

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
Report
2026



One of the world's leading

**SHIP LEASING
COMPANIES**

CONTENTS

2	Company Profile
4	Company Information
6	Financial Highlights
9	Management Discussion and Analysis
34	Corporate Governance/Other Information
40	Independent Review Report
42	Condensed Consolidated Income Statement
43	Condensed Consolidated Statement of Comprehensive Income
44	Condensed Consolidated Statement of Financial Position
45	Condensed Consolidated Statements of Changes in Equity
46	Condensed Consolidated Statement of Cash Flows
47	Notes to the Condensed Consolidated Financial Statements

COMPANY PROFILE



*The Company was established in 2012 and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2019. It is the first shipyard-affiliated leasing company in Greater China, principally engaged in providing leasing, investment and operation services for vessels and marine equipment to global shipowners, cargo owners and traders. Leveraging the industrial resources of its controlling shareholder, China State Shipbuilding Corporation Limited (“**China Shipbuilding Group**”), the Company serves the national strategies of “building a maritime power” and “building a shipbuilding power”, accelerates the transformation and upgrading of China’s shipbuilding industry, and promotes the development of the vessel and marine equipment sector towards premium, green and smart directions.*



As of 30 June 2026, the Group's fleet size reached 130 vessels, comprising 107 vessels in operation and 23 vessels under construction, with an average age of approximately 4.8 years for vessels in operation. Leveraging our diversified, green and premium asset portfolio featuring young vessels and flexible business models, the Group has built a solid foundation for stable medium- to long-term operations and sustainable development. Headquartered in Hong Kong, the Company adheres to a "professional, market-oriented and international" business approach and upholds the cross-cycle strategy of "counter-cyclical investment and pro-cyclical operation", continuously innovating business models to enhance asset liquidity and risk resilience.

COMPANY INFORMATION

Board of Directors

Executive Directors

Mr. Li Hongtao (*Chairman*)
Mr. Liu Hui

Non-Executive Directors

Mr. Xie Weizhong (appointed on 6 January 2026)
Mr. Chi Benbin
Mr. Zhang Qipeng (resigned on 6 January 2026)

Independent Non-Executive Directors

Mr. Wang Dennis
Mdm. Shing Mo Han Yvonne, *BBS, JP*
Mr. Li Hongji

Audit Committee

Mdm. Shing Mo Han Yvonne, *BBS, JP* (*Chairperson*)
Mr. Xie Weizhong
Mr. Wang Dennis
Mr. Li Hongji

Remuneration Committee

Mr. Wang Dennis (*Chairperson*)
Mdm. Shing Mo Han Yvonne, *BBS, JP*
Mr. Li Hongji

Nomination Committee

Mr. Li Hongtao (*Chairperson*)
Mr. Chi Benbin
Mr. Wang Dennis
Mdm. Shing Mo Han Yvonne, *BBS, JP*
Mr. Li Hongji

Strategic and Investment Committee

Mr. Li Hongtao (*Chairperson*)
Mr. Liu Hui
Mr. Xie Weizhong
Mr. Chi Benbin
Mr. Wang Dennis

ESG and Sustainable Development Committee

Mr. Li Hongtao (*Chairperson*)
Mr. Liu Hui
Mr. Wang Dennis
Mdm. Shing Mo Han Yvonne, *BBS, JP*

Company Secretary

Mr. Ng Kwun Wa

Assistant Company Secretary

Ms. Ng Sau Mei (*FCG, HKFCG*)



Authorised Representatives

Mr. Li Hongtao
Ms. Ng Sau Mei

Registered Office

1801, 18/F, World-wide House
19 Des Voeux Road Central
Hong Kong

Hong Kong Legal Adviser

King & Wood
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

Share Registrar

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Auditor

Baker Tilly Hong Kong Limited
*Certified Public Accountants and Registered Public Interest
Entity Auditor*
Level 8, K11 ATELIER King's Road
728 King's Road
Quarry Bay
Hong Kong

Principal Banks

Bank of China (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited
China Development Bank
The Export-Import Bank of China
Bank of Communications
Industrial and Commercial Bank of China

