



SITC International Holdings Company Limited
海豐國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1308



2025 ANNUAL REPORT



UETU 578211 5
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

TCKU 716554 9
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

FFAU 119262 0
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

GAOU 637540 6
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

TCKU 711636 0
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

TCKU 716554 9
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

FFAU 119262 0
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

SEGU 6846079
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

GAOU 637540 6
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

FBLU 017662 5
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

UETU 578211 5
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

TCKU 715984 4
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

FBLU 018420 9
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

FFAU 118037 9
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
43,490 LBS.
COL. CAP. 74.4 CUB. M.
2,700 CU. YD.

SEGU 689876 8
45G1
MAX. GROSS 22,500 KG
71,650 LBS.
TARE 3,700 KG
8,160 LBS.
NET 18,800 KG
43,490 LBS.
MAX. CARGO 18,800 KG
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Corporate Information

DIRECTORS

Executive Directors

YANG Xianxiang (*Chairman*)

XUE Mingyuan (*Chief Executive Officer*)

LIU Kecheng

LAI Zhiyong

Non-Executive Director

YANG Xin (*Vice-Chairman*)

Independent Non-Executive Directors

TSE Siu Ngan (*Lead Independent Non-Executive Director*)

LIU Ka Ying, Rebecca

HU Mantian (Mandy)

BOARD COMMITTEES

Audit Committee

LIU Ka Ying, Rebecca (*Chairman*)

TSE Siu Ngan

HU Mantian (Mandy)

Remuneration Committee

TSE Siu Ngan (*Chairman*)

YANG Xianxiang

YANG Xin

LIU Ka Ying, Rebecca

HU Mantian (Mandy)

Nomination Committee

HU Mantian (Mandy) (*Chairman*)

YANG Xianxiang

YANG Xin

TSE Siu Ngan

LIU Ka Ying, Rebecca

Risk Management Committee

TSE Siu Ngan (*Chairman*)

XUE Mingyuan

LIU Kecheng

LIU Ka Ying, Rebecca

HU Mantian (Mandy)

Disclosure Committee

HU Mantian (Mandy) (*Chairman*)

TSE Siu Ngan

LIU Ka Ying, Rebecca

Sustainable Development Committee

YANG Xin (*Chairman*)

TSE Siu Ngan

LIU Ka Ying, Rebecca

HU Mantian (Mandy)

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

CORPORATE HEADQUARTER

31/F, Shui On Centre

6-8 Harbour Road,

Wanchai

Hong Kong

AUTHORIZED REPRESENTATIVES

LIU Kecheng

XUE Peng

COMPANY SECRETARY

XUE Peng (*FCG, HKFCG*)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A, Block 3,

Building D, P.O. Box 1586,

Gardenia Court,

Camana Bay,

Grand Cayman, KY1-1100,

Cayman Islands

Corporate Information

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")

NAME OF STOCK

SITC International Holdings Company Limited

STOCK CODE

01308

PRINCIPAL BANKERS (by alphabetical order)

ANZ Bank
Bank of China
Bank of China (Hong Kong) Limited
China Merchants Bank
Citibank, N.A
Standard Chartered Bank (Hong Kong) Limited
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Ernst & Young

LEGAL ADVISORS

As to Hong Kong law:

Sidley Austin
Level 39, Two International Finance Centre
8 Finance Street
Central
Hong Kong

As to Cayman Islands law:

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

WEBSITE

www.sitc.com

Financial and Operating Highlights

		2025	2024	Change
Results				
Turnover	US\$'000	3,411,647	3,058,059	11.6%
Profit attributable to shareholders of the Company	US\$'000	1,222,887	1,028,325	18.9%
Basic earnings per share	US\$	0.46	0.39	17.9%
Profit margin	%	36.1	33.8	2.3 pt.
Net cash flows from operating activities	US\$'000	1,401,037	1,158,334	21.0%
Financial Position				
Equity attributable to shareholders of the Company	US\$'000	2,478,538	2,404,236	3.1%
Net current assets	US\$'000	498,343	478,763	4.1%
Interest bearing bank borrowings	US\$'000	18,939	166,857	(88.6)%
Financial Ratio				
Return on equity (note 1)	%	50.0	47.5	2.5 pt.
Return on assets (note 2)	%	36.9	35.4	1.5 pt.
Assets turnover ratio (note 3)	times	1.02	1.05	(0.03)
Gearing ratio (note 4)	%	0	0.9	(0.9) pt.
Operating Statistics				
Number of container vessels operated as at year end	vessels	119	114	5
Container shipping volume - Container shipping and supporting logistics	TEUs	3,847,539	3,570,184	277,355

Note 1

Return on equity is calculated by using the profit for the year and the average balance of total equity as at beginning of year and end of year.

Note 2

Return on assets is calculated by using the profit of the year and the average balance of total assets as at beginning of year and end of year.

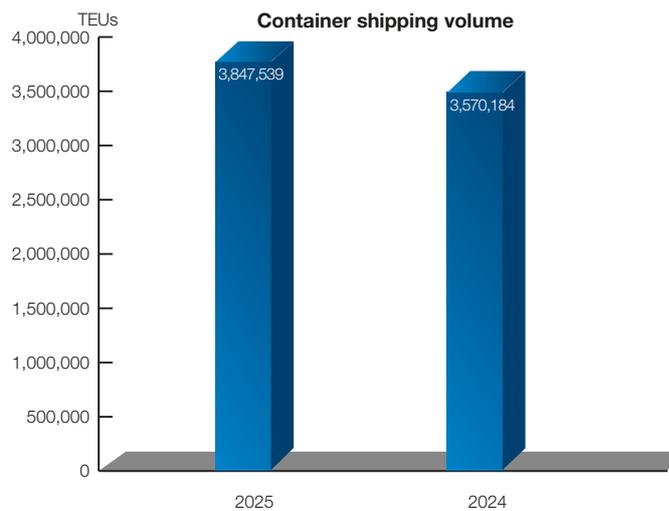
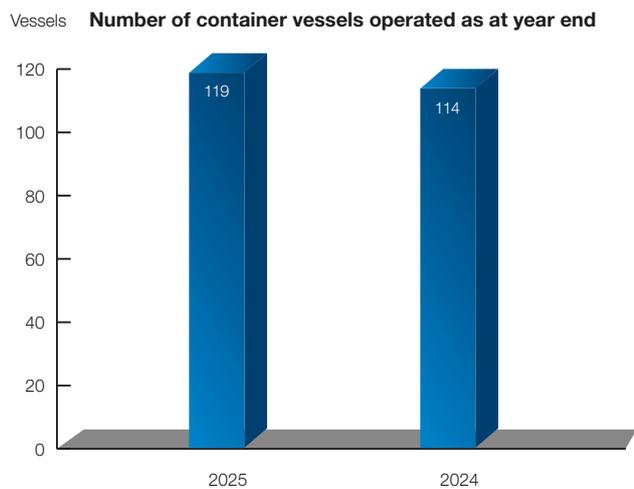
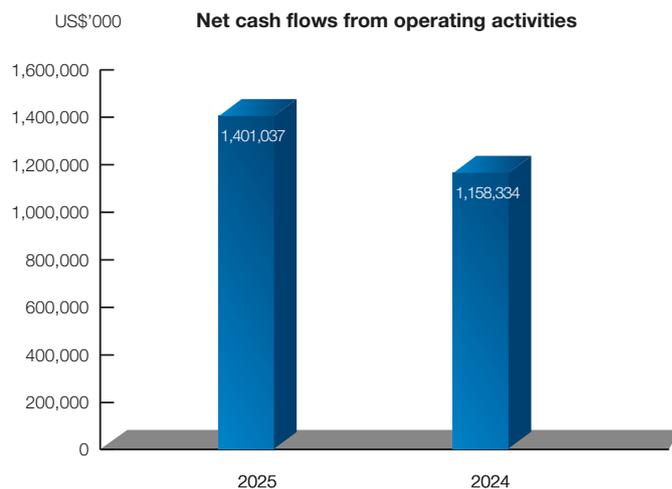
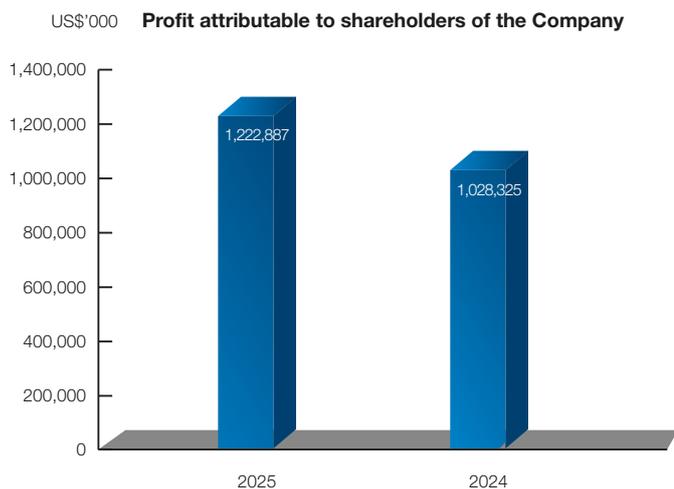
Note 3

Assets turnover ratio is calculated by using the turnover and the average balance of total assets as at beginning of year and end of year.

Note 4

Gearing ratio is calculated by using net debt divided by the adjusted capital plus net debt. Net debt includes bank borrowings, lease liabilities, trade and other payables and accruals, less cash and bank balances. Adjusted capital includes equity attributable to owners of the parent less the hedging reserve.

Financial and Operating Highlights



Major Milestones in 2025

January 2025

At the Indo-East Shipping Forum and in the selection of outstanding shipping companies held by Indian EXIM SHIPPING TIME in Kolkata, SITC LINE was honored with the Gold Award for Shipping Services in India for its outstanding performance in the Far East Indo-East Trade Zone in 2024.

SITC Shipping Management (Shanghai) Co., Ltd. passed the formal audit of the China-flagged Ship Safety Management Company System (DOC audit) conducted by the Shanghai Maritime Safety Administration.

February 2025

SITC and Dae Sun Shipbuilding held a grand delivery ceremony for the new vessel "SITC YUANHE".

SITC was successfully selected into the Standard & Poor's 2025 Sustainability Yearbook and was awarded the "Industry Mover" award. The Company's continued efforts in environmental, social and governance (ESG) in 2023-2024 achieved remarkable results, placing it among the top performers in the S&P CSA for the global transportation and transportation infrastructure industry.

March 2025

SITC and Dae Sun Shipbuilding held a grand delivery ceremony for the new vessel "SITC TONGHE".

April 2025

SITC Line Myanmar, in collaboration with the Shandong Chamber of Commerce in Myanmar, initiated a charitable donation for the earthquake-stricken areas in Myanmar, actively fulfilling corporate social responsibility.

SITC Shipping Management (Shanghai) Co., Ltd. passed the annual audit of the safety management system for Hong Kong-flagged and Panama-flagged vessels (DOC audit) jointly conducted by China Classification Society and the Hong Kong Marine Department.

May 2025

SITC Ship Management (Shandong) Co., Ltd. passed the temporary audit of China-flagged DOC (Certificate of Conformity) conducted by the audit team from the Qingdao Maritime Safety Administration.

At the release ceremony of the 22th "Golden Vessel Cup" China Freight Service Quality Tracking Survey, SITC won multiple titles including "Customer-Satisfied Container Liner Company", "Customer-Satisfied Specialized Transportation Enterprise", "Customer-Satisfied Freight Forwarding & Logistics Enterprise", "Customer-Satisfied NVOCC", "Customer-Satisfied Logistics & Supply Chain Enterprise", "Customer-Satisfied Express Logistics Enterprise", "Customer-Satisfied Logistics Warehousing Enterprise" and "Customer-Satisfied Shipping Technology Enterprise".

SITC Intelligent and ALLIED Company of Singapore held a signing ceremony for the collaborative Singapore SUNVIEW LOGISTICS & CONTAINER HUB project in Qingdao, Shandong Province. The implementation of this project marks the official launch of the world's first double-layer, three-dimensional, digital and intelligent warehousing and storage yard project, which will lead container logistics into a new era.

June 2025

SITC, Tianjin Port Group and the Tianjin Heping District Government entered into a port-industry-city strategic cooperation framework agreement in Tianjin.

SITC COWIN celebrated the inaugural shipment of its revolutionary version 8 Steel Coil Container at Beijiao Port. This iterative product, which embodies core technology, aims to redefine the transportation standards for coil steel, successfully achieving a dual breakthrough in safety performance and operating costs, and providing more reliable, economical, and environmentally friendly logistics solutions for customers.

At the 5th China (Dongjiang) Shipping Industry Week, SITC was honored with the title of "Top 10 Focal Enterprises in Port, Shipping & Logistics for 2024", and SITC Logistics' intelligent container turnover center "Smart Depot" project was successfully selected as one of the "Top 30 Innovation Cases in Port, Shipping & Logistics for 2025."

August 2025

The "2025 Science-Based Targets Development Forum" was successfully held in Nanshan District, Shenzhen, hosted by the World Wide Fund for Nature (Switzerland) Beijing Office, Shenzhen One Earth Foundation, and other organizations. SITC signed the "Joint Initiative to Lead the 'Green' Power Revolution: Working Together to Create a New Future for Sustainable Fuels" on behalf of the Company, marking SITC's entry into the sustainable supply chain alliance and commitment to jointly promoting the low-carbon development of the global shipping industry.

Major Milestones in 2025

SITC Shipping Management (Shanghai) Co., Ltd. was honored with the “Green Fleet Award in 2024” and the “Outstanding Performance in Port State Control Inspection for the Year of 2024” at an award ceremony jointly organized by the Hong Kong Maritime Department and the Hong Kong Shipowners Association, in acknowledgment of its exceptional environmental performance and outstanding achievements in Port State Control Inspection.

The trial run of the Qinzhou-Jakarta-Semarang sea-rail transport successfully verified the feasibility of sea-rail transport within Indonesia’s logistics system.

September 2025

SITC E-commerce won the title of “Qingdao Outstanding Cross-border E-commerce Service Provider”.

SITC and Hisense held a signing ceremony in Bangkok, Thailand for the establishment of a joint venture, SITC Logistics Asean (Thailand) Company Limited.

The “SITC Cagayan” vessel held a maiden voyage ceremony for the FIE route at DP World Terminal in Chennai, inaugurating a direct shipping service between China and East India and marking a major upgrade of SITC’s maritime logistics link between China and India.

October 2025

Hisense Group held “Intelligent Linkage, Resilient Coexistence – 2025 Hisense Group Global Supply Chain Partner Summit” in Qingdao, Shandong Province. SITC Logistics was awarded “2025 Strategic Partner Award” by Hisense Group for its outstanding service and deep collaboration.

The opening ceremony of the 8th SITC Mini-MBA Shipping Orientation Courses and the donation ceremony of university enterprise cooperation were successfully held at the SITC Academic Exchange Center of Shanghai Maritime University.

The “Hai Feng Hai Kou” vessel of SITC Ship Management Shandong passed the initial audit of China-flagged DOC conducted by the audit team from the China Maritime Safety Administration.

The “Smart Logistics Datathon 2025”, organized by The Chinese University of Hong Kong and sponsored by SITC, was successfully held at the Hong Kong International Aviation Academy.

November 2025

SITC Crew Services (Qingdao) Co., Ltd. passed the annual audit of the qualification for seafarer dispatch conducted by the audit team from the Shandong Maritime Safety Administration.

SITC Marine Services (Shanghai) Co., Ltd. passed the annual audit of the qualification for seafarer dispatch conducted by the audit team from the Yangshan Port Maritime Safety Administration.

December 2025

SITC International Holdings Co., Ltd. and Mr. Yang Shaopeng, Honorary Life Chairman of SITC, each donated HKD5 million to fire-affected residents in Tai Po, Hong Kong, respectively, totaling HKD10 million, helping the impacted families overcome difficulties and rebuild their homes.

SITC Ship Management (Shandong) Co., Ltd. passed the two annual audit of Panama-flagged and Hong Kong-flagged DOC conducted by China Classification Society Qingdao Branch.

