to develop better and balanced understanding of the views of the Shareholders. Although the roles of the Chairman and the Managing Director of the Company are performed by the same individual, the Board believes that the roles of the Chairman of the Board and the Managing Director being performed by the same individual will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) all the Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among others, that he/she acts for the benefit and in the best interests of the Company; (ii) the balance of power and authority is ensured by the operations of the Board; and (iii) the overall strategy and other key business, financial and operational policies of the Company are made collectively after thorough discussion at both the Board and senior management of the Company. Save as mentioned above, there were no other deviations from the CG Code. The Company aims to continually review and enhance its corporate governance practices in light of best practices.

Mr. Kwong Che Keung, Gordon ("Mr. Kwong"), the Independent Non-executive Director, chairman of Audit Committee, member of remuneration committee, nomination committee and corporate governance committee of the Company, passed away on 6 July 2026. Following the passing of Mr. Kwong, the number of independent non-executive directors of the Company, the number of members of Audit Committee and the qualification composition of the aforesaid do not meet the requirement under Rules 3.10 and 3.21 of the Listing Rules, and the composition of nomination committee of the Company does not meet the requirement under Rule 3.27A of the Listing Rules. In order to comply with Rules 3.10, 3.21 and 3.27A of the Listing Rules, the Company is endeavoring to identify suitable candidate(s) to be appointed as an independent non-executive director, a member of Audit Committee and a member of nomination committee of the Company as soon as practicable in order to comply with the requirements of Rules 3.11, 3.23 and 3.27C of the Listing Rules and will make further announcement as and when appropriate.

After the passing away of Mr. Kwong, the Audit Committee is currently comprised of two Independent Non-executive Directors. The main duties of the Audit Committee include reviewing the accounting policies and overseeing the Company's financial reporting; monitoring the performance of both the internal and external auditors; reviewing and examining the effectiveness of the financial reporting, the risk management and internal control systems; ensuring compliance with applicable statutory accounting and reporting requirements. The Audit Committee has discussed the internal controls and financial reporting matters with management of the Company. The independent external auditor has reviewed the Unaudited Condensed Consolidated Interim Financial Information 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 Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the Unaudited Condensed Consolidated Interim Financial Information.

The Company has adopted a code of conduct regarding securities transactions of Directors and employees (the "Securities Code") no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules. In order to ensure the Directors' dealings in the securities of the Company are conducted in accordance with the Model Code and the Securities Code, a committee was set up to deal with such transactions. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code and the Securities Code during the six months ended 30 June 2026, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Securities Code during the period.

By Order of the Board
COSCO SHIPPING International (Hong Kong) Co., Ltd.
Zhu Changyu
Chairman and Managing Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises six directors with Mr. Zhu Changyu[1] (Chairman and Managing Director), Mr. Han Jun[2], Ms. Zhang Xueyan[2], Mr. Wang Yong[1], Mr. Tsui Yiu Wa, Alec[3] and Mr. Jiang, Simon X[3].

[1] *Executive Director*
[2] *Non-executive Director*
[3] *Independent Non-executive Director*

* *for identification purposes only*