Company's Website

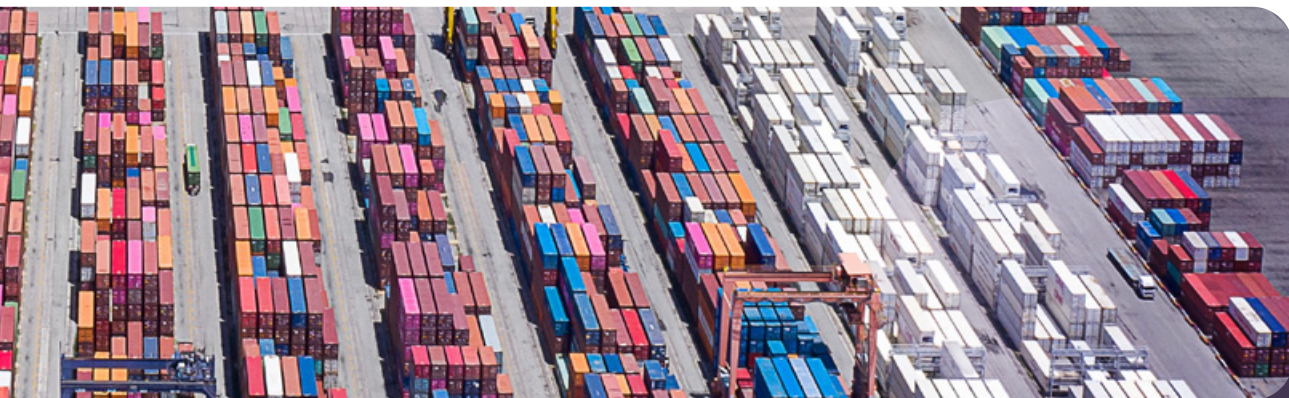
<http://www.csscshipping.com>

Stock Code

3877

Listing Date

17 June 2019



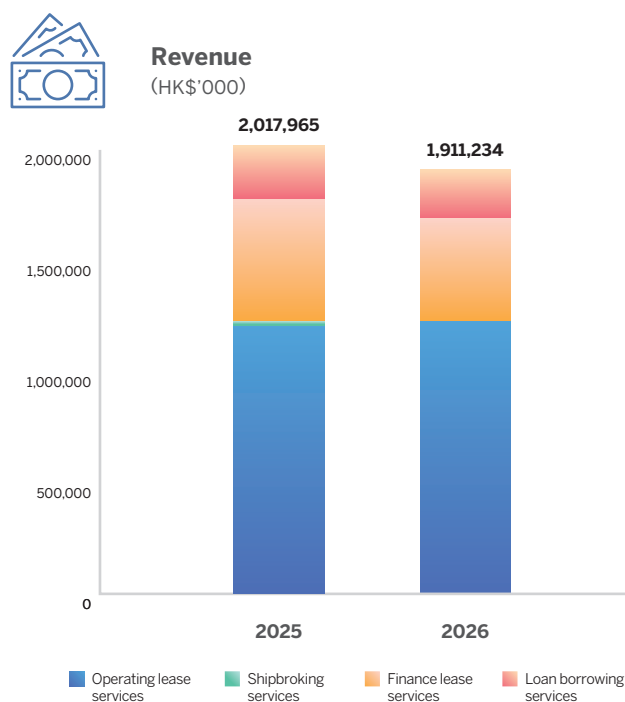
FINANCIAL HIGHLIGHTS

1. Summary of Condensed Consolidated Income Statement

	Six months ended 30 June		Change
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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.

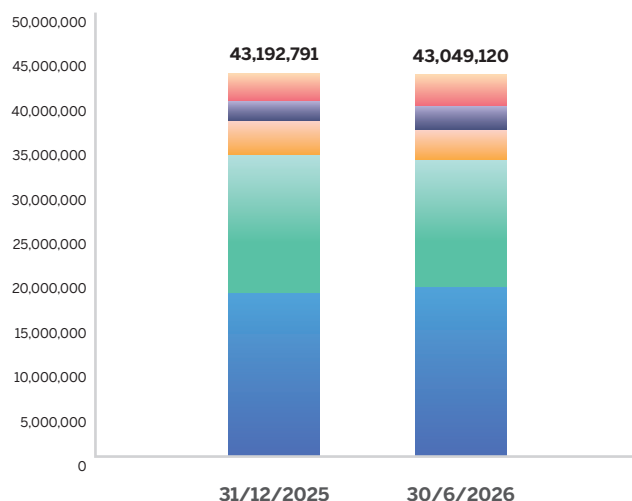


2. Summary of Condensed Consolidated Statement of Financial Position

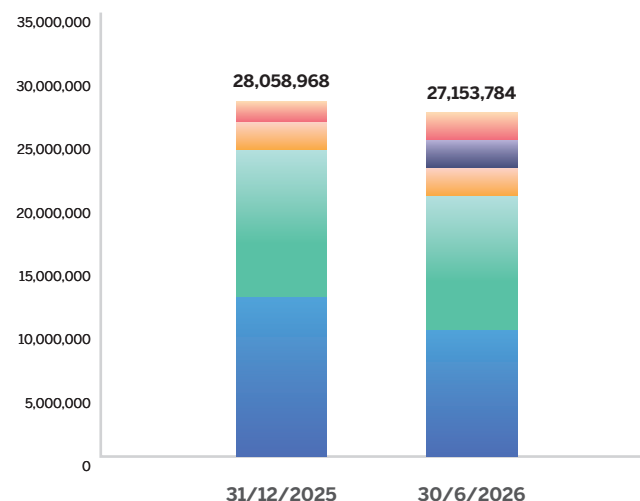
	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)	Change
Total assets	43,049,120	43,192,791	(0.33%)
Total liabilities	27,153,784	28,058,968	(3.23%)
Total equity	15,895,336	15,133,823	5.03%



Total Assets
(HK\$'000)



Total Liabilities
(HK\$'000)



■ Loan and lease receivables
 ■ Property, plant and equipment
 ■ Cash and cash equivalents, pledged time deposits and time deposits with maturity over three months
■ Financial assets at fair value
 ■ Other assets

■ Borrowings - bank borrowings
 ■ Borrowings - bonds
■ Borrowings - others
 ■ Convertible bonds
 ■ Others liabilities

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



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 m³, 160,000 m³ and 174,000 m³ 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.



1. Industry Environment *(Continued)*

(I) Industry Environment in the First Half of 2026 *(Continued)*

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 m³ 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.

1. Industry Environment *(Continued)*

(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.



1. Industry Environment *(Continued)*

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

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.

1. Industry Environment *(Continued)*

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

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.

2. Work Summary for the First Half of the Year *(Continued)*

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. Work Summary for the First Half of the Year *(Continued)*

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. Work Summary for the First Half of the Year *(Continued)*

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.

3. Work Outlook for the Second Half of the Year *(Continued)*

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. Financial Review

4.1 Analysis on Condensed Consolidated Income Statement

	Six months ended 30 June		Change
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)	
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4. Financial Review *(Continued)*

4.1 Analysis on Condensed Consolidated Income Statement *(Continued)*

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 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)	Change
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%)

4. Financial Review *(Continued)*

4.1 Analysis on Condensed Consolidated Income Statement *(Continued)*

4.1.2 Revenue *(Continued)*

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 financing 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 financing 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. Financial Review *(Continued)*

4.1 Analysis on Condensed Consolidated Income Statement *(Continued)*

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		Change
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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.