The fourth “SITC Class”, jointly conducted by Shandong Foreign Trade Vocational College and SITC Logistics, successfully concluded.

Chairman's Statement

The Group will continue to optimize its unique operation model, expand its service network, increase the voyage frequency of its lanes, and extend the sea-land integrated service value chain to provide customers with low-carbon, environmentally friendly, high quality supply chain services.

At the same time, the Group will optimize its fleet structure by capturing vessel price and rent dynamics based on its insight into the relationship between supply and demand of vessels, to secure a long-term cost competitive position and reduce hazardous gas emissions.

Focusing on the improvement of operational efficiency, the Group will continue to focus on the solutions of application of digitalization and artificial intelligence and relevant organizational change, and improve its organization process and information technology systems, and strive for the goal in becoming a world-class integrated logistics service provider.



Chairman's Statement

Dear Shareholders,

On behalf of the Board (the **"Board"**) of Directors (the **"Directors"**) of SITC International Holdings Company Limited (**"SITC"** or the **"Company"**), together with its subsidiaries referred to as the **"Group"**), I hereby present to you the Group's annual results for the year ended 31 December 2025.

In 2025, the container shipping market maintained strong growth, particularly demand in Asia remained robust, driven by Chinese exports, industrial relocation, and the uncertainty of trade policies. The Group continued to optimize its unique operation model, adhere to the sea-land integrated service to meet customer's demand for supply chain management, and strive to become a world-class integrated logistics service solutions provider. The Group's outstanding performance in terms of efficiency, effectiveness and cash flow can still bring sustainable and stable returns to all stakeholders.

SITC is a leading shipping logistics company dedicated to serving the Asia trade market. The Group leverages on the comprehensive coverage of its shipping and logistics supply chain, unique business model, high quality customer base and its high-density, high frequency container shipping route and logistics network covering major ports in Asia to derive full benefits of the growth in the trade and economies of China and other Asian countries. As global container shipping capacity was being released year by year and attention on the Asian region intensified, the Company faced increased competition. Nevertheless, the Company achieved solid performance, bolstered by the ongoing Red Sea crisis and port congestion, coupled with its significant advantages in efficiency and cost. The Group's operation still performed well during the year under review, with turnover reaching approximately US\$3,411.6 million, representing an increase of approximately 11.6% as compared with 2024. Meanwhile, gross profit reached approximately US\$1,310.5 million, representing an increase of approximately 14.7% as compared with 2024. Profit before income tax amounted to approximately US\$1,251.3 million, representing an increase of approximately 18.8% from 2024. Profit attributable to owners of the parent amounted to approximately US\$1,222.9 million and earnings per share was approximately US\$0.46. For the year ended 31 December 2025, the Board resolved to recommend the payment of a final dividend of HK\$1.00 per share.

Over the past years, SITC continued to record significant increase in container shipping volume and outperform many of its peers by actively capitalizing on the Asia economic development. The total container shipping volume for the year increased by approximately 7.8% to 3,847,539 TEUs, with average freight rate of US\$753.3/TEU (excluding slot exchange fee rate), year-on-year increase of 4.5%. SITC maintained stable growth in Asia shipping market share in 2025.

The Group leveraged on its strong operating cash flow to expand its operations amidst the unfavorable industrial trend, and pursued development opportunities at low costs. SITC has actively pursued expansion of its fleet. In 2025, a total of 2 new container vessels were delivered. The Group's total fleet capacity at the end of 2025 reached 184,961 TEUs. The Group considers that the new vessel orders placed at a time of low vessel price helps the Group expands its self-owned fleet and secure a long-term cost advantage for SITC. As at 31 December 2025, the Group had 99 self-owned container vessels and 20 chartered container vessels.

The Group continued to implement various extension and upgrade to certain container shipping route services networks. As of 31 December 2025, the Group operated 76 trade lanes, including 11 trade lanes through joint services and 25 trade lanes through container slot exchange arrangements. In addition, the Group actively developed the land-based third party logistics businesses and operated (including through joint ventures) approximately 2,248,591 m² of depot and 180,412 m² of warehousing space.

Looking ahead to 2026, while the global economy and trade are expected to grow steadily with relatively low container shipping capacity deliveries, uncertainties regarding the Red Sea crisis and regional competition will persist. In 2026, the Group's management remains confident about the business environment in Asia logistics market in the year of 2026. As its business expands, SITC will continue to optimize its unique business model, expand its Asia service network, work for the objective of becoming the first choice of customers, provide its customers with quality services through construction of comprehensive logistics facilities and tailor-made logistics solutions, and bring itself closer to the goal of becoming a world-class integrated logistics service provider.

Finally, I would like to extend my heartfelt gratitude to our shareholders for their concern and support to the Group. I would like to express my appreciation to all the Directors of the Company, members of senior management and staff of the Group for their hard work during the past year. I believe that SITC is progressing towards its goal of becoming a world-class shipping logistics enterprise and will deliver more outstanding results in the future.

Yang Xianxiang

Chairman

10 March 2026

Management Discussion and Analysis

OVERVIEW

SITC is one of Asia's leading shipping logistics companies that provides integrated transportation and logistics solutions.

Business Review

The Group's business covers integrated shipping logistics services, such as the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, land leasing and other services. During the year ended 31 December 2025, the Group's business continued to provide container transportation and integrated logistics services that focused exclusively on the Asian market, as the Company believes that the Asian market will continue to experience healthy growth.

As at 31 December 2025, the Group operated 76 trade lanes, including 11 trade lanes through joint services and 25 trade lanes through container slot exchange arrangements. These trade lanes and land-based integrated logistics business network covered 80 major ports in various countries and regions including the Chinese Mainland, Japan, Korea, Taiwan, Hong Kong, Vietnam, Thailand, the Philippines, Cambodia, Indonesia, Singapore, Malaysia, Brunei, Bengal, Myanmar and India. As at 31 December 2025, the Group operated a fleet of 119 vessels with a total capacity of 184,961 TEU, comprised of 99 self-owned (162,444 TEU) and 20 chartered vessels (22,517 TEU), with an average age of 9.4 years. Of these 119 vessels, 95 were of less than 2,000 TEU, and 24 were of 2,000 TEU to 3,000 TEU. For the year ended 31 December 2025, the total paid out capital expenditure of US\$133.1 million were mainly attributable to the purchases of container vessels of US\$60.0 million and purchases of containers of US\$46.0 million. In addition, the Group also operated (including through joint ventures) approximately 2,248,591 m² of depot and 180,412 m² of warehousing space.

Revenue of the Group for the year ended 31 December 2025 increased by approximately 11.6% from approximately US\$3,058.1 million for the year ended 31 December 2024 to approximately US\$3,411.6 million for the year ended 31 December 2025. The increase was a result of a combined effect, where (i) container shipping volume increased by approximately 7.8% from 3,570,184 TEUs in 2024 to 3,847,539 TEUs in 2025; and (ii) average freight rate (excluding slot exchange fee income) increased by approximately 4.5% from US\$721.1/TEU in 2024 to US\$753.3/TEU in 2025.

Market Review and Outlook

In 2025, the container shipping market maintained strong growth, particularly demand in Asia remained robust, driven by Chinese exports, industrial relocation, and the uncertainty of trade policies. As global container shipping capacity was being released year by year and attention on the Asian region intensified, the Company faced increased competition. Nevertheless, the Company achieved solid performance, bolstered by the ongoing Red Sea crisis and port congestion, coupled with its significant advantages in efficiency and cost.

Looking ahead to 2026, while the global economy and trade are expected to grow steadily with relatively low container shipping capacity deliveries, uncertainties regarding the Red Sea crisis and regional competition will persist. The Company will maintain its focus in Asia to tap into market, efficiency and cost potential through refined management, and will be committed to delivering tailored, differentiated services to high-quality customers, helping all stakeholders realize higher value, and striving to grow into a world-class integrated logistics service solution provider.

Financial Overview

	For the year ended	
	31 December	
	2025	2024
	US\$'000	US\$'000
Revenue	3,411,647	3,058,059
Container shipping and supporting logistics income	3,077,818	2,735,468
Other container logistics income	331,162	320,394
Other income	2,667	2,197
	<hr/>	
Cost of sales	(2,101,181)	(1,915,242)
Equipment and cargos transportation costs	(1,093,166)	(973,133)
Voyage costs	(402,446)	(422,468)
Container shipping vessels cost	(329,426)	(257,470)
Other container logistics costs	(274,528)	(261,460)
Other costs	(1,615)	(711)
	<hr/>	
Gross profit	1,310,466	1,142,817
Other income and gains (excluding bank interest income, other investment income and fair value gains on financial assets)	45,027	17,975
Administrative expenses	(153,578)	(143,998)
Share of profits of:		
Joint ventures	31,080	24,503
Associates	1,679	1,878
Other expenses, net	(5,686)	(952)
	<hr/>	
Segment results	1,228,988	1,042,223
Finance costs	(15,550)	(15,676)
Bank interest income, other investment income and fair value gains on financial assets	37,831	27,027
	<hr/>	
Profit before tax	1,251,269	1,053,574
Income tax	(20,867)	(19,232)
	<hr/>	
Profit for the year	1,230,402	1,034,342
	<hr/>	
Profit attributable to:		
Owners of the parents	1,222,887	1,028,325
Non-controlling interests	7,515	6,017
	<hr/>	
	1,230,402	1,034,342
	<hr/>	

Management Discussion and Analysis

The following table sets forth the number of trade lanes and port calls per week of the Group as at 31 December 2024 and 2025, and the average freight rate for the year ended 31 December 2024 and 2025:

Year ended 31 December		As at 31 December			
2025	2024	2025	2024	2025	2024
Aggregate freight rate <i>(US\$ per TEU, excluding slot exchange fee rate)</i>		Number of trade lanes		Port calls per week	
753.3	721.1	76	78	454	483

Revenue

The Group's total revenue increased by approximately 11.6% from approximately US\$3,058.1 million for the year ended 31 December 2024 to approximately US\$3,411.6 million for the year ended 31 December 2025. The increase was a result of a combined effect, where (i) container shipping volume increased by approximately 7.8% from 3,570,184 TEUs in 2024 to 3,847,539 TEU in 2025; and (ii) average freight rate (excluding slot exchange fee income) increased by approximately 4.5% from US\$721.1/TEU in 2024 to US\$753.3/TEU in 2025.

Cost of Sales

The Group's cost of sales increased by approximately 9.7% from approximately US\$1,915.2 million for the year ended 31 December 2024 to approximately US\$2,101.1 million for year ended 31 December 2025. The increase was mainly attributable to the year-on-year increase of US\$120.0 million in equipment and cargos transportation costs, which is in line with the increase in container shipping volume.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the gross profit increased from approximately US\$1,142.8 million for the year ended 31 December 2024 to approximately US\$1,310.5 million for the year ended 31 December 2025. The Group's gross profit margin increased from approximately 37.4% for the year ended 31 December 2024 to approximately 38.4% for the year ended 31 December 2025.

Other Income and Gains (excluding bank interest income, other investment income and fair value gains on financial assets)

For the year ended 31 December 2025, the other income and gains (excluding bank interest income, other investment income and fair value gains on financial assets) increased by approximately US\$27.0 million from approximately US\$18.0 million for the year ended 31 December 2024 to approximately US\$45.0 million for the year ended 31 December 2025. The increase was a result of a combined effect, reflecting (i) the gains on disposal of vessels of approximately US\$35.1 million from the disposal of 3 container vessels in 2025, as compared to approximately US\$9.6 million from the disposal of 6 container vessels in 2024; and (ii) a year-on-year increase of approximately US\$4.4 million in the fair value gains on derivative instruments.

Bank Interest Income, Other Investment Income and Fair Value Gains on Financial Assets

The Group's amount of bank interest income, other investment income and fair value gains on financial assets was approximately US\$27.0 million and US\$37.8 million for the year ended 31 December 2024 and 2025, respectively. The increase was mainly attributable to the increase in average deposit balance as compared to last year.

Administrative Expenses

The Group's administrative expenses increased from approximately US\$144.0 million for the year ended 31 December 2024 to approximately US\$153.6 million for the year ended 31 December 2025, representing an increase of approximately 6.7%. The increase was primarily attributable to the overall increase in staff bonus cost.

Share of Profits of Joint Ventures

The Group's share of profits of joint ventures recorded profits of approximately US\$24.5 million and US\$31.1 million in 2024 and 2025, respectively. The increase was mainly attributable to the increase in the profits of certain jointly controlled freight forwarders and depot companies.

Share of Profits of Associates

The Group's share of profits of associates were profits of approximately US\$1.9 million and US\$1.7 million for 2024 and 2025, respectively. The decrease was mainly attributable to the decrease in the profits of associates' depots.

Other Expenses, net

The Group's other expenses, net, increased by approximately US\$4.7 million from approximately US\$1.0 million for the year ended 31 December 2024 to approximately US\$5.7 million for the year ended 31 December 2025. The increase was mainly attributable to the increase in provisions for non-operating expenses during the year.

Finance Costs

The Group's finance costs decreased from approximately US\$15.7 million for the year ended 31 December 2024 to approximately US\$15.6 million for the year ended 31 December 2025. The decrease was a result of a combined effect, reflecting (i) the decrease in borrowing principal; and (ii) the increase in interest on lease liabilities.

Profit before Tax

As a result of the foregoing, the Group's profit before tax increased from approximately US\$1,053.6 million for the year ended 31 December 2024 to approximately US\$1,251.3 million for the year ended 31 December 2025.

Income Tax Expenses

The Group's income tax expense was approximately US\$19.2 million and US\$20.9 million for the year ended 31 December 2024 and 2025, respectively. The increase was primarily attributable to the increase in taxable profit of the Group.

Profit for the Year

The Group's profit for the year ended 31 December 2025 was approximately US\$1,230.4 million, representing an increase of approximately 19.0% as compared to the profit of approximately US\$1,034.3 million for the year ended 31 December 2024.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Total assets of the Group increased by approximately 8.7% from approximately US\$3,198.1 million as at 31 December 2024 to approximately US\$3,477.6 million as at 31 December 2025. As at 31 December 2025, the Group had cash and bank balances, and time deposits with original maturity over three months amounting to approximately US\$781.2 million, mainly denominated in US dollar, Renminbi, Japanese Yen and other currencies.

Total liabilities of the Group increased by approximately 25.7% from approximately US\$776.6 million as at 31 December 2024 to approximately US\$976.4 million as at 31 December 2025. At 31 December 2025, the Group had interest-bearing bank loans of approximately US\$18.9 million repayable within one year or on demand.

Further, the Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As at 31 December 2025, the Group had no foreign exchange hedging instruments (31 December 2024: nil) of its foreign currency sales.

As at 31 December 2025, the Group had current ratio (being the current assets divided by the current liabilities) of approximately 1.7 compared to that of 1.9 as at 31 December 2024. The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain a healthy gearing ratio. Net debt includes interest-bearing bank borrowings, lease liabilities, trade and other payables, accruals, less cash and bank balances, and time deposits. Adjusted capital includes equity attributable to owners of the parent less the hedging reserve. The Group's gearing ratio was 0.9% and 0% as at 31 December 2024 and 31 December 2025, respectively.

Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no significant contingent liabilities (31 December 2024: nil).