4. Financial Review *(Continued)*

4.1 Analysis on Condensed Consolidated Income Statement *(Continued)*

4.1.4 Expenses *(Continued)*

Finance Costs and Bank Charges (Continued)

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 waiver of exercise rights of share options by certain grantees during the corresponding period of last year.

4. Financial Review *(Continued)*

4.1 Analysis on Condensed Consolidated Income Statement *(Continued)*

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. Financial Review *(Continued)*

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 1.88 percentage points from 64.96% as at 31 December 2025 to 63.08% as at 30 June 2026.

4. Financial Review *(Continued)*

4.2 Analysis on Condensed Consolidated Statement of Financial Position *(Continued)*

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. Financial Review *(Continued)*

4.2 Analysis on Condensed Consolidated Statement of Financial Position *(Continued)*

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. Financial Review *(Continued)*

4.2 Analysis on Condensed Consolidated Statement of Financial Position *(Continued)*

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.

4. Financial Review *(Continued)*

4.2 Analysis on Condensed Consolidated Statement of Financial Position *(Continued)*

4.2.5 Other Assets *(Continued)*

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, 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.

4. Financial Review *(Continued)*

4.2 Analysis on Condensed Consolidated Statement of Financial Position *(Continued)*

4.2.7 Borrowings – Bonds *(Continued)*

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. Assets 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.



6. Liquidity and Working Capital *(Continued)*

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 HK\$'000 (Unaudited)	2025 HK\$'000 (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 1.57 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.

CORPORATE GOVERNANCE/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, as at 30 June 2026, 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 dated 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.

Shareholders are entitled to elect to receive all or part of the Interim Dividend in RMB. The amounts of the Interim Dividend in RMB will be calculated based on the average RMB to HKD central parity rate published by the People’s Bank of China over the five business days ending on and including the record date to determine Shareholders’ entitlement to the Interim Dividend (the “**Record Date**”) (i.e. 21 October 2026). If Shareholders elect to receive the Interim Dividend in RMB, such dividend will be paid to Shareholders at RMB. To make such election, Shareholders should complete the dividend currency election form which is expected to be dispatched to Shareholders on or around 26 October 2026 as soon as practicable after the Record Date, and lodge it to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 10 November 2026.

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

Closure of Register of Members

The register of members of the Company will be closed from Friday, 16 October 2026 to Wednesday, 21 October 2026 (both days inclusive) and no transfer of Shares will be effected during that period. In order to qualify for the Interim Dividend, Shareholders should ensure that all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with the Company's Hong Kong registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 15 October 2026. The ex-dividend date for the Interim Dividend is Wednesday, 14 October 2026, and the Record Date is Wednesday, 21 October 2026.

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.

Changes of Information in relation to the Directors

On 6 January 2026, Mr. Zhang Qipeng resigned as a non-executive Director, a member of the audit committee (the **"Audit Committee"**) and a member of the strategic and investment committee (the **"Strategic and Investment Committee"**) of the Company due to work adjustment; and Mr. Xie Weizhong was appointed as a non-executive Director, a member of the Audit Committee and a member of the Strategic and Investment Committee.

Save as disclosed above, during the six months ended 30 June 2026, the Directors confirmed that there was no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 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 and the interim report 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 report.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2026, none of the Directors and chief executives of the Company had interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the “SFO”) (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company, or which were required to be otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, as far as the Directors are aware, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the shares of the Company (the “Shares”) or underlying Shares which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interests	Number of Shares	Long/Short position/ Lending Pool	Approximate percentage of shareholding in the Company (%)
State-owned Assets Supervision and Administration Commission of the State Council (“SASAC”)	Interest in controlled corporation ⁽¹⁾	4,602,046,234	Long position	74.17
China Shipbuilding Group	Interest in controlled corporation ⁽¹⁾	4,602,046,234	Long position	74.17
China State Shipbuilding Industry Corporation Limited (“CSSC Group”)	Interest in controlled corporation ⁽¹⁾	4,602,046,234	Long position	74.17
CSSC International Holding Company Limited (“CSSC International”)	Beneficial owner ⁽¹⁾	4,602,046,234	Long position	74.17
CITIC Securities Company Limited	Interest in controlled corporation	410,473,105	Long position	6.62
	Interest in controlled corporation	418,801,105	Short position	6.75
JPMorgan Chase & Co.	Interest in controlled corporation	459,333,318	Long position	7.40
		359,275,046	Short position	5.79
		10,083,688	Lending pool	0.16

Note:

- (1) CSSC International is a wholly-owned subsidiary of CSSC Group, and CSSC Group is wholly owned by China Shipbuilding Group, which is wholly owned by the SASAC. As such, by virtue of the SFO, CSSC Group, China Shipbuilding Group and the SASAC are deemed to be interested in the 4,602,046,234 Shares held by CSSC International.

Save as disclosed above, as at 30 June 2026, as far as the Directors are aware, no other persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

Share Options Scheme

At the extraordinary general meeting of the Company held on 30 April 2021 (the “**EGM**”), the Shareholders approved the adoption of a share options scheme (the “**Scheme**”). The Scheme is effective for a term of 10 years commencing from the date on which the Scheme is approved by the Shareholders at the EGM, unless terminated in advance by the Shareholders at a general meeting. The Company (i) has granted share options under the Scheme on 30 April 2021 to certain Directors and employees of the Group which entitle the grantees to subscribe for up to an aggregate of 143,540,000 new Shares with exercise price of HK\$1.32 per Share in the share capital of the Company; and (ii) has granted share options under the Scheme on 4 April 2022 to certain senior management and core technical employees of the Company which entitle the grantees to subscribe for up to an aggregate of 28,710,000 new Shares with exercise price of HK\$1.15 per Share in the share capital of the Company.