CHARGE ON ASSETS

The Group's bank loans were secured by mortgages over the Group's land which had a net carrying amount of approximately US\$10.7 million (31 December 2024: US\$9.9 million), and no vessels of the Group were used to secure the Group's bank loans (31 December 2024: net carrying amount of approximately US\$222.3 million) as at 31 December 2025.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had an aggregate of 2,243 full-time employees (excluding crew member, 31 December 2024: 2,219). The related employees' costs for the period (including directors' emoluments) amounted to approximately US\$223.3 million (31 December 2024: US\$209.6 million). The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees (including the directors) with reference to corporate performance, individual performance appraisal and current market salary scale. Further, the Company has adopted a new share scheme on 26 April 2024 (the "**Share Scheme**") to provide incentive to eligible participants in order to promote the development and success of the business of the Group. Details of the Company's share schemes are set forth in the section headed "SHARE SCHEMES" on page 24 to 32 of this annual report.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2025, a total of 2 new container vessels were delivered. Reference is made to the announcement of the Company dated 29 October 2024 in relation to, among other matters, the shipbuilding agreements dated 29 June 2024 between SITC Shipowning Group Company Limited (a wholly-owned subsidiary of the Company) ("**SITC Shipowning**") and Huanghai Shipbuilding Co., Ltd. (黄海造船有限公司) (the "**Builder**") in relation to the construction of four container vessels (the "**Vessels**"), under which the Builder has granted to SITC Shipowning the options for the construction of 6

additional Vessels. On 29 October 2024, SITC Shipowning exercised the options for the construction of 2 additional Vessels at the aggregate consideration of US\$57.96 million. Subsequently, SITC Shipowning exercised the options for the construction of 2 additional Vessels at the aggregate consideration of US\$57.96 million on 24 January 2025 and 2 additional Vessels at the aggregate consideration of US\$57.96 million on 29 April 2025, respectively. SITC Shipowning has fully exercised the options for the construction of 6 additional Vessels granted under the shipbuilding agreements dated 29 June 2024. On 2 August 2025, SITC Shipowning and the Builder entered into shipbuilding agreements for the construction of 4 Vessels at the aggregate consideration of US\$152.72 million, under which the Builder has granted to SITC Shipowning the options for the construction of 8 additional Vessels. On 31 October 2025, SITC Shipowning exercised the options for the construction of two Vessels at the aggregate consideration of US\$76.36 million.

Save as disclosed above, the Group did not have other significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company will continue to purchase container vessels and containers, and invest in logistics projects, as and when appropriate. The Company expects that the internal financial resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed, the Company does not have any future plans for significant investments or capital assets as at the date of this report.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

Directors and Senior Management

Mr. Yang Xianxiang (楊現祥), aged 59, is the chairman of the Board, an executive Director, a member of the remuneration committee and nomination committee of the Company. Mr. Yang has been a Director of the Company since January 2008 and appointed as executive Director on 9 April 2010. He had also served as the chief executive officer of the Company from January 2008 to March 2024. He is actively involved in the management and the decision-making process of the Company. Mr. Yang graduated from Asia International Open University (Macau) with a master's degree in Business Administration in 2000 and completed a chief executive officer class in Tsinghua University in 2003. He also received a master's degree in business administration from China Europe International Business School in 2006. He completed a non-degree course in Sinology in Fudan University in 2009, which is a course on Chinese heritage classical study, and completed another non-degree Chief Executive Officer Class at the Cheung Kong Graduate School of Business in 2010 and the CEIBS Global CEO Programme in 2013. Mr. Yang has over 39 years of experience in the shipping industry through his employment in the shipping companies. In July 1987, Mr. Yang joined Lufeng Shipping Co., Ltd. (魯豐航運有限公司) ("**Lufeng Shipping**"), a container shipping company, and was subsequently promoted to be a manager before he left in July 1997. From August 1997 to December 2001, he served as a general manager in SITC Container Lines (Shandong) Co., Ltd. (山東省海豐船務有限公司). Between January 2002 and January 2005, he served as executive vice president in SITC Maritime Group Co., Ltd. (山東海豐國際航運集團有限公司) ("**Shandong SITC**") and as president in the same company between January 2005 and May 2007. From May 2007 to January 2008, he served as president of SITC Container Lines and as a chief executive officer of SITC Steamship (Shanghai) Co., Ltd. Mr. Yang was appointed as an executive Director on 9 April 2010. Mr. Yang has been appointed as an independent non-executive director of Js Global Lifestyle Company Limited (stock code: 01691) since October 2019 and a non-independent director of Shanghai Fortune Techgroup Co., Ltd. (stock code: 300493) since 2021.

Mr. Xue Mingyuan (薛明元), aged 52, is the chief executive officer of the Company, an executive Director and a member of the risk management committee of the Company. Mr. Xue has been appointed as an executive Director since 11 March 2013. He has been and serving and as the president of SITC Shipping Group and the general manager of SITC Container Lines since December 2012. Mr. Xue obtained a master degree in international shipping and logistics management from The Hong Kong Polytechnic University (香港理工大學) in November 2004. He received a master degree in business administration from China Europe International Business School in September 2012. Mr. Xue has over 29 years of experience in the shipping industry. During the period from August 1997 to November 2012, Mr. Xue had served as the export supervisor of SITC Lianji (Shandong) Co., Ltd. (山東海豐聯集有限公司) ("**Shandong SITC Lianji**"), the manager of the customers service department and the sales and marketing department of SITC Container Lines, the deputy general manager and general manager of SITC Container Lines (Korea) Co., Ltd. and the general manager of SITC Container Lines.

Directors and Senior Management

Mr. Liu Kecheng (劉克誠), aged 52, is an executive Director, chief financial officer, authorized representative, a member of the risk management committee of the Company, and the general manager of the finance center and investment center of the Company. Mr. Liu has been a Director of the Company since December 2006 and appointed as an executive Director on 9 April 2010. From September 2010 to May 2013, he served as joint company secretary of the Company. Since October 2010, Mr. Liu has been appointed as the director for investment and securities, responsible for investments and equity funding. Since May 2013, Mr. Liu has been appointed as the chief financial officer of the Company, responsible for finance accounting and cash management in the Company. Since July 2017, Mr. Liu has been appointed as the general manager of the finance center and investment center of the Group. Mr. Liu graduated from Shandong Foreign Economic and Trade School in 1994. He received a master's degree in business administration from China Europe International Business School in 2007. Mr. Liu has over 30 years of experience in the shipping industry through his employment in the shipping companies. Mr. Liu worked with the finance department of Shandong Foreign Trade Corporation from July 1994 to June 1998. Mr. Liu joined SITC in 1998, and has served successively as finance manager, deputy general manager of finance center, deputy general manager of planning & development center, general manager of the investment and development center, chief financial officer, directorate secretary & general manager of the investment management center of SITC International Holdings. Mr. Liu has served as a director of Hisense Group Holding Company Limited since December 2020.

Mr. Lai Zhiyong (賴智勇), aged 53, has been appointed as executive Director since 11 March 2013. He has been serving as the president of SITC Logistics Group of the Company since December 2012. Mr. Lai graduated from Ocean University of China (中國海洋大學) in July 1994 specialising in international trade, and received a master degree in business administration from China Europe International Business School in 2017. Mr. Lai has over 30 years of experience in the shipping industry. From August 1997 to November 2012, Mr. Lai served as the supervisor of the import division of Shandong SITC Lianji, the manager of the import department, operation department and marketing department of SITC Container Lines and the general manager of SITC Container Lines (Hong Kong) Co., Ltd. (新海豐集運(香港)有限公司).

Ms. Yang Xin (楊馨), aged 42, has been appointed as a non-executive Director since March 2021 and is currently the vice chairman of the Board, the chairman of sustainable development committee, a member of the remuneration committee and nomination committee of the Company. Ms. Yang is currently the vice chairman and general manager of Qingdao Hisense Donghai Commerce Trade Co., Ltd. (青島海信東海商貿有限公司) (“**Hisense Donghai**”). From 2006 to 2009, Ms. Yang served as the assistant vice president and vice president of HSBC Bank (China) Company Limited. Since 2014, she served as the vice chairman of Hisense Donghai and subsequently served as the general manager of the Hisense Plaza of Hisense Donghai from 2017 to 2018. Ms. Yang obtained a bachelor's degree in Accounting and Finance from Warwick Business School of The University of Warwick, a master's degree in investment management from Cass Business School of City, University of London, and a degree of executive master of business administration from China Europe International Business School. Ms. Yang is the daughter of Mr. Yang Shaopeng, the controlling shareholder of the Company.

Mr. Tse Siu Ngan (謝少毅), aged 52, has been appointed as an independent non-executive Director since October 2020, and is currently the lead independent non-executive Director, the chairman of the remuneration committee and the risk management committee of the Company, and a member of the audit committee, nomination committee, disclosure committee, sustainable development committee of the Company. Mr. Tse received a Master of Science in IT Manufacturing from University of Warwick in 1997. Mr. Tse completed the Senior Executive Program of Harvard Business School in 2010 and the Global CEO Program of Harvard Business School in 2013. Mr. Tse has extensive experience working at Fortune 500 companies, with 16 years of experience in senior management positions. From April 2001 to April 2004, Mr. Tse served as the managing director of Triaton China, Ltd, responsible for the overall operations and business development of the company. During the period from April 2004 to April 2017, Mr. Tse served various management positions at Hewlett Packard with his last position as the vice president and general manager in the HP enterprise services Greater China department, responsible for the overall management of the group's enterprise services in Greater China. From April 2017 to April 2018, Mr. Tse served as the senior vice president and general manager in the digital business services department of SAP SE (Greater China region). From April 2018 to February 2020, Mr. Tse served as the general manager in the global technology services department of IBM (Greater China region). From June 2020 to October 2023, Mr. Tse served as the Greater China general manager of Zebra Technologies. Mr. Tse is currently the partner of Business Operation Technologies Ltd..

Dr. Liu Ka Ying Rebecca, aged 56, has been appointed as an independent non-executive Director since December 2020, and is currently the chairman of the audit committee, and a member of the nomination committee, remuneration committee, disclosure committee, sustainable development committee and risk management committee of the Company. Dr. Liu has more than 20 years of experience in the operation and management of multinational companies, with extensive experience in real estate development, fund management, accounting, auditing, international financial management and corporate investment and financing. Dr. Liu is currently the senior vice president of Fortune (Shanghai) Limited (subsidiary of CP Group), mainly responsible for assisting company in formulating strategic planning and business

planning, participate in major company merge and acquisition, coordinate company business arrangements, adjust internal company structure. Dr. Liu also held senior positions in asset management company, work scope covered asset management and private equity investment funds, focused on fund management, IPO and investment in various stock market for clients. Dr. Liu experienced in securities investment and private equity fund management operation. From June 1996 to March 2002, Dr. Liu served as the general manager for the Asia and China region of The PRG-Schultz International, Inc., (a company listed on NASDAQ), mainly responsible for the operation and management of professional audit services for the world's top 500 clients. Dr. Liu has been appointed as an independent non-executive director of Logan Group Company Limited (stock code: 3380) since November 2013, and Paradise Entertainment Limited (stock code: 1180) since March 2023. She also has been appointed as a non-executive director and the vice chairman of the board of Culturecom Holdings Limited (stock code: 343) from January 2023 to August 2025. She was an independent non-executive director of Renaissance Asia Silk Road Group Limited (stock code: 274) from August 2022 to November 2024.

Dr. Liu is a member of the American Institute of Certified Public Accountants (AICPA), Illinois CPA Society (ICPAS) of the United States and Hong Kong Institute of Certified Public Accountants (HKICPA). Dr. Liu obtained a doctoral's degree in business administration from Victoria University of Switzerland in November 2011. She also obtained a double bachelor's degree in business administrative studies from York University, Canada with major in management and in accounting (with honour) in 1992 and 1994, respectively. Dr. Liu is a member of the Hong Kong Institute of Bankers, Association of Women Accountants (Hong Kong) Limited and Hong Kong Professionals and Senior Executives Association. She was also a former member of the Tenth and the Eleventh Jilin Provincial Committee of the Chinese People's Political Consultative Conference. Dr. Liu supports and actively participates in various activities of the China and Hong Kong Government and make various contributions to the country.

Directors and Senior Management

Hu Mantian (胡曼恬), aged 44, has been appointed as an independent non-executive Director since October 2020, and is currently the chairman of the nomination committee and disclosure committee, and a member of the remuneration committee, sustainable development committee, risk management committee and audit committee of the Company. Dr. Hu received a B.A. in Economics from Fudan University in 2003, an M.A. in Economics from Tufts University in 2005, an M.Phil. in Marketing and a Ph.D. in Marketing, both from New York University, in 2009 and 2012, respectively. Dr. Hu is associate professor in the department of marketing and at the Chinese University of Hong Kong. She is also the director of the Center for Consumer Insights. She serves as honorary advisor of Hong Kong Digital Analytics Association and provides consulting services to marketing research firms, telecom companies and handset manufacturers. She is the chief scientist of consumer behavior at Nanjing Huasu Technology Co., Ltd. Her research focuses on using quantitative models to study and explain consumer behaviors using big data in industries such as telecommunication, automobile, e-commerce and FinTech.

Mr. Xue Peng (薛鵬), aged 55, is the company secretary, authorized representative and the general manager of the operations management center of the Company. Mr. Xue had been a Director from January 2008 to March 2021. From January 2008 to May 2013, he served as a chief financial officer of the Company. Mr. Xue has been appointed as the general manager of the operations management center of the Group since July 2017. Mr. Xue graduated from Shandong Province Foreign Trade and Economic University in 1991 majoring in financial accounting, and graduated from Shandong University of Economics in 1997 majoring in accounting. He was qualified as an intermediate accountant in 2004 and also obtained an undergraduate degree in accounting from Renmin University of China in 2006. He received a master's degree in business administration from China Europe International Business School in 2011. He obtained a Master's degree in Corporate Governance from Hong Kong Open University and also qualified of the fellowship of the Hong Kong Institute of Chartered Secretaries and the Chartered Governance Professional by the end of the year 2019. Mr. Xue has over 33 years of experience in the shipping industry through his employment in the shipping companies. From March 1993 to March 1996, Mr. Xue worked in Lufeng Shipping, a container shipping company. From March 1996 to January 1998, he served as a financial manager in Guang Lian Shipping Agency (Shandong) Company Limited (山東廣聯船務有限公司), a company that is principally engaged in the shipping agency business. Between January 1998 and March 1999, he served as a financial manager in SITC Container Lines (Shandong) Co., Ltd. and Shandong SITC respectively. From March 1999 to February 2002, he served as the finance manager of SITC Japan Co., Ltd. Between February 2002 and January 2003, he served as the general manager of the supervision department in Shandong SITC. He served as a deputy general manager of the finance center of Shandong SITC from January 2003 to April 2006, and as the general manager of the finance department of SITC Holding between April 2006 and January 2008. Between April 2006 and January 2008, he also served as the financial manager of SITC Holding and SITC Shipping Agency (HK) Company Limited (新海豐船務代理(香港)有限公司), respectively. Mr. Xue was appointed as a joint company secretary on 3 May 2013 and has subsequently been re-designated as the sole company secretary of the Company from 18 October 2019. Mr. Xue has been appointed as an independent non-executive director of Shenzhen Investment Holdings Bay Area Development Company Limited (stock code: 737) since 4 February 2022.

Report of the Board of Directors

REPORT OF THE BOARD OF DIRECTORS

The Directors of the Company are pleased to present their report and the audited financial statements of the Group for the year ended 31 December 2025.

MAJOR BUSINESS

The Company is an Asian shipping logistics company that provides integrated transportation and logistics solutions. The analysis of the revenue of the Group for the year is set out in Note 5 to the Financial Statements.

A review of the business of the Group during the year under review and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2025 are provided in the section headed "Chairman's Statement" on pages 9 to 11, the section headed "Management Discussion and Analysis" on pages 12 to 16 and the paragraph headed "Risks and Uncertainties" of this section of this annual report.

An analysis of the Group's performance during the year ended 31 December 2025 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 12 to 16 of this annual report.

FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The financial position as of 31 December 2025 of the Group is set out in the Consolidated Statement of Financial Position. The cash flow position of the Group during the year ended 31 December 2025 is set out in the Consolidated Statement of Cash Flows.

SHARE CAPITAL

As of 31 December 2025, the Company had 2,699,988,016 shares in issue and the Company did not hold any treasury shares.

The changes in the share capital of the Group during the year ended 31 December 2025 are set out in Note 31 to the Financial Statements.

FINAL DIVIDEND

At the Board meeting held on 10 March 2026 (Tuesday), it was proposed that a final dividend of HK\$1.00 (equivalent to US\$0.13) per ordinary share would be paid on 15 May 2026 (Friday) to the shareholders of the Company whose names appear on the Company's register of members at the close of business at 4:30 p.m. on 5 May 2026 (Tuesday). The proposed final dividend is subject to approval by the shareholders at the annual general meeting of the Company to be convened and held on 20 April 2026 (Monday) (the "**Annual General Meeting**").

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

ANNUAL GENERAL MEETING

The Annual General Meeting will be convened and held on 20 April 2026 (Monday). A notice convening the Annual General Meeting will be published and disseminated to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 15 April 2026 (Wednesday) to 20 April 2026 (Monday), both days inclusive, during which period no transfer of shares will be registered. The record date for determining the eligibility of shareholders to attend and vote at the Annual General Meeting will be 20 April 2026 (Monday). In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 14 April 2026 (Tuesday).

Report of the Board of Directors

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 28 April 2026 (Tuesday) to 5 May 2026 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 27 April 2026 (Monday).

RESERVES

Details of the movements in reserves of the Group during the year ended 31 December 2025 are set out in Note 33 to the Financial Statements.

DISTRIBUTABLE RESERVES

Under the Companies Act of the Cayman Islands, the share premium of the Company is available for distribution of dividends to the shareholders subject to the provisions of the Company's articles of association, with the sanction of an ordinary resolution, dividend may be declared and paid out of share premium account of any other fund or account which can be authorised for this purpose. As of 31 December 2025, the Company had distributable reserves of approximately US\$902 million.

PROPERTY, PLANT AND EQUIPMENT

The changes in property, plant and equipment during the year ended 31 December 2025 are set out in Note 14 to the Financial Statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate purchase amount attributable to the Group's five largest suppliers and the aggregate revenue attributable to the Group's five largest customers were both less than 30% of the Group's total revenue.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group's business is built on a customer-oriented culture, and are focused on establishing relationships with blue-chip companies globally. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards of quality in the service to its customers. During the year under review, there was no material and significant dispute between the Group and its suppliers and/or customers.

DONATIONS

During the year, the charitable contributions and other donations amounted to approximately US\$1.0 million.

DIRECTORS

The Directors in office during the year under review and as of the date of this annual report are as follows:

Executive Directors

Yang Xianxiang	<i>(Chairman)</i>
Xue Mingyuan	<i>(Chief Executive Officer)</i>
Liu Kecheng	
Lai Zhiyong	

Non-executive Director

Yang Xin	<i>(Vice-Chairman)</i>
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Independent non-executive Directors

Tse Siu Ngan	<i>(Lead Independent Non-Executive Director) (Note)</i>
Liu Ka Ying, Rebecca	
Hu Mantian (Mandy)	

Note: With effect from 1 March 2025, the title "Chief Independent Non-Executive Director" has been changed to "Lead Independent Non-Executive Director".

Details of the resume of the Directors and senior management are set forth in the section headed “Directors and Senior Management” of this annual report.

Pursuant to the terms of the Company’s articles of association and the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Mr. Liu Kecheng, Ms. Yang Xin, Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy) will retire in the forthcoming Annual General Meeting, and being qualified, have offered to be re-elected and re-appointed at the Annual General Meeting.

SERVICE CONTRACTS OF DIRECTORS

Details of service contracts for executive Directors are set out under the section headed “Appointment and Re-election of Director” of the Corporate Governance Report. There was no service contract entered by the Company and any Directors to be re-elected in the coming Annual General Meeting stipulating that the Company may not terminate the appointment within one year without compensation payment (other than the statutory compensation).

DISCLOSURE OF DIRECTORS’ INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

With effect from 1 February 2026, the Directors’ fees were changed. The revised Director’s fees are set out below pursuant to Rule 13.51B(1) of the Listing Rules:–

Name of Director	Revised Director’s fee (HK\$ per annum)
Yang Xianxiang	5,280,000
Yang Xin	2,320,000
Xue Mingyuan	3,600,000
Liu Kecheng	1,920,000
Lai Zhiyong	2,040,000

DIRECTORS’ INTERESTS IN CONTRACTS

Other than those transactions disclosed in Note 36 to the Financial Statements and in the sections headed “Connected Transactions” and “Continuing Connected Transactions” below, there was no other significant contract with any member of the Group as the contracting party and in which the Directors possessed direct or indirect substantial interests, and which was still valid on the year end date or any time during the year and related to the business of the Group.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

Mr. Yang Shaopeng, through a family trust controls 100% of the issued shares of Better Master Limited (“**Better Master**”), which in turn holds 100% of the issued shares of Resourceful Link Management Limited (“**Resourceful Link**”) and by virtue of his direct interest, owns approximately 40.66% of the issued share capital in the Company as at the date of this annual report. Mr. Yang Shaopeng was a former director of the Company and, together, Better Master and Resourceful Link are the controlling shareholders of the Company. Ms. Liu Rongli, the spouse of Mr. Yang Shaopeng and the mother of Ms. Yang Xin, a non-executive Director, also owns as to approximately 44.75% in SITC Maritime Group Company Limited (青島海豐國際航運集團有限公司) (“**Qingdao SITC**”), which is involved in various business which had been excluded from the deed of non-competition provided by the controlling shareholders of the Company and as supplemented by a supplemental deed of non-competition entered into between the Company and Qingdao SITC (hereinafter, the “**Deed of Non-Competition**”). Pursuant to the Deed of Non-Competition, the following businesses have been excluded from the Deed of Non-Competition provided by the Company’s controlling shareholders to the Company:

- (a) SITC Steamship (Shandong) Co., Ltd. (山東海豐航運有限公司) (“**Shandong Steamship**”), a wholly-owned subsidiary of Qingdao SITC which is principally engaged in the ship-owning business, continues to hold operating licenses for the mainland China-Taiwan routes. The vessels that operate on this route belong to the Company but are chartered to Shandong Steamship for the mainland China-Taiwan route. These vessels are being used to operate such routes on terms that permit the Company to enjoy the charter fee revenues derived from such operation.

Report of the Board of Directors

- (b) Shandong Steamship owned one PRC-registered vessels named SITC Haikou. According to the PRC Regulations Governing the Registration of Ships (中華人民共和國船舶登記條例) promulgated by the State Council on 2 June 1994 and effective as of 1 January 1995, only Chinese enterprises which are owned by Chinese investors as to not less than 50% are permitted to own Chinese flag vessels, and the Company is therefore unable to acquire control of this vessel under applicable laws and regulations for the time being. However, this vessel is subject to a lease to SITC Shipping Company Limited a subsidiary of the Company.

The Company has received an annual written confirmation from each of the Company's controlling shareholders in respect of the compliance by them and their associates with the Deed of Non-Competition entered into by and among the Company, the controlling shareholders of the Company, Mr. Yang Shaopeng, Better Master and Resourceful Link.

The independent non-executive Directors have reviewed the Deed of Non-Competition and whether the controlling shareholders of the Company have abided by the Deed of Non-Competition. The independent non-executive Directors confirmed that they had determined that the controlling shareholders of the Company have not been in breach of the Deed of Non-Competition during the year ended 31 December 2025.

Save as disclosed, none of the Directors or their respective connected persons have any interests in any business that competed or might compete with the Group's business during the year ended 31 December 2025.

SHARE SCHEMES

Post-IPO Share Option Scheme

On 10 September 2010, the Company adopted a share option scheme (the "**Post-IPO Share Option Scheme**") whereby the Board can grant options for the subscription of the shares of the Company (the "**Shares**") to the employees, managerial staff and senior employees and those other persons that the Board considers that they will contribute or have contributed to the Group (the "**Post-IPO Scheme Participants**") as described in the Post-IPO Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group.

The maximum number of Shares that can be issued according to the Post-IPO Share Option Scheme was 260,000,000 Shares, which is equivalent to 10% of the issued capital of the Company after completion of the Global Offering (as defined in the prospectus of the Company dated 20 September 2010 (the "**Prospectus**")), representing approximately 9.63% of the issued Shares as at the date of this annual report.

The number of options that may be granted pursuant to the terms of the Post-IPO Share Option Scheme shall not exceed 10% of the issued Shares immediately after the completion of the Global Offering. Unless otherwise approved by the shareholders of the Company in a general meeting, the number of Shares that may be granted to the Post-IPO Scheme Participants under the options shall not exceed 1% within any 12-month period (other than those granted to the substantial shareholders (as defined in the Listing Rules), or the total number of Shares that may be granted under the options to the independent non-executive Directors or any of their respective connected persons shall not exceed 0.1% of the Shares in issue of the Company from time to time.

There is no minimum period that the options must be held before they become exercisable, and the options granted shall be exercised within the period decided by the Board, however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the Shares on the daily quotation sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) nominal value of the Share. Each grantee shall pay a consideration of HK\$1.00 at the time the option is granted.

The Post-IPO Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date, which has expired on 9 September 2020.

The following are details of the options granted pursuant to the Post-IPO Share Option Scheme but not yet exercised during the year ended 31 December 2025:

Grantee and position	Date of grant of options	Number of options outstanding as at 1 January 2025	Number of options of granted during the year	Number of options exercised during the year	Number of options cancelled during the year	Number of options lapsed during the year	Number of options not yet exercised as at 31 December 2025
Other employees							
Employees of the Group (Note)	10 March 2015	139,000	–	139,000	–	–	–
Total		139,000	–	139,000	–	–	–

Note: The weighted average closing price immediately before the date on which the share options were exercised was HK\$16.8.

On 10 March 2015, the Company granted a total of 13,800,000 share options pursuant to the Post-IPO Share Option Scheme with an exercise price of HK\$4.378 per Share and shall be exercisable from 10 March 2016 to 10 March 2025. The closing price of the Shares immediately before the date of grant of such share options was HK\$4.35.

As at 31 December 2025, the Company had no share options outstanding under the Post-IPO Scheme.

Share Award Scheme

A share award scheme was adopted by the Board on 13 September 2017 (the “**Share Award Scheme**”) to:

- (a) recognise and motivate the contributions by certain eligible participants, being any employee of the Company and/or any member of the Group and non-executive directors of the Company and/or any member of the Group (excluding those who have tendered his/her resignation or who have been given a notice of dismissal by the Company and/or the relevant member of the Group) and to give incentives thereto in order to retain them for the continual operation and development of the Group;

- (b) attract suitable personnel for further development of the Group; and
- (c) provide certain eligible participants with a direct economic interest in attaining a long-term relationship between the Group and certain eligible participants.

The Board shall, after having taking into regard the results and all relevant circumstances and affairs of the Group, determine from time to time the maximum amount of the fund to be contributed by the Company for purchasing Shares for the Shares pool under the Share Award Scheme. At no point in time shall the independent trustee (the “**Trustee**”) be holding more than 5% of the total number of Shares in issue under the Share Award Scheme. As at 31 December 2025, 20,900,546 Shares were held by the Trustee pursuant to the Share Award Scheme, representing approximately 0.77% of the issued Shares as at the date of this annual report.

There is no maximum entitlement of each selected participant under the Share Award Scheme. The Board may, from time to time, at its absolute discretion select any eligible participant(s) for participation in the Share Award Scheme as a selected participant and, subject to compliance with the Listing Rules, determine the number of Shares to be awarded.

Report of the Board of Directors

The Share Award Scheme does not specify a minimum vesting period or any amount payable on application or acceptance of the award. Subject to the fulfilment of all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant vested Shares to that selected participant at no cost.

The Share Award Scheme shall be valid and effective for a term of ten years commencing on the date of adoption, which was cancelled upon the adoption of the new Share Scheme by the shareholders of the Company at the annual general meeting of the Company held on 26 April 2024.

The following are details of the awards granted or to be granted pursuant to the Share Award Scheme during the year ended 31 December 2025:

Grantee and position	Date of grant of awards	Number of					Number of unvested awards as at 31 December 2025
		invested awards as at 1 January 2025	Number of awards granted during the year	Number of awards vested during the year	Number of awards cancelled during the year	Number of awards lapsed during the year	
Directors							
Yang Xianxiang	8 March 2022 ⁽¹⁾	700,000 ⁽¹⁾	–	700,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	1,783,317 ⁽²⁾	–	–	–	–	1,783,317
Xue Mingyuan	8 March 2022 ⁽¹⁾	700,000 ⁽¹⁾	–	700,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	1,365,994 ⁽²⁾	–	–	–	–	1,365,994
Liu Kecheng	8 March 2022 ⁽¹⁾	420,000 ⁽¹⁾	–	420,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	740,450 ⁽²⁾	–	–	–	–	740,450
Lai Zhiyong	8 March 2022 ⁽¹⁾	300,000 ⁽¹⁾	–	300,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	316,210 ⁽²⁾	–	–	–	–	316,210
Yang Xin	17 August 2023 ⁽²⁾	5,000 ⁽²⁾	–	–	–	–	5,000
Tse Siu Ngan	8 March 2022 ⁽¹⁾	5,000 ⁽¹⁾	–	5,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	5,000 ⁽²⁾	–	–	–	–	5,000
Liu Ka Ying, Rebecca	8 March 2022 ⁽¹⁾	5,000 ⁽¹⁾	–	5,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	5,000 ⁽²⁾	–	–	–	–	5,000
Hu Mantian	8 March 2022 ⁽¹⁾	5,000 ⁽¹⁾	–	5,000 ⁽³⁾	–	–	–
	17 August 2023 ⁽²⁾	5,000 ⁽²⁾	–	–	–	–	5,000
		6,360,971	–	2,135,000	–	–	4,225,971

Grantee and position	Date of grant of awards	Number of	Number	Number	Number	Number	Number of
		unvested awards as at 1 January 2025	of awards granted during the year	of awards vested during the year	of awards cancelled during the year	of awards lapsed during the year	unvested awards as at 31 December 2025
Other employees							
Employees of the Group	8 March 2022 ⁽¹⁾	10,687,526 ⁽¹⁾	–	10,639,526 ⁽³⁾	–	48,000	–
	17 August 2023 ⁽²⁾	16,930,286 ⁽²⁾	–	–	–	255,711	16,674,575
		27,617,812	–	10,639,526	–	300,711	16,674,575
Total		33,978,783	–	12,774,526	–	300,711	20,900,546

Notes:

- (1) On 8 March 2022, an aggregate of 13,151,716 awarded Shares were granted to the selected participants. Subject to the terms of the Scheme Rules and the fulfilment of all vesting conditions specified by the Board, the awarded Shares shall be vested on 8 March 2025 or an earlier date as approved by the Board.
- (2) On 17 August 2023, an aggregate of 21,487,433 awarded Shares were granted to the selected participants. Subject to the terms of the Scheme Rules and the fulfilment of all vesting conditions specified by the Board, the awarded Shares shall be vested on 17 August 2026 or an earlier date in the same year as approved by the Board.
- (3) The weighted average closing price of the Shares immediately before the dates on which the awarded Shares were vested was HK\$16.4.
- (4) The five highest paid individuals during the year ended 31 December 2025 were Mr. Yang Xianxiang, Mr. Xue Mingyuan, Mr. Liu Kecheng, Mr. Lai Zhiyong and Ms. Yang Xin. Save as disclosed, none of the five highest paid individuals were granted other awards under the Share Award Scheme.

Report of the Board of Directors

Share Scheme

The Share Scheme was adopted by the shareholders of the Company at the annual general meeting of the Company held on 26 April 2024 (the “**Adoption Date**”) in compliance with the amendments to Chapter 17 of the Listing Rules that came into effect on 1 January 2023, and to replace the Share Award Scheme.

The purpose

The purpose of the Share Scheme is to provide incentive to the eligible participants under the Share Scheme (the “**Eligible Participants**”) in order to promote the development and success of the business of the Group. The Share Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth of the Group.

The Eligible Participants

The Eligible Participants include:

- (i) the directors and employees (whether full-time, part-time or other employment arrangement) of any member of the Group (including persons who are granted Awards (as defined below) under the Share Scheme as inducement to enter into employment contracts with any member of the Group) (the “**Employee Participants**”); and
- (ii) the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries, associated companies or investee companies of the Company (the “**Related Entity Participants**”).