The maximum number of Shares to be issued upon the exercise of the share options shall not in aggregate exceed 613,606,623 Shares, representing approximately 10% of the total number of issued Shares as at the date of approval of the Scheme at the EGM. 172,250,000 share options had been granted by the Company under the Scheme up to the date of this report. Therefore, the number of share options available for further grant at the beginning and the end of the six months ended 30 June 2026 is 441,356,623 and 441,356,623, respectively, and the number of Shares available for issue under the Scheme is 481,808,448 Shares, representing approximately 7.77% of the total number of issued Shares as at the date of this report.

As no share options were granted under the Scheme during the six months ended 30 June 2026, the number of Shares that may be issued in respect of the share options granted under the Scheme during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue (excluding treasury shares) for the six months ended 30 June 2026 is nil.

Particulars and movements of share options granted under the Scheme during the six months ended 30 June 2026 are set out below:

Name or category of participant	Number of share options					Estimated fair value per share option (HK\$)	Date of grant	Exercise period of share options (both dates inclusive) (Note)	Exercise price of share options (HK\$)	Closing price of the Shares immediately before the date of grant (HK\$)	Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK\$)
	As of 1 January 2026	Granted during the period	Exercised during the period	Lapsed or forfeited during the period	As of 30 June 2026						
Other employees of the Group											
Employees in aggregate	17,168,205	–	3,131,510	–	14,036,695	0.303	30 April 2021	30 April 2021 to 29 April 2031	1.32	1.32	2.36
	8,782,000	–	2,289,100	734,300	5,758,600	0.298	4 April 2022	4 April 2022 to 3 April 2032	1.15	1.15	2.38
Total	25,950,205	–	5,420,610	734,300	19,795,295						

Details of the movements in the share options under the Scheme are also set out in note 18 to the condensed consolidated interim financial information.

As at 1 January 2026 and 30 June 2026, the number of unvested options were 5,066,000 and 119,000, respectively.

Notes:

Subject to the satisfaction of the vesting conditions as provided under the share options scheme, the share options shall be vested to the grantees during the period and in the respective proportions as follows:

- (i) The first batch (being 33% of the share options granted) shall be vested on the first trading day after 24 months from the date of grant;
- (ii) The second batch (being 33% of the share options granted) shall be vested on the first trading day after 36 months from the date of grant; and
- (iii) The third batch (being 34% of the share options granted) shall be vested on the first trading day after 48 months from the date of grant.

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this report, at no time during the six months ended 30 June 2026 was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or exercised any such right.

Disclosure Pursuant to Rule 13.21 of the Listing Rules

As at 30 June 2026 and up to the date of this report, the Company did not have disclosure obligations under Rule 13.21 of the Listing Rules.

FINANCIAL STATEMENTS



INDEPENDENT REVIEW REPORT



**Independent review report to the board of directors of
CSSC (Hong Kong) Shipping Company Limited**
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of CSSC (Hong Kong) Shipping Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out in pages 42 to 72, which comprises the condensed consolidated statement of financial position as at 30 June 2026 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the condensed consolidated statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review 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. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Other matter

The comparative condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2025 and the relevant notes to the condensed consolidated financial statements were extracted from the condensed consolidated financial statements of the Group for six-month period ended 30 June 2025 reviewed by another auditor who expressed an unmodified conclusion on those statements on 28 August 2025.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 24 August 2026

Cheung Hon Pui

Practising certificate number P08297

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	5	1,911,234	2,017,965
Other income and other gains/(losses), net		191,167	(17,618)
Expenses			
Finance costs and bank charges	6	(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	7	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	8	(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\$)	9		
– Basic		0.197	0.179
– Diluted		0.177	0.178

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Profit for the period	1,288,428	1,151,157
Other comprehensive income/(expense) for the period		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
– 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)
<i>Items that are reclassified to profit or loss:</i>		
– 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

The accompanying notes are an integral part of the condensed consolidated financial statements.

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	11	14,292,569	15,536,140
Right-of-use assets	11	5,208	7,979
Interests in joint ventures	12	1,722,038	1,632,923
Interests in associates		161,223	181,406
Loan and lease receivables	13	19,192,890	18,542,316
Derivative financial assets		268,767	260,336
Prepayments, deposits and other receivables	14	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
Liabilities			
Income tax payables		329,904	240,761
Borrowings	15	22,862,515	26,466,530
Convertible bonds	16	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	17	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

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity shareholders of the Company										
	Share capital HK\$'000	Convertible bonds equity reserve HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Other reserves HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2026 (audited)	6,715,125	–	88,799	193,023	62,656	7,665	(80,767)	8,024,834	15,011,335	122,488	15,133,823
Profit for the period	–	–	–	–	–	–	–	1,222,452	1,222,452	65,976	1,288,428
Other comprehensive income/(expense) for the period	–	–	(28,050)	1,635	(9,200)	–	4,986	–	(30,629)	37	(30,592)
Total comprehensive income for the period	–	–	(28,050)	1,635	(9,200)	–	4,986	1,222,452	1,191,823	66,013	1,257,836
Transactions with equity shareholders:											
– Issuance of shares under share options scheme (note 18)	8,396	–	–	–	–	(1,630)	–	–	6,766	–	6,766
– Dividends (note 10)	–	–	–	–	–	–	–	(682,236)	(682,236)	–	(682,236)
Transactions with non-controlling interests:											
– Dividends	–	–	–	–	–	–	–	–	–	(12,448)	(12,448)
Equity settled share-based payments	–	–	–	–	–	(124)	–	–	(124)	–	(124)
Issuance of convertible bonds (note 16)	–	191,719	–	–	–	–	–	–	191,719	–	191,719
At 30 June 2026 (unaudited)	6,723,521	191,719	60,749	194,658	53,456	5,911	(75,781)	8,565,050	15,719,283	176,053	15,895,336