Maximum number of Shares subject to the Share Scheme

The total number of Shares which may be issued upon exercise of all awards to be granted under the Share Scheme (“**Awards**”, which may be share options or share awards) together with all options and awards which may be granted under any other schemes for the time being of the Company (the “**Scheme Mandate**”) shall not exceed such number of Shares as equals 10% of the Shares in issue as at the Adoption Date, which is 268,265,336 Shares, representing approximately 9.94% of the issued share capital of the Company as at the date of this annual report.

As at the date of the Annual Report, the total number of Shares available for issue under the Share Scheme was 251,708,338, representing approximately 9.32% of the issued share capital of the Company (excluding treasury shares) as at such date.

Maximum entitlement of each Eligible Participant

Where (a) any grant of an Award to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules), or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 0.1% of the Shares in issue, or (b) any grant of share awards (i.e., excluding grant of share options) under the Share Scheme to any Director (other than an independent non-executive Director) or chief executive of the Company), or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of the relevant schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant, such grant must be approved by the shareholders in a general meeting of the Company.

The grant of Awards to an Eligible Participant in any twelve (12)-month period must not in aggregate exceed 1% of the Shares in issue. Where any grant of an Award to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue, such grant must be approved by the shareholders in a general meeting of the Company.

Time of exercise of options

Subject to the terms of the Share Scheme, an Award may be exercised at any time during the period stipulated in the offer (the “**Offer**”) to the Eligible Participant, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant Award.

The Board may at its discretion specify any condition in the offer letter, including performance target or clawback mechanism, at the grant of the relevant Award which must be satisfied before an Award may be exercised. The exercise of the share options is subject to the Eligible Participants satisfying all such conditions, without triggering any clawback mechanism.

Vesting period

Save for the circumstances prescribed below, an Award must be held by the Eligible Participant who accepts the Offer in accordance with the terms of the Share Scheme for a period that is not shorter than the period commences on the offer date and ending on the day immediately prior to the first anniversary thereof (the “**Minimum Period**”) before the Award can be exercised.

The Board may at its discretion grant Awards with a vesting period shorter than the Minimum Period in the following circumstances: (1) grants of “make-whole” Awards to new joiners to replace the share options or award shares they forfeited when leaving the previous employers; (2) grants to an Eligible Participant whose employment is terminated due to death or occurrence of any out of control event; (3) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch; (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

Acceptance

An Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the new Shares underlying an Award which are offered to such Eligible Participant when the duplicate letter or acknowledgment comprising acceptance of the Offer duly signed or acknowledged by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) that may be determined by the Board as consideration for the grant thereof, is received by the Company.

Exercise price and issue price

In respect of share options, the exercise price shall be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of (1) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a business day; (2) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the offer date; and (3) the nominal value of the Share on the offer date.

In respect of share awards, the issue price shall be such price determined by the Board in its absolute discretion and notified to the Grantee in the offer letter. For the avoidance of doubt, the Board may determine the issue price to be nil.

Remaining life of the Share Scheme

The Share Scheme shall be valid and effective until the close of the business day on which falls on the date immediately prior to the tenth anniversary of the Adoption Date. As at the date of this annual report, the remaining life of the Share Scheme is approximately 8 years and 1 month.

Report of the Board of Directors

The following are details of the share awards granted or to be granted pursuant to the Share Scheme during the year ended 31 December 2025:

Grantee and position	Date of grant of awards	Number of					
		unvested share awards as at 1 January 2025	Number of share awards granted during the year	Number of share awards vested during the year	Number of share awards cancelled during the year	Number of share awards lapsed during the year	Number of unvested share awards as at 31 December 2025
Directors							
Yang Xianxiang	2 September 2024 ⁽¹⁾	800,000	–	–	–	–	800,000
	29 April 2025 ⁽²⁾	–	1,650,000	–	–	–	1,650,000
Xue Mingyuan	2 September 2024 ⁽¹⁾	600,000	–	–	–	–	600,000
	29 April 2025 ⁽²⁾	–	1,000,000	–	–	–	1,000,000
Liu Kecheng	2 September 2024 ⁽¹⁾	350,000	–	–	–	–	350,000
	29 April 2025 ⁽²⁾	–	500,000	–	–	–	500,000
Lai Zhiyong	2 September 2024 ⁽¹⁾	400,000	–	–	–	–	400,000
	29 April 2025 ⁽²⁾	–	430,000	–	–	–	430,000
Yang Xin	2 September 2024 ⁽¹⁾	50,000	–	–	–	–	50,000
	29 April 2025 ⁽²⁾	–	100,000	–	–	–	100,000
Tse Siu Ngan	2 September 2024 ⁽¹⁾	8,000	–	–	–	–	8,000
	29 April 2025 ⁽²⁾	–	15,000	–	–	–	15,000
Liu Ka Ying, Rebecca	2 September 2024 ⁽¹⁾	6,000	–	–	–	–	6,000
	29 April 2025 ⁽²⁾	–	10,000	–	–	–	10,000
Hu Mantian	2 September 2024 ⁽¹⁾	6,000	–	–	–	–	6,000
	29 April 2025 ⁽²⁾	–	10,000	–	–	–	10,000
		2,220,000	3,715,000	–	–	–	5,935,000

Grantee and position	Date of grant of awards	Number of	Number	Number	Number	Number	Number of
		unvested share awards as at 1 January 2025	of share awards granted during the year	of share awards vested during the year	of share awards cancelled during the year	of share awards lapsed during the year	share awards unvested as at 31 December 2025
Other employees							
Employees of the Group	2 September 2024 ⁽¹⁾	5,164,372	–	–	–	69,214	5,095,158
	29 April 2025 ⁽²⁾	–	9,952,864	–	–	20,444	9,932,420
Related Entity Participants	2 September 2024 ⁽¹⁾	198,176	–	–	–	–	198,176
	29 April 2025 ⁽²⁾	–	332,136	–	–	–	332,136
		5,362,548	10,285,000	–	–	89,658	15,557,890
Total		7,582,548	14,000,000	–	–	89,658	21,492,890

Notes:

- (1) On 2 September 2024, an aggregate of 7,582,548 share awards were granted to the selected participants with nil purchase price. Subject to the terms of the Share Scheme, the share awards shall be vested on the third anniversary of the date of grant, i.e. 2 September 2027. The vesting of the share awards is not subject to any performance targets. The closing price of the Shares immediately before the date of grant was HK\$18.34.
- (2) On 29 April 2025, an aggregate of 14,000,000 share awards were granted to the selected participants with nil purchase price. Subject to the terms of the Share Scheme, the share awards shall be vested on the third anniversary of the date of grant, i.e. 29 April 2028. The vesting of the share awards is not subject to any performance targets. The closing price of the Shares immediately before the date of grant was HK\$20.90.
- (3) Please refer to Note 2.4 and note 32 to the Financial Statements for the fair value of the share awards at the date of grant and the accounting standard and policy adopted.
- (4) The five highest paid individuals during the year ended 31 December 2025 were Mr. Yang Xianxiang, Mr. Xue Mingyuan, Mr. Liu Kecheng, Mr. Lai Zhiyong and Ms. Yang Xin. Save as disclosed, none of the five highest paid individuals were granted other options or awards under the Share Scheme.

Report of the Board of Directors

The aggregate number of options and awards available for grant as at 1 January 2025 and 31 December 2025 is set out below:

	As at 1 January 2025	As at 31 December 2025
Number of options available for grant under the Post-IPO Share Option Scheme	Nil	Nil
Number of awards available for grant under the Share Award Scheme	Nil ⁽¹⁾	Nil ⁽¹⁾
Number of Awards available for grant under the Scheme Mandate	264,347,788	251,708,338
Total number of options and awards available for grant⁽²⁾	264,347,788	251,708,338

Note:

(1) Upon the cancellation of the Share Award Scheme on 26 April 2024, no further awards may be granted under the Share Award Scheme.

(2) No service provider sublimit was set under the Scheme Mandate.

During the year ended 31 December 2025 an aggregate of 14,000,000 share awards were granted to the selected participants under the Share Scheme, among which, the grant of (i) 1,270,892 share awards shall be satisfied by existing Shares; and (ii) 12,729,108 share awards shall be satisfied by new Shares that were allotted and issued on 30 April 2025. The number of new Shares that may be issued in respect of the Awards granted under the Share Scheme during the year ended 31 December 2025 was 12,729,108. The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 December 2025 divided by the weighted average number of Shares in issue (excluding treasury shares) for the year ended 31 December 2025 (being 2,655,240,546 shares) is 0.48%.

DEBENTURES

The Company did not issue any debentures for the year ended 31 December 2025.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed "Share Schemes" in this section, at any time during the year under review, the Company, its holding company or its subsidiaries were not the contracting parties of any arrangements from which the Directors could make a profit by purchasing the shares or debentures of the Company or any other companies.

INTEREST AND SHORT POSITIONS OF DIRECTORS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2025, the interest or short position of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

(i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Yang Xianxiang ⁽²⁾	Interest in controlled corporation	233,814,950 (L)	8.66%
	Beneficial owner	9,716,296 (L)	0.36%
Xue Mingyuan ⁽⁴⁾	Beneficiary of the Go Thrive Trust	926,100 (L)	0.03%
	Beneficial owner	3,788,518 (L)	0.14%
Liu Kecheng ⁽³⁾	Interest in controlled corporation	43,780,737 (L)	1.62%
	Beneficial owner	619 (L)	0.00%
Lai Zhiyong ⁽⁴⁾	Beneficiary of the Go Thrive Trust	1,537,847 (L)	0.06%
	Beneficial owner	1,919,358 (L)	0.07%
Yang Xin	Beneficiary of a trust	1,097,794,544 (L)	40.66%
Tse Siu Ngan	Beneficial owner	14,000 (L)	0.00%
Hu Mantian (Mandy)	Beneficial owner	7,000 (L)	0.00%

Notes:

- (1) The letters "L" denotes the person's long position in the Shares.
- (2) 233,814,950 Shares were held by JIXIANG Limited, which was owned as to 100% by Mr. Yang Xianxiang.
- (3) 43,780,737 Shares were held by YICHENG Group Limited, which was owned as to 100% by Mr. Liu Kecheng.
- (4) 1,537,847 Shares and 926,100 Shares were held by Go Thrive Limited, which was wholly owned by Mr. Zhao Zhiyong, as the trustee holding such interests for the beneficiaries of Go Thrive Trust, including Mr. Lai Zhiyong and Mr. Xue Mingyuan.

(ii) Interest in the underlying Shares

Name of Director	Nature of interest	Number of Shares subject to vesting under the Share Award Scheme	Number of Shares subject to vesting under the Share Scheme	Approximate percentage of shareholding attributable to the Shares subject to vesting under the Share Award Scheme and the Share Scheme
Yang Xianxiang	Beneficiary of a trust	1,783,317	2,450,000	0.16%
Xue Mingyuan	Beneficiary of a trust	1,365,994	1,600,000	0.11%
Liu Kecheng	Beneficiary of a trust	740,450	850,000	0.06%
Lai Zhiyong	Beneficiary of a trust	316,210	830,000	0.04%
Yang Xin	Beneficiary of a trust	5,000	150,000	0.01%
Tse Siu Ngan	Beneficiary of a trust	5,000	23,000	0.00%
Liu Ka Ying, Rebecca	Beneficiary of a trust	5,000	16,000	0.00%
Hu Mantian	Beneficiary of a trust	5,000	16,000	0.00%

Report of the Board of Directors

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interest in the Shares

Name	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Yang Shaopeng ⁽²⁾	Founder of a discretionary trust	1,097,794,544 (L)	40.66%
TMF (Cayman) Ltd. ⁽²⁾	Trustee	1,097,794,544 (L)	40.66%
Better Master Limited ⁽²⁾	Interest in controlled corporation	1,097,794,544 (L)	40.66%
Resourceful Link Management Limited ⁽²⁾	Beneficial owner	1,097,794,544 (L)	40.66%
Liu Rongli ⁽³⁾	Interest of spouse	1,097,794,544 (L)	40.66%
Yang Xianxiang ⁽⁴⁾	Interest in controlled corporation	233,814,950 (L)	8.66%
	Beneficial owner	9,716,296 (L)	0.33%
JIXIANG Limited ⁽⁴⁾	Beneficial owner	233,814,950 (L)	8.66%

Notes:

- (1) The letters "L" denotes the person's long position in the Shares.
- (2) 1,097,794,544 Shares were held by Resourceful Link Management Limited, which was owned as to 100% by Better Master Limited, which was in turn owned as to 100% by TMF (Cayman) Ltd., the trustee of a family trust established by Mr. Yang Shaopeng.
- (3) Ms. Liu Rongli is the spouse of Mr. Yang Shaopeng and is deemed to be interested in all the Shares held by Mr. Yang Shaopeng by virtue of the SFO.
- (4) JIXIANG Limited was owned as to 100% by Mr. Yang Xianxiang.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any person or corporation, other than the Directors or the chief executive of the Company, who had interest or short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SUBSIDIARIES

Details of the major subsidiaries of the Company as of 31 December 2025 are set out in Note 1 to the Financial Statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 31 December 2025, the following persons (other than the Directors and chief executive of the Company) had interest and/or short position in the Shares or the underlying Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the following continuing connected transactions were entered into with its connected persons and/or subsisted during the year under review. Details of the continuing connected transactions of the Company are as follows:

CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT BUT ARE SUBJECT TO THE REPORTING AND ANNOUNCEMENT REQUIREMENTS

2023 Master Charter Agreement

On 16 December 2022, the Company entered into a renewed master charter agreement (the “**2023 Master Charter Agreement**”) with Qingdao SITC, pursuant to which it is agreed that Qingdao SITC will provide vessel chartering services to the Group for a fixed term of three years from 1 January 2023 to 31 December 2025 (both days inclusive).

The following table sets forth the annual caps for the transactions contemplated under the 2023 Master Charter Agreement:

	For the year ended 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
	(US\$)	(US\$)	(US\$)
Provision of vessel chartering services	20,000,000	20,000,000	20,000,000

During the year under review, the total actual amount of service fees paid by the Company pursuant to the 2023 Master Charter Agreement was US\$8,565,156 and the annual cap for the year ended 31 December 2025 had not been exceeded.

Details of the 2023 Master Charter Agreement are set out in the announcement of the Company dated 16 December 2022.

The following table sets forth the annual caps for the transactions contemplated under the 2026 Master Charter Agreement:

	For the year ended 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
	(US\$)	(US\$)	(US\$)
Provision of vessel chartering services	8,500,000	8,500,000	8,500,000

Details of the 2026 Master Charter Agreement are set out in the announcement of the Company dated 18 December 2025.

Qingdao SITC is a company indirectly owned as to 44.75% by Ms. Liu Rongli, the spouse of Mr. Yang Shaopeng, an ex-Director and the controlling shareholder of the Company and the mother of Ms. Yang Xin, a non-executive Director. Accordingly, Qingdao SITC is a connected person of the Company under Chapter 14A of the Listing Rules.

2026 Master Charter Agreement

As the term for the 2023 Master Charter Agreement expired on 31 December 2025, the Company and Qingdao SITC entered into a master charter agreement (the “**2026 Master Charter Agreement**”) to renew the terms of the 2023 Master Charter Agreement for a further period of three years commencing from 1 January 2026 and ending on 31 December 2028.

Report of the Board of Directors

Continuing connected transactions reviewed by independent non-executive Directors

All independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that those transactions were entered into:

1. in the ordinary and usual course of business of the Group;
2. under normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
3. in accordance with the agreements related to the above continuing connected transactions, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Confirmation from the auditor of the Company

Based on the work performed, the auditor of the Company confirmed to the Board that the aforesaid continuing connected transactions:

1. have been approved by the Board;
2. are in accordance with the pricing policy of the Group;
3. have been entered into under the terms of the related agreements governing the transactions; and
4. have not exceeded the relevant cap allowed by the Stock Exchange in the previous announcements.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Company during the year ended 31 December 2025 are set out in Note 36 to the Financial Statements. The related party transactions set out in the note above also constitute “connected transaction” or “continuing connected transaction” under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed, during the year ended 31 December 2025, none of the Directors or any entity connected with the Directors was materially interested in, either directly or indirectly, any transactions, arrangements or contracts of significance relating to the business of the Company to which the Company or any of its subsidiaries is a party.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Saved as disclosed, neither the Company nor any of its subsidiaries entered into any significant contracts with the controlling shareholders of the Company or any of its subsidiaries for the year ended 31 December 2025.