	Attributable to equity shareholders of the Company									
	Share capital HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Other reserves HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2025 (audited)	6,695,690	46,363	317,980	67,998	15,759	(98,123)	7,135,454	14,181,121	116,915	14,298,036
Profit for the period	–	–	–	–	–	–	1,105,585	1,105,585	45,572	1,151,157
Other comprehensive income/(expense) for the period	–	8,294	(96,417)	(11,925)	–	2,293	–	(97,755)	18	(97,737)
Total comprehensive income for the period	–	8,294	(96,417)	(11,925)	–	2,293	1,105,585	1,007,830	45,590	1,053,420
Transactions with equity shareholders:										
– Issuance of shares under share options scheme (note 18)	18,190	–	–	–	(3,489)	–	–	14,701	–	14,701
– Dividends (note 10)	–	–	–	–	–	–	(644,630)	(644,630)	–	(644,630)
Equity settled share-based payments	–	–	–	–	(4,874)	–	–	(4,874)	–	(4,874)
Disposal of financial assets at fair value through other comprehensive income	–	(12,327)	–	–	–	–	–	(12,327)	–	(12,327)
At 30 June 2025 (unaudited)	6,713,880	42,330	221,563	56,073	7,396	(95,830)	7,596,409	14,541,821	162,505	14,704,326

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Cash flows from operating activities			
Net cash generated from operations		2,172,873	1,724,801
Interest received		56,453	41,877
Interest paid		(292,123)	(427,083)
Income tax paid		(22,235)	(19,319)
<i>Net cash generated from operating activities</i>		1,914,968	1,320,276
Cash flows from investing activities			
Placements of time deposits with maturity over three months		(360,286)	–
Withdrawal of time deposits with maturity over three months		88,692	8,247
Payments for purchase of vessels and property, plant and equipment		(29,058)	(1,200)
Purchases of wealth management portfolio classified as financial assets at fair value through profit or loss		(466,800)	–
Distributions from a joint venture	12	106,508	–
Dividends received from a joint venture	12	134,671	240,791
Repayments due from associates		–	1,556
Advances to joint ventures		(30,898)	(7,168)
Repayments from joint ventures		9,839	48,227
Payments for settlement of derivative financial instruments		(2,713)	(3,573)
<i>Net cash (used in)/generated from investing activities</i>		(550,045)	286,880
Cash flows from financing activities			
Proceeds from issuance of convertible bonds, net of transaction costs	16	2,321,358	–
Proceeds from borrowings		7,103,505	5,951,066
Repayments of borrowings		(9,864,094)	(5,173,505)
Redemption of bonds		(1,133,599)	(3,112,000)
Payment of lease liabilities		(26,773)	(25,901)
Repayments to non-controlling interests		(47,599)	–
Proceeds from shares issued under share options scheme		6,766	14,701
Dividends paid to equity shareholders of the Company		(372,004)	–
Dividends paid to non-controlling interests		(12,448)	–
<i>Net cash used in financing activities</i>		(2,024,888)	(2,345,639)
Net decrease in cash and cash equivalents		(659,965)	(738,483)
Cash and cash equivalents at 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 end of the period		3,027,414	1,052,669

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1 General information

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

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

These condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated, and have been approved for issue by the Board of Directors of the Company on 24 August 2026.

The financial information relating to the year ended 31 December 2025 that is included in the condensed consolidated financial statements 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 Basis of preparation

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

The condensed consolidated financial statements are unaudited, but have been reviewed by the Company’s auditor 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.

These condensed consolidated financial statements 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.

3 Accounting policies

The condensed consolidated financial statements for the six months ended 30 June 2026 have 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 statements:

- 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 statements.

(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.

3 Accounting policies *(Continued)*

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

Convertible bonds *(Continued)*

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.

4 Fair value estimation

(a) Financial assets and financial liabilities measured at fair value

Fair value hierarchy

The different levels of financial instruments carried at fair value have been defined as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required for measurement of the fair value of an instrument are observable, the instrument is included in Level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

4 Fair value estimation *(Continued)*

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

Fair value hierarchy *(Continued)*

Changes in Levels 2 and 3 fair values are analysed at the end of each reporting period during the semi-annually valuation discussion between the Company's chief financial officer and the valuation team. As part of this discussion, the team presents a report that explains the reason for the fair value movements.

There was no transfer among Level 1, 2 and 3 fair value hierarchy during six months ended 30 June 2026 and 2025.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 June 2026 (unaudited)				
Financial assets				
Derivative financial assets	–	268,767	–	268,767
Financial assets at fair value through profit or loss	–	970,575	–	970,575
Financial assets at fair value through other comprehensive income	1,735,083	–	–	1,735,083
	1,735,083	1,239,342	–	2,974,425
As at 31 December 2025 (audited)				
Financial assets				
Derivative financial assets	–	260,336	–	260,336
Financial assets at fair value through profit or loss	–	486,608	–	486,608
Financial assets at fair value through other comprehensive income	1,756,107	–	–	1,756,107
Financial liabilities				
Derivative financial liabilities	–	(25,563)	–	(25,563)
	1,756,107	721,381	–	2,477,488

4 Fair value estimation *(Continued)*

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

Fair value hierarchy (Continued)

Valuation techniques and inputs used in Level 2 fair value measurements

Derivative financial asset/liabilities

The fair value of cross currency swaps is the estimated amount that the Group would receive or pay to transfer the swap at the end of the reporting period, taking into account current exchange rates and the current creditworthiness of the swap counterparties.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to transfer the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Financial assets at fair value through profit or loss

The fair value of debt instruments at fair value through profit or loss is determined by the aggregate amount of quoted bid prices of the listed debt instruments involved in wealth management portfolio.

(b) Financial assets and financial liabilities carried at other than fair value

The carrying values of the Group's financial assets and financial liabilities carried at amortised cost approximate their fair values due to their short-term maturities.

5. 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.

5. Segment information and revenue *(Continued)*

Financing services

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

The segment information provided to the executive directors for the 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 HK\$'000 (Unaudited)	2025 HK\$'000 (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

5. Segment information and revenue *(Continued)*

Financing services *(Continued)*

Commission income received from charterer and from shipbuilder, both of which were included in revenue from shipbroking services, were recognised over time and at point in time, respectively.

No commission income was recognised during the six months ended 30 June 2026. For the six months ended 30 June 2025, commission income included in 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.

Geographical information

The Group's revenue is substantially derived from the leasing services internationally and, accordingly, no analysis by geographical area is presented.

The Group's non-current assets (other than financial instruments and deferred tax assets) consisted of its property, plant and equipment, right-of-use assets, joint ventures and associates. A substantial portion of these assets represent the Group's vessels (included in property, plant and equipment) which are primarily utilised across geographical markets throughout the world. Accordingly, it is impractical to present the locations of the vessels by geographical areas and thus no analysis by geographical area is presented.

6. Finance costs and bank charges

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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

7. Profit from operations

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

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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)

8. Income tax expense

Income tax expense in the condensed consolidated income statement represents:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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.

8. Income tax expense *(Continued)*

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 Pillar Two model rules (also referred to as the “**Global Anti-Base Erosion Rules**” or “**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 under 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 best estimate of GloBE income calculation, 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. 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. The Group would continue to analyse and assess the impact brought by Pillar Two model rules.

9. 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 HK\$'000 (Unaudited)	2025 HK\$'000 (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 '000	Number '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

10. Dividends

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (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.

11 Property, plant and equipment and right-of-use assets

During the six months ended 30 June 2026, additions to property, plant and equipment amounted to approximately HK\$29,058,000 (six months ended 30 June 2025: HK\$1,200,000).

During the six months ended 30 June 2026, disposals of property, plant and equipment at net carrying amount amounted to approximately HK\$913,371,000 (six months ended 30 June 2025: nil), resulting in a net gain on disposal of HK\$253,638,000 (six months ended 30 June 2025: nil).

As at 30 June 2026, the carrying amount of the Group's right-of-use assets in relation to the offices and apartments amounted to HK\$5,208,000 (31 December 2025: HK\$7,979,000).

During the six months ended 30 June 2026, no right-of-use assets were written off. During the six months ended 30 June 2025, written off of right-of-use assets at net carrying amount amounted to HK\$8,909,000.

During six months ended 30 June 2026, depreciation of property, plant and equipment and right-of-use assets amounted to HK\$366,729,000 and HK\$2,995,000 (six months ended 30 June 2025: HK\$295,952,000 and HK\$2,041,000) respectively.

12 Interests in joint ventures

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Interests in joint ventures	1,722,038	1,632,923

At 30 June 2026 and 31 December 2025, details of the Group's interests in joint ventures which are unlisted corporate entities whose quoted market price is not available, are as follows:

Name	Place of incorporation/ registration and operation	Percentage of equity attributable to the Company as at		Principal activities
		30 June 2026	31 December 2025	
Sino Singapore Maritime Pte. Ltd. (note)	Singapore	50%	50%	Vessel owning and chartering
Ocean Classic Limited	British Virgin Islands	50%	50%	Vessel owning and chartering
Vista Shipping Pte. Limited	Singapore	50%	50%	Vessel owning and chartering
Sea Jade Investment Limited	Marshall Islands	25%	25%	Vessel owning and chartering
Ocean Jade Investment Limited	Marshall Islands	25%	25%	Vessel owning and chartering
Golden Pegasus Shipping Company Limited	Hong Kong	50%	50%	Vessel owning and chartering

Note: During the six months ended 30 June 2026, the Group received dividends and capital distributions from Sino Singapore Maritime Pte. Ltd. amounting to HK\$134,671,000 and HK\$106,508,000 respectively.

13. Loan and lease receivables

		As at 30 June 2026		
	Note	Gross amount HK\$'000 (unaudited)	Allowance for impairment losses HK\$'000 (unaudited)	Net carrying amount HK\$'000 (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 HK\$'000 (audited)	Allowance for impairment losses HK\$'000 (audited)	Net carrying amount HK\$'000 (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

13. Loan and lease receivables *(Continued)*

(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 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (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

13. Loan and lease receivables *(Continued)***(b) Lease receivables** *(Continued)*

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 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (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

During the six months ended 30 June 2026, the net proceeds from derecognition of lease receivables amounted to HK\$651,676,000 (six months ended 30 June 2025: HK\$276,009,000).

(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.

14 Prepayments, deposits and other receivables

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Prepayments	20,918	28,213
Advance payments for sales and leaseback arrangements	618,020	338,376
Interest receivables	37,567	28,045
Other receivables (note)	196,317	202,574
	872,822	597,208

Note:

As at 30 June 2026 and 31 December 2025, included in other receivables is an amount of HK\$99,542,000 which was credit-impaired as at the reporting date, with a gross amount of HK\$523,905,000 and provision for impairment loss of HK\$424,363,000.

The carrying amounts of these receivables of the Group approximate their fair values.