INDEMNITY AND INSURANCE PROVISIONS

The Company's articles of association provides that every Director shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses as a result of any act or failure to act in carrying out his/her functions. The Company has arranged appropriate directors' and officers' liability insurance in respect of legal action against Directors.

DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advance by the Company to an entity.

FIVE YEAR FINANCIAL SUMMARY

The summary of the results, assets and liabilities of the Group in the past five years is set out on page 146 of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision regarding pre-emptive rights in the Company's articles of association or the ordinance of Cayman Islands. It is stipulated that any new shares shall be offered according to the respective shareholding of the existing shareholders of the Company when new shares are issued by the Company.

TAX RELIEF AND EXEMPTION TO HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the shareholders of the Company due to their holding of the Company's securities.

EQUITY LINKED AGREEMENTS

Save as disclosed in the paragraphs headed "Share Schemes" in this section, no equity-linked agreement was entered into by the Group during the year ended 31 December 2025 under review or subsisted at the end of the year.

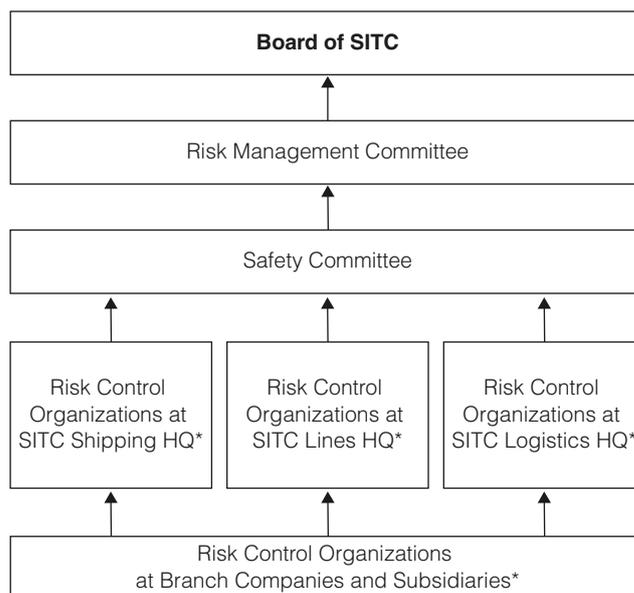
SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 December 2025 and as at the date of this annual report.

RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

In terms of organizational development, the Company has established an integrated risk control management organization with several branches under the Board, and clarified the positions and person responsible for the prevention and control of various risks.



Remarks:

* Risk control organizations include risk management teams and crisis PR teams.

Report of the Board of Directors

In terms of corporate strategies, the Group's business is subject to the ever-changing market conditions. Facing the risks arising from the ever-changing market conditions, the Board has been able to lead the Company to make timely responses to the changes in the market. Risks arising from market fluctuations have been avoided through unique business model of developing frequent and sophisticated sea-land integrated logistics services and effective cost control. In addition, the Company has set up a mechanism for holding regular strategic risk seminar at the board level, organize a group-wide risk point survey at least once a year in the form of a questionnaire survey, Seek opinions on the revision and improvement of risk prevention measures. and strive to detect risks as early as possible and take precautions.

In terms of risk management, the Company focuses on building and improving the risk management system. In 2024, the Company launched the OA risk management module, which introduced the seven key segments of the risk management system, including risk identification, risk assessment, risk treatment, risk monitoring, risk communication, risk reporting, and emergency planning, into the system management as much as possible, determined the person responsible for risk prevention and control through the system, mobilized all employees to participate in risk identification, risk assessment, and improvement of risk prevention and control measures, and jointly supervised and evaluated the implementation of risk prevention and control measures.

In terms of operational risks, in order to reduce the risks related to ship navigation, transportation of dangerous goods, depot operations, etc., the Company has optimized and perfected the safety system, operation specifications and emergency plans; been fully equipped with necessary safety personnel, safety facilities and equipment and carefully conducted the maintenance and update of safety facilities; strengthened training and safety drills to improve the safety awareness and skills of employees; strengthened supervision and conducted regular safety inspections and evaluations, to ensure the implementation of safety systems, and promptly discover and eliminate hidden dangers; implemented accountabilities by keeping strictly the rules for reward and punishment; made accident case analysis to sum up experience and lessons; publicly released requirements for declaration and handling of dangerous goods, instilled risk awareness to customers, and carried out operations and inspection and supervision in strict compliance with relevant safety management systems and processes. In respect of the risks related to overdue in delivery of imported goods and bad debts regarding payment on delivery, the Group has enhanced the qualification

inspection on consignors and has built its negative list, rejected to take order or received deposits in advance. In face of operational risks relating to vessel owners and container leasing companies, the Company has included relevant contract clauses during negotiation, prudently selected and ensured the diversity of its suppliers, cooperated with vessel owners and container leasing companies with good reputation and strong financial condition, and increased the charterers' liability insurance. Besides, the Group's operating results are mainly affected by the risk arising from its major costs component, such as fluctuations in fuel price and quality. Through its creditworthy and long-term suppliers, monitoring of fuel price fluctuations and cargo fuel surcharges which has reduced the impacts of fuel price fluctuations, the Company has been able to maintain its operating results despite the volatile fuel price fluctuations.

In terms of employees, the Company organizes risk management training every year to enhance the risk management awareness and proficiency of all employees. The Company also has developed a regular rotation system and an audit system which should be carried out before rotation or suspension for particular roles including the senior management and the financial officers to avoid the risks arising from changes of employees' positions. Conditions for avoiding conflict of interest and non-compete clauses have also been included in the relevant employment contracts. The Company has also established an optimized safety production management system, enhanced training courses, formulated plans for crisis management, organized regular drills, installed safety monitoring equipment such as probes on vessels and purchased insurance to reduce the risk of casualties.

In terms of asset risks, in order to mitigate risks in relation to the vessels and container assets, the Company has carefully conducted background investigation on sellers, held insurance policies and added protection clauses in the procurement contracts, and maintained communication with relevant departments before asset delivery to predict risks and prepare for contingency plans. In terms of currency risks, the Group has maintained a reasonable currencies mix and settled payments in time according to the guiding exchange rates. As for risks relating to accounts receivable, the Company has conducted an overall qualification check on the existing credit sales customers, strictly examined and approved new customers on credit terms, and conducted dynamic supervision on the operations of existing credit customers by implementing redlight customer and blacklist customer management for those with poor payment records.

In terms of internal control and systemic risks, as for risks relating to the absence of system, the Company has conducted annual comprehensive review according to the actual operation and management practices, and updated the compilation of management system and made amendments from time to time. In terms of internal control risks, the Company has focused on internal control risks in routine and special audits, updated and improved system specifications, and compiled cases. In respect of malpractice and corruption risks, the Company has strengthened the construction of anti-fraud and corruption system, optimized and improved business, finance and other related systems, separated incompatible positions, and rotated key positions on a regular basis; paid attention to the moral character of employees in the recruitment and employment process, strengthened training and publicity, increased its efforts in internal audit and supervision, and broadened the channels for complaints and whistleblowing. In terms of legal and compliance risks, the Group has maintained close communication with relevant regulatory agencies to keep abreast of relevant policy changes and trends, and the headquarters of the Group have taken the lead in organizing branches in various countries and regions to collate, analyse and share the latest local policies in a timely manner, exchange what is needed, strengthen learning, and operate in compliance with such laws and regulations. For the risks relating to transaction contracts, the Company's legal advisors participates in the formulation of standardized contract templates, and the Company reviews each contract before execution. The Company has assessed contracts annually, including the credit terms, settlement methods and service quality of its counterparties. As for information system risks, in order to minimize risks of emergencies and hacker attacks, the Company has improved its disaster recovery system, purchased and installed antivirus software, engaged a third-party security company to conduct vulnerability detection; evaluated and optimized the network structure, strengthened daily monitoring, and standardized the use of the Internet; and enhanced safety awareness of its employees to prevent information leakage. For IT equipment risks, the Company has stipulated rules on the useful life of IT equipment.

In terms of public relations risks, the Company has paid close attention to industry public opinions proactively, established a variety of channels to release information to the public regularly, maintained communication with the public, and promptly refuted rumours through the communication channels.

In terms of force majeure risks, the Company has established risk alerting mechanism and information feedback mechanism, formulated risk prevention and control plans in advance, and maintained flexibility with operating leverage. The Company has performed its safe keeping and insurance obligation for the containers under respective container leasing agreement. The Company has timely adopted preventive measures (e.g., avoid entering war zones, etc.) according to relevant alerts issued by insurance companies. The Company has also stipulated relevant risks, related trade and war provisions in the ship charter agreement. In addition, the Company has a regular internal rotation and provide data and system security for remote offices.

SOCIAL RESPONSIBILITIES AND ENVIRONMENTAL PROTECTION AND PERFORMANCE

As a responsible enterprise, the Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental technologies to ensure that the conducting of the Group's business meets the applicable local standards and ethics in respect of environmental protection. The Group puts great emphasis in environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management. The Group strictly complies with IMO 2020 and Chinese environmental regulations on the use of low-sulphur oil.

Several measures have been implemented in order to mitigate environmental pollution, such as reducing fuel consumption; enhancing machines and equipment; carrying out maintenance for optimal operation condition; using low-sulfur oil and fuel additives, installing desulfurization towers and shaft generators, and modifying the electronic oilers for air cylinders in main engines to reduce pollution and energy consumption; planning the best route and limiting the speed of main engines to reduce fuel consumption when sailing; proactively developing new vessels and replacing old vessels with new ones to improve fuel efficiency; purchasing electric stackers for onshore depot operations, conducting oil-to-electricity transformation, and carrying out intelligent upgrades; and developing an Office Automation (“OA”) paperless office system to minimise office wastage.

A discussion on the Group's environmental polities and performance is set out in the “Environmental, social and Governance Report” of the Company, which was been published on the same date of this annual report.

Report of the Board of Directors

Further, the Group has actively promoted material-saving and environmentally friendly working environment so as to protect the environment and improve air quality within the community.

The Company will publish separately an Environmental, Social and Governance Report in respect of the financial year ended 31 December 2025 (the “**ESG Report**”) on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sitc.com) at the same time as this annual report is published.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Audit Committee is delegated by the Board to monitor the Group’s policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

References are made to the Company’s 2024 Annual Report, 2023 Annual Report and 2022 Annual Report in relation to the antitrust investigation by the Korea Fair Trade Commission. As at the date of this annual report, the Company is awaiting a final judgment.

Save as disclosed above, as far as the Company is aware of, the Group complies with all relevant rules and regulations promulgated by the relevant regulatory bodies to which the Group operates its business in and holds relevant required licences for provision of its services. The Group’s management must ensure that the conduct of business is in conformity with the applicable laws and regulations.

To protect the Group’s intellectual property rights, the Group has registered its domain name and various trademarks have been applied for or registered in various classes in over 20 countries and regions including Chinese Mainland and Hong Kong. “SITC” has been used in all principal operation regions of the Group. The Group has established a trademark management system for strict management of the registration, renewal, transfer and use of trademarks. There has been no incident or dispute in relation to the infringement or counterfeiting of trademarks since its listing.

As a listed company, the Company has been in strict compliance with the requirements of the Listing Rules and has promptly responded to the amendments of the Listing Rules. In respect of the safety of vessels, the Group has complied with SOLAS Convention, STCW Convention and MLC2006 Convention in line with the characteristics of the industry.

In respect of sea transportation service, the Group has complied with the relevant laws and regulations such as the Maritime Code (《海商法》) and the Contract Law (《合同法》), and formulated corresponding procedures and complementary systems within the Company.

WORKPLACE QUALITY

The Group is an equal opportunity employer and does not discriminate on the basis of personal characteristics. The Group has employee handbooks outlining terms and conditions of employment, expectations for employees’ conduct and behaviour, employees’ rights and benefits. The Group establishes and implements policies that promote a harmony and respectful workplace.

The Group believes that employees are the valuable assets of an enterprise and regards human resources as its corporate wealth. It will continue to provide on-the-job training and development opportunities to enhance our employees’ career progression. Through different training, staff’s professional knowledge in corporate operations, occupational and management skills are enhanced. The Group also organised charitable and staff-friendly activities for employees, such as outings, outward bound training and competitions to provide communication opportunities among staff, which are vital to promote staff relationship and physical fitness.

HEALTH AND SAFETY

The Group prides itself on providing a safe, effective and congenial work environment. Adequate arrangements, training and guidelines are implemented to ensure the working environment is healthy and safe. The Group provided health and safety communications for employees to present the relevant information and raise awareness of occupational health and safety issues.

The Group values the health and well-being of staff. In order to provide employees with health coverage, staff are entitled to medical insurance benefits as well as other health awareness programs.

TRAINING AND DEVELOPMENT

The Group is committed to the professional and personal development and growth of all employees and considers training and development a continual process. Many training courses and programs are provided to help employees develop and maintain consistency, proficiency and professionalism. Structured training programmes including courses, seminars and workshops are offered to staff at all levels with the objective of grooming and unleashing their full potential, supporting, organizational development and facilitating team synergies. Employees are encouraged to take advantage of these programmes in order to equip themselves with the skills and knowledge for expanded career opportunities within the Group.

EVENT AFTER THE REPORTING PERIOD

On 30 January 2026, SITC Shipowning exercised the options for the construction of two additional Vessels granted under the shipbuilding agreements dated 2 August 2025 between SITC Shipowning and the Builder at the aggregate consideration of US\$76.36 million. Further details are set out in the announcement of the Company dated 30 January 2026.

Save as disclosed above, as at the date of this annual report, no significant event has taken place subsequent to the reporting period.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Dr. Liu Ka Ying, Rebecca, Mr. Tse Siu Ngan and Dr. Hu Mantian (Mandy). The chairman of the Audit Committee is Dr. Liu Ka Ying, Rebecca. The annual results of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee.

AUDITOR

The Company appointed Ernst & Young as the auditor of the Company for the year ended 31 December 2025. The Company will submit a resolution at the coming Annual General Meeting to re-appoint Ernst & Young as the auditor of the Company.

For and on behalf of the Board

Yang Xianxiang

Chairman

10 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the annual report of the Group for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules.

The Board is of the view that throughout the year ended 31 December 2025, the Company had complied with the code provisions as set out in Part 2 of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "**Company Code**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the required standards set out in the Model Code and the Company Code throughout the year ended 31 December 2025.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

As at the date of this annual report, the Board comprises eight Directors, consisting of four executive Directors, one non-executive Director and three independent non-executive Directors. The composition of the Board is set out below:

Executive Directors

Yang Xianxiang	(Chairman)
Xue Mingyuan	(Chief Executive Officer)
Liu Kecheng	
Lai Zhiyong	

Non-executive Director

Yang Xin	(Vice-Chairman)
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Independent non-executive Directors

Tse Siu Ngan	(Lead Independent Non-Executive Director) (Note)
Liu Ka Ying, Rebecca	
Hu Mantian (Mandy)	

Note: With effect from 1 March 2025, the title "Chief Independent Non-Executive Director" has been changed to "Lead Independent Non-Executive Director".

The biographical information of the Directors and the relationships between the members of the Board are set out and disclosed in the section headed “Directors and Senior Management” on pages 17 to 20 of this annual report.

None of the members of the Board is related to one another.

Chairman and Chief Executive Officer

The positions of chairman of the Board (the “**Chairman**”) and chief executive officer of the Company (the “**Chief Executive Officer**”) are held by Mr. Yang Xianxiang and Mr. Xue Mingyuan, respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company’s business development and daily management and operations generally. Their respective responsibilities are clearly defined and set out in writing.