15 Borrowings

	Note	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Bank borrowings	(a)	10,050,007	12,668,800
Bonds	(b)	10,564,780	11,548,088
Other borrowings	(c)	2,247,728	2,249,642
		22,862,515	26,466,530

15. Borrowings *(Continued)*

(a) Bank borrowings

The Group's bank borrowings were repayable based on the scheduled repayment terms set out in the respective loan agreements as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
On demand or within 1 year	7,437,792	7,742,201
After 1 year but within 2 years	348,013	1,375,902
After 2 years but within 5 years	1,299,714	1,859,895
After 5 years	964,488	1,690,802
	10,050,007	12,668,800

As at 30 June 2026, the Group's secured bank borrowings of HK\$2,990,039,000 (31 December 2025: HK\$5,870,143,000) were secured by loan and lease receivables of approximately HK\$2,562,974,000 (31 December 2025: HK\$7,489,917,000), shares of certain subsidiaries, floating charge on deposits of approximately HK\$120,500,000 (31 December 2025: HK\$222,762,000), general assignments, bareboat charterer assignments, intra-group loan assignments and property, plant and equipment of approximately HK\$1,502,532,000 (31 December 2025: HK\$4,141,912,000).

As at 30 June 2026, the Group's bank borrowings of HK\$7,059,968,000 (31 December 2025: HK\$6,798,657,000) were unsecured and guaranteed by the Company.

As at 30 June 2026, the Group's bank borrowings were interest-bearing at rates ranging from 1.40% to 5.49% (31 December 2025: 1.56% to 5.94%) per annum.

As at 30 June 2026, the Group's bank borrowings bearing variable interest rate amounted to HK\$9,757,952,000 (31 December 2025: HK\$10,519,720,000).

15. Borrowings (Continued)

(b) Bonds

In February 2020, the Group issued guaranteed bonds of US\$400,000,000 (equivalent to approximately HK\$3,112,000,000) due in February 2030 and interest-bearing at 3.0% per annum.

In July 2021, the Group issued guaranteed bonds of US\$500,000,000 (equivalent to approximately HK\$3,890,000,000) due in July 2026 and interest-bearing at 2.1% per annum.

In November 2025, the Group issued guaranteed bonds of RMB1,000,000,000 (equivalent to approximately HK\$1,143,764,000) due in November 2028 and interest-bearing at 1.95% per annum.

The above guaranteed bonds were guaranteed by the Company and listed on the Stock Exchange.

In September 2023 and September 2024, the Company issued bonds of RMB1,200,000,000 and RMB800,000,000 (equivalent to approximately HK\$1,372,517,000 and HK\$915,012,000 respectively) due in September 2026 and September 2029 and interest-bearing at 3.1% and 2.36% respectively. These bonds were listed on the PRC inter-bank Bond Market.

As at 30 June 2026 and 31 December 2025, the bonds were repayable as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Within 1 year	5,394,004	6,439,994
After 1 year but within 2 years	—	—
After 2 years but within 5 years	5,170,776	5,108,094
	10,564,780	11,548,088

15. Borrowings *(Continued)*

(c) Other borrowings

As at 30 June 2026, loans from a fellow subsidiary of HK\$1,022,704,000 (31 December 2025: HK\$993,172,000) were unsecured, interest-bearing at 2.11% (31 December 2025: 2.11%) per annum and repayable within 1 year.

As at 30 June 2026, loans from other third parties of HK\$1,225,024,000 (31 December 2025: HK\$1,256,470,000) were interest-bearing at 4.75% (31 December 2025: 6.1%) per annum and secured by pre-delivery assignments, deed of charge over shares in certain subsidiaries and property, plant and equipment of approximately of HK\$1,502,031,000 (31 December 2025: HK\$1,527,484,000).

As at 30 June 2026 and 31 December 2025, the other borrowings were repayable as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Within 1 year	1,105,055	1,074,568
After 1 year but within 2 years	64,801	64,801
After 2 years but within 5 years	194,404	194,404
After 5 years	883,468	915,869
	2,247,728	2,249,642

16 Convertible bonds

The Group issued listed convertible bonds at the nominal interest rate of 0.75% per annum with a face value of HK\$2,338,000,000 on 28 January 2026. The convertible bonds are denominated in Hong Kong dollars and are guaranteed by the Company. The bondholders are entitled the right to convert these bonds into ordinary shares of the Company on or after 10 March 2026 up to ten days prior to the maturity date of 28 January 2031 at a conversion price of HK\$2.39 per ordinary share. Further details and terms of the convertible bonds are set out in the Company's circular dated 29 January 2026.

At initial recognition, the equity component of the convertible bonds was separated from the liability. The equity element is presented in equity heading "Convertible bonds equity reserve". The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 2.68%.

16. Convertible bonds *(Continued)*

The movement of the liability component of the convertible bonds for the six months ended 30 June 2026 is set out below.

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Carrying amount at 1 January	–	–
Issuance of convertible bonds	2,129,639	–
Interest charged	29,777	–
Interest paid	(4,384)	–
Carrying amount at 30 June/31 December	2,155,032	–

17. Share capital

	Number of shares '000	Share capital HK\$'000
Ordinary shares, issued and fully paid:		
At 31 December 2025 (audited)	6,199,224	6,715,125
Issuance of shares under share options scheme (note)	5,421	8,396
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.

18 Share-based employee compensation

The Company has adopted a share options scheme (the “**Scheme**”), which was approved by the equity shareholders on the extraordinary general meeting held on 30 April 2021.

Pursuant to the scheme, the maximum number of shares to be issued upon the exercise of the share options shall not in aggregate exceed 613,606,623 shares, representing approximately 10% of the total number of issued shares of the Company as at the date of approval of the Scheme at the extraordinary general meeting.

Participants of the Scheme shall be employees of the Company and include executive directors and senior management members (the “**Grantees**”) of the Company, as well as core technical personnel and backbone management whom the board of directors considers will have a direct impact on the Company’s overall operating performance and sustainable development.

On 30 April 2021 (the “**First Grant Date**”) and 4 April 2022 (the “**Second Grant Date**”), the Company granted 143,540,000 and 28,710,000 share options to certain of its directors and employees for nil consideration at an exercise price of HK\$1.32 and HK\$1.15 per share respectively. The exercise price represents the highest of (i) the closing price as stated in the daily quotations sheet issued by the Stock Exchange on the First Grant Date and Second Grant Date; and (ii) the average closing price as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the First Grant Date and Second Grant Date. The options shall be vested to the Grantees during the period and in the respective proportions as follows:

- (i) The first batch (being 33% of the share options granted) will be vested on the first trading day after 24 months from the grant date;
- (ii) The second batch (being 33% of the share options granted) will be vested on the first trading day after 36 months from the grant date; and
- (iii) The third batch (being 34% of the Share Options granted) will be vested on the first trading day after 48 months from the grant date.

The options are exercisable within a period of ten years from the grant dates. Each option gives the holder the right to subscribe for one ordinary share in the Company. Details of the Scheme are as set out in the Company’s circular dated 13 April 2021.

All share-based employee compensation will be settled by the Company’s own equity instruments. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company’s ordinary shares.

18. Share-based employee compensation *(Continued)*

Details of movements in share options were as follows:

	Six months ended 30 June			
	2026		2025	
	Number '000	Weighted average exercise price HK\$	Number '000	Weighted average exercise price HK\$
Outstanding at 1 January	25,950	1.26	58,941	1.28
Exercised	(5,421)	1.25	(11,476)	1.28
Forfeited	(734)	1.15	(20,657)	1.24
Outstanding at 30 June	19,795	1.27	26,808	1.26
Exercisable at 30 June	19,676	1.27	9,232	1.15

The weighted average share price for share options exercised during the six months ended 30 June 2026 at the date of exercise was HK\$2.38 (six months ended 30 June 2025: HK\$1.76).

As at 30 June 2026, the outstanding share options had a weighted average remaining contractual life of 5.1 years (31 December 2025: 6.2 years) and the range of exercise price was from HK\$1.15 to HK\$1.32 (31 December 2025: from HK\$1.15 to HK\$1.32). None of the share options were expired during six months ended 30 June 2026 (six months ended 30 June 2025: nil).

In total, HK\$180,000 (six months ended 30 June 2025: HK\$1,245,000) of employee compensation expenses and HK\$304,000 (six months ended 30 June 2025: HK\$6,119,000) of forfeiture of share options have been respectively recognised or credited in profit or loss for the six months ended 30 June 2026 and the corresponding amounts of which have been respectively credited or debited to "share option reserve". No liabilities were recognised in connection with share-based payment transactions.

19 Capital commitments

Capital commitments outstanding contracted but not provided for are as follows:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Contracted for in respect of construction of vessels	3,746,916	3,447,498

20 Provisions and contingencies

As at 30 June 2026, the aggregate amount of outstanding financial guarantees issued to banks and financial institutions in respect of facilities granted to joint ventures that the Group could be required to be paid amounted to HK\$2,336,972,000 and HK\$4,439,140,000 (31 December 2025: HK\$2,336,972,000 and HK\$4,045,666,000) respectively if the guarantees were called upon the entirety. The guarantees will be released upon the end of the charter period. The outstanding financial guarantees in respect of utilised facilities as at 30 June 2026 and 31 December 2025 are analysed as below:

	As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Audited)
Guarantees provided in respect of joint ventures' bank loans	1,181,265	1,371,173
Guarantees provided in respect of joint ventures' other borrowings	1,590,883	1,379,086
	2,772,148	2,750,259

As at 30 June 2026, among the guarantees provided in respect of the joint ventures' bank loans, the bank loans of HK\$863,580,000 (31 December 2025: HK\$863,580,000) were subject to joint and several guarantees provided by the joint venture partners.

The Group has assessed the fair value of the above guarantees and does not consider them to be material. They have therefore not been recognised in the condensed consolidated statement of financial position.

21 Related party transactions

The directors of the Company regard CSSC International Holding Company Limited, a company incorporated in Hong Kong with limited liabilities as the immediate holding company, which owns approximately 74.17% (31 December 2025: 74.24%) of the Company's issued ordinary shares as at 30 June 2026. The ultimate holding company of the Group is China Shipbuilding Group, a state-owned enterprise established in the PRC. China Shipbuilding Group itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC.

Related parties include China Shipbuilding Group and its subsidiaries (other than the Group), other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence and key management personnel of the Company and China Shipbuilding Group as well as their close family members.

For the six months ended 30 June 2026 and 2025, the Group's significant transactions with entities that are controlled, jointly controlled or significantly influenced by the PRC government, mainly include bank deposits, bank borrowings and corresponding interest income and interest expenses and part of sales and purchases of goods and services. The price and other terms of such transactions are set out in the underlying agreements, based on market prices or as mutually agreed.

Apart from the above-mentioned transactions with the government-related entities and the related party information shown elsewhere in the condensed consolidated financial statements, the following is a summary of the significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the six months ended 30 June 2026.

21.1 Transactions with related parties

The Group entered into the following related party transactions:

Transactions with fellow subsidiaries:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Interest income	1,663	1,997
Commission received	–	10,699
Rental and utilities expenses	9,355	8,579
Interest expense	10,736	–
Repayment of other borrowings	5,668	–

21 Related party transactions *(Continued)*

21.1 Transactions with related parties *(Continued)*

Transactions with joint ventures:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Interest income	2,266	10,113
Repayments from a joint venture	9,839	48,227
Advance to joint ventures	30,898	7,168

These transactions with related parties are carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

21.2 Key management personnel compensations

Key management includes the executive directors and senior management. The compensations paid or payable to key management for employee services are shown below:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Wages, salaries and bonuses and benefits in kind	3,629	2,526
Retirement benefit costs	575	553
Share-based payment expenses	–	145
	4,204	3,224

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