Independent Non-executive Directors

During the year ended 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board, with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors as independent.

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Directors with sufficient resources to perform its duties and shall seek, at the Company’s expense, independent professional advice to perform its responsibilities if necessary.

The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

On 7 March 2024, Mr. Tse Siu Ngan has been appointed as the chief independent non-executive director of the Company. With effect from 1 March 2025, the title “Chief Independent Non-Executive Director” has been changed to “Lead Independent Non-Executive Director”. The Lead Independent Non-Executive Director is not an executive position in the Company and does not have any management role in the Group.

As the Lead Independent non-executive Director, Mr. Tse will serve as an intermediary for other Directors and shareholders of the Company, and be available to other Directors and shareholders of the Company where normal communication channels with the Chairman or management are inadequate. He will also have the following roles: (i) balancing the functions of the Chairman, executive Directors and other independent non-executive Directors; (ii) assessing the performance of the Chairman; (iii) chairing the independent board committee established by the Board from time to time to consider matters involving conflict of interests, in order to protect the interests of minority shareholders; (iv) monitoring related-party transactions; and (v) performing other duties as the Board may designate from time to time.

Corporate Governance Report

Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company, provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election at the annual general meeting of the Company.

In accordance with the letters of appointment signed between each of the non-executive Directors (including the independent non-executive Directors) and the Company, the term of appointment of each non-executive Director and independent non-executive Director is one year subject to re-election by the shareholders at each annual general meeting of the Company.

Responsibilities of the Directors and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All the Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2025, the Company organized a training session for all the Directors conducted by an environmental expert, covering certain topics including sustainable development and biodiversity. In addition, the Company also organized a video training session on the Listing Rules for all the Directors, covering certain topics including directors' duties, board evaluation, and amendments to the Listing Rules.

The Company encourages the Directors to participate continuous professional development courses and seminars organized by professional institutions or professional firms and reading materials on relevant topics so that they can continuously update and further improve their relevant knowledge and skills.

According to the records maintained by the Company, a summary of continuous professional development received by the Directors for the year ended 31 December 2025 is as follows:

Name of Directors	Type of continuous professional development	
	Training coordinated by the Company	Attending seminars/ Study professional courses/ Watching video materials
<i>Executive Directors</i>		
Mr. Yang Xianxiang	√	√
Mr. Xue Mingyuan	√	√
Mr. Liu Kecheng	√	√
Mr. Lai Zhiyong	√	√
<i>Non-executive Director</i>		
Ms. Yang Xin	√	√
<i>Independent Non-executive Directors</i>		
Mr. Tse Siu Ngan	√	√
Dr. Liu Ka Ying, Rebecca	√	√
Dr. Hu Mantian (Mandy)	√	√

BOARD COMMITTEES

The Board has established six committees, namely, the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, Disclosure Committee and Sustainable Development Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of each of the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainable Development Committee are posted on the websites of the Company and the Stock Exchange, and the terms of reference of the Disclosure Committee are posted on the website of the Company, and each of such terms of reference is also available to the Company's shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the respective chairman and members of each board committee is set out under the section headed "Corporate Information" on page 3 of this annual report.

Audit Committee

As at the date of this annual report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy). Dr. Liu Ka Ying, Rebecca is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee include assisting the Board in reviewing and overseeing the financial reporting system, internal control principles and risk management systems of the Company, monitoring the effectiveness of the internal audit function, determining the scope of audit and appointment of external auditors, and to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

Corporate Governance Report

During the year ended 31 December 2025, the Audit Committee held five meetings to review the annual and interim financial results and reports for the year ended 31 December 2024 and for the six months ended 30 June 2025 and significant issues on financial reporting, operational and compliance controls, effectiveness of the risk management and internal control systems, internal audit function, appointment of external auditors and relevant scope of works, and to review connected transactions of the Company and arrangements for employees to raise concerns about possible improprieties. The Audit Committee has met with the external auditors once without the presence of the executive Directors.

Nomination Committee

As at the date of this annual report, the Nomination Committee consists of five members, namely Mr. Yang Xianxiang, being an executive Director, Ms. Yang Xin, being a non-executive Director, Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy), being the independent non-executive Directors. Dr. Hu Mantian (Mandy) is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, assisting the Board in maintaining a Board skills matrix, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, evaluating the time commitment and contribution of each Director, assessing the independence of independent non-executive Directors, reviewing the Company's Board Diversity Policy and supporting the Company's regular evaluation of the Board's performance. Details of the Board skills Matrix are set out in the section "Appraisal of the Board" of the ESG Report.

In assessing the composition of the Board, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Company's Board diversity policy (the "**Board Diversity Policy**"), including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

The Nomination Committee has reviewed the nomination procedures for selection of candidates for directorships of the Company by making reference to the Board Diversity Policy, characters, skills, experience, professional knowledge, personal integrity, independency and time commitments of such individuals, the Company's needs and other relevant statutory requirements and regulations to complement the corporate strategy and board diversity, where appropriate, before making recommendation to the Board. External recruitment professionals may be engaged to carry out selection process, where necessary.

During the year ended 31 December 2025, the Nomination Committee held two meetings to review the structure, size and composition of the Board, assist the Board in maintaining a Board skills matrix, evaluate the time commitment and contribution of each Director, and review the independence of the independent non-executive Directors, and to consider the qualifications of the retiring Directors standing for election at the Annual General Meeting and revise its terms of reference on 30 June 2025 to reflect the changes under the CG Code. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Remuneration Committee

As at the date of this annual report, the Remuneration Committee consists of five members, namely Mr. Yang Xianxiang, being an executive Director, Ms. Yang Xin, being a non-executive Director, Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy), being the independent non-executive Directors. Mr. Tse Siu Ngan is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the policy and structure for all Directors' and senior management's remuneration, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the year ended 31 December 2025, the Remuneration Committee held three meetings to review and make recommendation to the Board on the grant of share awards under the Share Scheme, the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors and senior management and other related matters.

In considering the grant of share awards to the Directors and senior management under the Share Scheme during the year ended 31 December 2025, the Remuneration Committee considered, among other matters, the appropriateness of the grant, taking into account the purpose of the Share Scheme, individual performance and potential of the awardees, their roles and responsibilities within the Group, and the importance of retaining the selected participants for the continual operation and development of the Group. The Remuneration Committee considered that the grant of share awards will provide with proprietary ownership in the Company, thereby motivating them to optimize their productivity and performance, and retaining them to make continuous contributions to the long-term growth and sustainable development of the Group.

Furthermore, the share awards granted during the year ended 31 December 2025 have a vesting period of not less than 12 months, and the vesting of the share awards is subject to the terms and conditions of the Share Scheme and clawback mechanisms. As such, the Remuneration Committee considered that additional performance targets were not necessary, and the grant of the share awards aligns with the purpose of the Share Scheme.

Risk Management Committee

As at the date of this annual report, the Risk Management Committee consists of five members, namely Mr. Xue Mingyuan and Mr. Liu Kecheng, being the executive Directors, Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy), being the independent non-executive Directors. Mr. Tse Siu Ngan is the chairman of the Risk Management Committee.

The principal duties of the Risk Management Committee include reviewing and monitoring risk management system and internal control system (except for financial control system), regularly oversee and advise the Board on the risk exposures of the Group, identifying new risk types and to ensure that appropriate arrangements are in place to effectively control and mitigate risks, formulating comprehensive risk management strategy and to establish an effective communication mechanism with the other committees of the Board.

During the year ended 31 December 2025, the Risk Management Committee held three meetings to review and make recommendation to the Board on the current risk exposures and future risk strategy of the Company, and the effectiveness of the risk management system and internal control system of the Company.

Disclosure Committee

As at the date of this annual report, the Disclosure Committee consists of three members, namely Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy), all being the independent non-executive Directors. Dr. Hu Mantian (Mandy) is the chairman of the Disclosure Committee.

The principal duties of the Disclosure Committee include (a) considering and making recommendations to the Board in relation to the Company's disclosure policy and guidelines regarding inside information (as defined under Part XIVA of the SFO); (b) evaluating the information proposed to be disclosed by the secretary of the Board and, if necessary, obtain professional advice and report to the Board with relevant details; (c) setting up disclosure plan in respect of information required to be disclosed; (d) understanding and overseeing the Company's business affairs, financial conditions, events occurred or may occur and their impact on the Company; (e) actively investigating and obtaining information required for making decision; and (f) considering any other businesses as authorized by the Board.

Sustainable Development Committee

As at the date of this annual report, the Sustainable Development Committee consists of four members, namely Ms. Yang Xin, being an executive Director, Mr. Tse Siu Ngan, Dr. Liu Ka Ying, Rebecca and Dr. Hu Mantian (Mandy), being the independent non-executive Directors. Ms. Yang Xin is the chairman of the Sustainable Development Committee.

Corporate Governance Report

The principal duties of the Sustainable Development Committee include (a) considering and submitting proposals for (i) long term development planning and sustainable development policy of the Company; (ii) sustainable development areas of the Company including but not limited to policies in relation to health and safety, community relations, environment, human rights and anti-corruption, ensuring the Company's position and performance on global sustainable development issues are in line with the current standards; (iii) reputation of the parties related to the key interests of the Company; (b) supervising and continuously optimizing the culture, management framework, affairs, risk management, capacity building and other matters in the fields of environment, social responsibility and sustainable development of the Company; (c) deliberating and reviewing the policies, management framework and daily operations in the fields of the environment, social responsibility and sustainable development of the Company half yearly and submitting opinions and proposals to the Board on the relevant matters; (d) advising on the corrective and preventive measures for material internal control incidents; (e) reviewing the Company's annual ESG report before the deliberation and approval by the Board and the publication of such report; (f) reviewing, supervising and responding to emerging issues in the areas of environment, social responsibility and sustainable development and, where appropriate, submit proposals to the Board for the Company to make continuous progresses in such areas; (g) supervising the relevant Company's risk management, external engagement related to sustainable development matters and their fulfillment, all matters related to corporate governance and the formulation of relevant policies; and (h) supervising the implementation of such policies by the management of the Company, including deliberating the reports on policy implementation submitted by the management.

Summary of the Board Diversity Policy

The Board Diversity Policy aims to set out the approach to diversity on the Board. The Board Diversity Policy applies to the Board and does not apply to diversity in relation to the employees of the Company, nor the board or employees of any subsidiary of the Company. In reviewing and assessing the Board composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge, industry, regional experience and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee reviews the implementation of the Board Diversity Policy annually, to ensure the effectiveness of the Board Diversity Policy, the progress towards the Company's objectives, and will discuss any adjustments that may be required, and recommend any such adjustments to the Board for consideration and approval. The Company aims to maintain an appropriate balance of diversity perspectives of the Board in supporting the attainment of its strategic objectives and its sustainable development.

During the year ended 31 December 2025, the Nomination Committee and the Board reviewed the implementation and effectiveness of the Board Diversity Policy and discussed the above measurable objectives, including but not limited to skills, knowledge, professional experience and cultural and educational background, and agreed that these measurable objectives were achieved for the diversity of the Board which contributed to the corporate strategy and the business development of the Company.

The Board currently comprises three female Directors and five male Directors. The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain at least the current level of female representation. The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate trainings and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

Corporate Governance Functions

The Board, through the Audit Committee, is responsible for performing the functions set out in code provision A.2.1 of the CG Code. During the year ended 31 December 2025, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Company Code, Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

Nomination Policy

The Company has adopted a Nomination Policy which sets out the selection criteria and process and the board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness.

Directors' Remuneration Policy

The Company has put in place a Directors' remuneration policy to determine the remuneration packages of Directors to ensure that there is an appropriate level of remuneration to attract and retain experienced people of high calibre to oversee the Group's business and development.

The remuneration of Directors is reviewed at least annually and determined with reference to the skills and knowledge of the Directors, their job responsibilities and level of involvement in the Group's affairs, corporate performance, individual performance as well as prevailing market conditions. Remuneration comprise Directors' fees, salaries, allowances and performance-related bonuses, equity-settled share based payments and retirement benefit contributions.

Corporate Governance Report

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board, Nomination Committee, Remuneration Committee, Risk Management Committee and Audit Committee meetings and the general meeting of the Company held during the year ended 31 December 2025 is set out in the table below:

Name of Director	Attendance/Number of meetings					
	Board	Nomination Committee	Remuneration Committee	Audit Committee	Risk Management Committee	Annual General Meeting
Yang Xianxiang	5/5	2/2	3/3	N/A	N/A	1/1
Xue Mingyuan	5/5	N/A	N/A	N/A	3/3	1/1
Liu Kecheng	5/5	N/A	N/A	N/A	3/3	1/1
Lai Zhiyong	5/5	N/A	N/A	N/A	N/A	1/1
Yang Xin	5/5	2/2	3/3	N/A	N/A	1/1
Tse Siu Ngan	5/5	2/2	3/3	5/5	3/3	1/1
Liu Ka Ying, Rebecca	5/5	2/2	3/3	5/5	3/3	1/1
Hu Mantian (Mandy)	5/5	2/2	3/3	5/5	3/3	1/1

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of the other executive Directors during the year ended 31 December 2025.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 54 to 58.

REMUNERATION OF MEMBERS OF SENIOR MANAGEMENT BY BAND

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2025 is set out below:

Annual remuneration by band (US\$'000)	Number of individuals
5,000 to 7,000	1
3,000 to 5,000	1
1,000 to 3,000	2
500 to 1,000	1
0 to 500	3

Details of the remuneration of the Directors for the year ended 31 December 2025 are set out in Note 9 to the Financial Statements.

DIVERSITY AT WORKFORCE LEVEL

In terms of employment, the Group insists on the principle of fairness and equal treatment regardless of citizenship, nationality, race, gender, religious belief and cultural background, and does not impose any restrictive requirements on gender, ethnicity, nationality and region. For details, please refer to the section headed “Harmonious Development – Labour and Employment” in the ESG Report.

The gender ratio in the workforce of the Group, including senior management, as of 31 December 2025 is set out below:

Indicator	As of 31 December 2025	
	Number of persons (excluding crew members)	Percentage of total number of employees
Male employees	1,201	53.54%
Female employees	1,042	46.46%

The Group encourages gender diversity across its workplace and is committed to increase the proportion of onshore female employees to 50%. To achieve diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees.

During the year under review, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

AUDITOR’S REMUNERATION

An analysis of the remuneration paid to the external auditor of the Company, Ernst & Young, in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fee paid/Payable (HK\$'000)
Audit services	3,600
Non-audit services	
– Tax advisory services	449
– Limited assurance services	100
– Non-assurance services	400
	949
Total:	4,549

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company’s strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. A review of the effectiveness of the Group’s risk management and internal control systems will be conducted at least annually.

The Audit Committee and the Risk Management Committee assist the Board in leading the management, overseeing and monitoring the design and implementation of the risk management and internal control systems.

Corporate Governance Report

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department. All divisions/departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance, information security, and environmental, social and governance related matters.

The management, in coordination with division/department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management and internal control systems and reports to the Audit Committee, the Risk Management Committee and the Board on all findings and the effectiveness of the systems.

The Board, through the Audit Committee and the Risk Management Committee, has reviewed the effectiveness of the risk management and internal control systems of the Company and its subsidiaries for the year ended 31 December 2025, including the adequacy of resources, staff qualification and experience, training programmes and budget of the Company's accounting and reporting function.

The Board, as supported by the Audit Committee and the Risk Management Committee, assessed the effectiveness of the risk management and internal control systems by reviewing the management report and the internal audit findings and considered that, for the year ended 31 December 2025, the risk management and internal control systems of the Company are effective and adequate.

DISSEMINATION OF INSIDE INFORMATION

The Group has in place a framework for the disclosure of inside information by reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in an appropriate and timely manner, such as steps to ascertain sufficient details, conduct internal assessment of the matter and its likely impact on the Company, seek professional advice where required and verification of the facts. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality and must not deal in any of the Company's securities.

COMPANY SECRETARY

Mr. Xue Peng was appointed as the sole company secretary of the Company with effect from 18 October 2020. Mr. Xue Peng reports to the Chairman, Mr. Yang Xianxiang, and/or the Chief Executive Officer, Mr. Xue Mingyuan, depends on various matters, respectively.

Mr. Xue Peng undertook not less than 15 hours of relevant professional training during the year ended 31 December 2025.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at the general meetings of the Company, including but not limited to the election of individual Directors. All resolutions put forward at the general meetings of the Company will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting of the Company.

PROCEDURES FOR CONVENING AN EXTRAORDINARY GENERAL MEETING ("EGM") AND PUTTING FORWARD PROPOSALS AT EGM

Pursuant to Article 58 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM.

Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must state clearly the name of the requisitionists, their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the EGM and signed by the requisitionists.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders of the Company may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 31/F, Shui On Centre, 6-8 Harbour Road,
Wan Chai, Hong Kong
(For the attention of the Company Secretary)

Fax: 852-2824 3748

Tel: 852-2850 0302

Email: ir@sitc.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Summary of Shareholders Communication Policy

The Company considers that effective communication with its shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with its shareholders and in particular, through annual general meetings and other general meetings, publishing corporate communications such as interim results and annual results, financial reports, announcements and circulars. Shareholders may make enquiries with the Company through channels as mentioned above, and provide comments and recommendations to the Directors. Upon receipt of enquiries from shareholders, the Company will respond as soon as practicable.

The Chairman of the Board, respective chairman of the Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, Disclosure Committee and Sustainable Development Committee, or, in their absence, other members of the respective board committees, will make themselves available at the annual general meetings to meet shareholders of the Company, answer their enquiries, and to understand their views.

During the year under review, an annual general meeting of the Company was held on 29 April 2025 at which all the Directors attended either by person or by means of electronic facilities to communicate with the shareholders of the Company. In addition, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. The Board considers that the shareholders communication policy is effective during the year ended under review.

Constitutional Documents

There were no changes made to the Company's constitutional documents during the year ended 31 December 2025. A copy of association and articles of association is available on the websites of the Company and the Stock Exchange.

Dividend Policy

The Company has adopted a policy on payment of dividends. The Board may determine to pay dividends at its own discretion in the future after considering the profits, cash flows, working capital requirements, general financial condition, regulatory limitations in the PRC and other subsidiaries of the Company, ability to distribute dividends to shareholders and any other factors that the Board considers relevant.

The rate of dividend payout of the Company is not more than 100% of the annual distributable profit attributable to the shareholders of the Company.

Independent Auditor's Report



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話：+852 2846 9888
Fax 傳真：+852 2868 4432
ey.com

To the shareholders of SITC International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of SITC International Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 145, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (continued)

Key audit matter

Impairment assessment of property, plant and equipment and right-of-use assets

The carrying amounts of the property, plant and equipment and right-of-use assets of the Group as at 31 December 2025 were US\$1,793,360,000 and US\$326,144,000, respectively, which in aggregate represented 61% of the Group's total assets.

Management is required to perform an impairment assessment on an asset if there is an indicator that the recoverable amount of the asset may be lower than its carrying amount. The Group performed an assessment of its property, plant and equipment and right-of-use assets in accordance with Hong Kong Accounting Standard ("HKAS") 36 *Impairment of Assets* issued by the HKICPA and concluded that there was no impairment indicator on these assets as the container shipping business has been highly profitable in current year and the Group's market capitalisation during the year was consistently higher than its net asset values.

Given the significance of the carrying amount of the these assets to the Group and the judgmental nature of the impairment indicator assessment, we considered this a key audit matter.

Related disclosures are included in notes 2.4, 3, 14 and 15 to the financial statements.

How our audit addressed the key audit matter

We inquired and evaluated the management assessment regarding the existence of impairment indicators on the Group's property, plant and equipment and right-of use assets.

We also assessed the adequacy of the related disclosures in the notes to the financial statements.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report

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

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

The engagement partner on the audit resulting in this independent auditor's report is LEUNG, Siu Tung, Anthony (practising certificate number: P04363).

Ernst & Young

Certified Public Accountants

Hong Kong

10 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
REVENUE	5	3,411,647	3,058,059
Cost of sales		(2,101,181)	(1,915,242)
Gross profit		1,310,466	1,142,817
Other income and gains, net	6	82,858	45,002
Administrative expenses		(153,578)	(143,998)
Other expenses, net		(5,686)	(952)
Finance costs	7	(15,550)	(15,676)
Share of profits of:			
Joint ventures	19(b)	31,080	24,503
Associates	20(b)	1,679	1,878
PROFIT BEFORE TAX	8	1,251,269	1,053,574
Income tax	11	(20,867)	(19,232)
PROFIT FOR THE YEAR		1,230,402	1,034,342
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments arising during the year		-	(1,626)
Reclassification adjustments for gains included in profit or loss	6	(4,426)	-
		(4,426)	(1,626)
Exchange differences on translation of foreign operations		11,721	2,933
Share of other comprehensive income/(loss) of joint ventures	19(b)	2,890	(4,988)
Share of other comprehensive (loss)/income of associates	20(b)	(917)	1,880
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		9,268	(1,801)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		9,268	(1,801)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,239,670	1,032,541

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
Profit for the year attributable to:			
Shareholders of the Company		1,222,887	1,028,325
Non-controlling interests		7,515	6,017
		1,230,402	1,034,342
Total comprehensive income for the year attributable to:			
Shareholders of the Company		1,228,747	1,024,179
Non-controlling interests		10,923	8,362
		1,239,670	1,032,541
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic (US\$ per share)	13	0.46	0.39
Diluted (US\$ per share)		0.45	0.38

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	1,793,360	1,827,726
Right-of-use assets	15(a)	326,144	235,841
Advance payments for the acquisition of vessels	16	52,467	30,873
Goodwill	17	1,014	971
Other intangible assets	18	1,579	1,579
Investments in joint ventures	19	65,686	60,666
Investments in associates	20	13,885	13,892
Derivative financial instruments	21	–	3,006
Total non-current assets		2,254,135	2,174,554
CURRENT ASSETS			
Bunkers		51,354	46,980
Trade receivables	22	184,062	174,671
Prepayments, deposits and other receivables	23	39,018	54,396
Derivative financial instruments	21	387	2,288
Financial assets at fair value through profit or loss	24	167,386	690
Cash and cash equivalents	25	243,584	136,093
Time deposits with original maturity over three months	25	537,644	608,401
Total current assets		1,223,435	1,023,519
CURRENT LIABILITIES			
Trade payables	26	235,244	233,680
Other payables and accruals	27	164,932	143,332
Derivative financial instruments	21	–	1,001
Bank borrowings	28	18,939	114,981
Lease liabilities	15(b)	59,265	45,980
Income tax payables		3,881	5,782
Dividend payables		242,831	–
Total current liabilities		725,092	544,756
NET CURRENT ASSETS		498,343	478,763
TOTAL ASSETS LESS CURRENT LIABILITIES		2,752,478	2,653,317

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		2,752,478	2,653,317
NON-CURRENT LIABILITIES			
Bank borrowings	28	–	51,876
Lease liabilities	15(b)	246,042	175,984
Provision for reinstatement costs	29	5,230	3,953
Total non-current liabilities		251,272	231,813
Net assets		2,501,206	2,421,504
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	31	34,806	34,641
Reserves	33(a)	2,443,732	2,369,595
Non-controlling interests		2,478,538	2,404,236
		22,668	17,268
Total equity		2,501,206	2,421,504

YANG Xianxiang
Director

XUE Mingyuan
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Notes	Attributable to shareholders of the Company												
	Issued capital US\$'000	Share premium US\$'000	Shares held under the share award schemes account US\$'000	Share-based compensation reserve US\$'000	Capital and other reserves US\$'000 (note 33(i))	Hedging reserve US\$'000	Fair value reserve US\$'000	Exchange fluctuation reserve US\$'000	Reserve funds US\$'000 (note 33(c))	Retained profits US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2024	34,583	402,127	(96,263)	54,960	(9,462)	10,157	21	(24,536)	8,428	1,534,531	1,914,536	16,522	1,931,058
Profit for the year	-	-	-	-	-	-	-	-	-	1,028,325	1,028,325	6,017	1,034,342
Other comprehensive income/(loss) for the year:													
Cash flow hedges, net of income tax	-	-	-	-	-	(1,626)	-	-	-	-	(1,626)	-	(1,626)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	588	-	-	588	2,345	2,933
Share of other comprehensive income/(loss) of:													
Joint ventures	-	-	-	-	-	-	-	(4,988)	-	-	(4,988)	-	(4,988)
Associates	-	-	-	-	-	-	-	1,880	-	-	1,880	-	1,880
Total comprehensive income/(loss) for the year	-	-	-	-	-	(1,626)	-	(2,520)	-	1,028,325	1,024,179	8,362	1,032,541
Capital contribution from non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	357	357
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(3,775)	(3,775)
Issue of shares upon exercise of share options under the post-IPO share option scheme	8	410	-	(89)	-	-	-	-	-	-	325	-	325
Issue of shares under the Share Scheme	50	8,813	(8,833)	-	-	-	-	-	-	-	-	-	-
Vesting of share awards under the share award scheme	-	-	9,435	(9,435)	-	-	-	-	-	-	-	-	-
Repurchase of shares under the share award scheme	-	-	(5,083)	-	-	-	-	-	-	-	(5,083)	-	(5,083)
Share award expense	-	-	-	27,829	-	-	-	-	-	-	27,829	-	27,829
Transfer to reserve funds	-	-	-	-	-	-	-	-	323	(323)	-	-	-
Dividends declared to non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(4,188)	(4,188)
Final 2023 dividend paid	-	-	-	-	-	-	-	-	-	(171,422)	(171,422)	-	(171,422)
Interim 2024 dividend declared	-	-	-	-	-	-	-	-	-	(247,817)	(247,817)	-	(247,817)
Special dividend declared	-	-	-	-	-	-	-	-	-	(138,311)	(138,311)	-	(138,311)
Deregistration of subsidiaries	-	-	-	-	(80)	-	-	-	(2,651)	2,731	-	-	-
At 31 December 2024	34,641	411,350	(100,714)	73,261	(9,542)	8,531	21	(27,066)	6,100	2,007,714	2,404,236	17,288	2,421,524

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Notes	Attributable to shareholders of the Company												
	Issued capital US\$'000	Share premium US\$'000	Shares held under the Share Scheme account US\$'000	Share-based compensation reserve US\$'000	Capital and other reserves US\$'000 (note 33(b))	Hedging reserve US\$'000	Fair value reserve US\$'000	Exchange fluctuation reserve US\$'000	Reserve funds US\$'000 (note 33(c))	Retained profits US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2025	34,641	411,350	(100,774)	73,251	(9,542)	8,531	21	(27,056)	6,100	2,007,714	2,404,236	17,268	2,421,504
Profit for the year	-	-	-	-	-	-	-	-	-	1,222,887	1,222,887	7,515	1,230,402
Other comprehensive income/(loss) for the year:													
Cash flow hedges, net of income tax	-	-	-	-	-	(4,426)	-	-	-	-	(4,426)	-	(4,426)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	8,313	-	-	8,313	3,408	11,721
Share of other comprehensive income/(loss) of:													
Joint ventures	-	-	-	-	-	-	-	2,890	-	-	2,890	-	2,890
Associates	-	-	-	-	-	-	-	(917)	-	-	(917)	-	(917)
Total comprehensive income/(loss) for the year	-	-	-	-	-	(4,426)	-	10,286	-	1,222,887	1,228,747	10,923	1,239,670
Capital contribution from non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	1,346	1,346
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(481)	(481)
Issue of shares upon exercise of share options under the post-IPO share option scheme	2	88	-	(2)	-	-	-	-	-	-	78	-	78
Issue of shares under the Share Scheme	183	34,086	(34,499)	-	-	-	-	-	-	-	-	-	-
Vesting of share awards under the Share Scheme	-	-	42,078	(42,078)	-	-	-	-	-	-	-	-	-
Repurchase of shares under the Share Scheme	-	-	(914)	-	-	-	-	-	-	-	(914)	-	(914)
Share award expense	-	-	-	28,982	-	-	-	-	-	-	28,982	-	28,982
Transfer to reserve funds	-	-	-	-	-	-	-	-	1,216	(1,216)	-	-	-
Dividends declared to non-controlling equity holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,388)	(6,388)
Final 2024 dividend paid	-	-	-	-	-	-	-	-	-	(487,315)	(487,315)	-	(487,315)
Interim 2025 dividend declared	-	-	-	-	-	-	-	-	-	(450,401)	(450,401)	-	(450,401)
Special dividend declared	-	-	-	-	-	-	-	-	-	(242,846)	(242,846)	-	(242,846)
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	(285)	285	-	-	-
At 31 December 2025	34,806	445,484*	(88,809)*	58,103*	(9,542)*	4,105*	21*	(16,770)*	7,021*	2,008,119*	2,478,538	22,668	2,501,206

* These reserve accounts comprise the consolidated reserves of US\$2,443,732,000 (2024: US\$2,369,595,000) in the consolidated statement of financial position as at 31 December 2025.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,251,269	1,053,574
Adjustments for:			
Finance costs	7	15,550	15,676
Share of profits of joint ventures		(31,080)	(24,503)
Share of profits of associates		(1,679)	(1,878)
Bank interest income	6	(35,463)	(27,027)
Gain on disposal of property, plant and equipment, net	6	(35,527)	(9,524)
Fair value (gains)/losses, net:			
Cash flow hedges (transfer from equity)	6	(4,426)	–
Financial assets at fair value through profit or loss	6	(2,368)	(18)
Derivative instruments – transactions not qualifying as hedges	8	432	9
Depreciation of property, plant and equipment	8	116,014	110,999
Depreciation of right-of-use assets	8	64,231	52,913
Impairment of trade receivables, net	8	581	634
Share award expense	8	26,952	27,829
		1,364,486	1,198,684
Increase in bunkers		(4,374)	(3,656)
Increase in trade receivables		(9,972)	(61,972)
Decrease/(increase) in prepayments, deposits and other receivables		14,740	(17,316)
Decrease in derivative financial assets		8,901	766
Increase in trade payables		1,564	30,166
Increase in other payables and accruals		21,949	5,497
Decrease in derivative financial liabilities		(5,427)	(625)
Effect of foreign exchange rate changes, net		(14)	6,230
		1,391,853	1,157,774
Cash generated from operations		1,391,853	1,157,774

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
Interest income received	36,101	27,287
Interest paid	(4,149)	(6,212)
Hong Kong profits tax (paid)/refund	(151)	258
Overseas income tax paid	(22,617)	(20,773)
Net cash flows from operating activities	1,401,037	1,158,334
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(100,207)	(242,939)
Proceeds from disposal of property, plant and equipment	70,732	32,374
Advance payments for the acquisition of vessels	(35,122)	(18,087)
Investments in joint ventures	(257)	(84)
Disposal of investment in joint ventures	2,561	–
Disposal of investment in an associate	681	1,450
Redemption of investment in an associate	–	1,020
Purchase of financial assets at fair value through profit or loss	(165,000)	(672)
Proceeds from disposal of financial assets at fair value through profit or loss	672	14,780
Placement of non-pledged time deposits with original maturity of over three months	(537,644)	(608,401)
Withdrawal of non-pledged time deposits with original maturity of over three months	608,401	294,113
Dividends received from joint ventures	27,603	17,316
Dividends received from an associate	93	–
Withholding tax paid on dividends received	(962)	(418)
Net cash flows used in investing activities	(128,449)	(509,548)

	Notes	2025 US\$'000	2024 US\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	31	78	325
Repurchase of shares	32	(914)	(5,083)
Capital contribution from non-controlling equity holders of subsidiaries		1,346	357
New bank borrowings	34(b)	19,766	31,132
Repayment of bank borrowings	34(b)	(168,260)	(33,136)
Payment of dividends	34(b)	(937,716)	(557,550)
Principal portion of lease payments	34(b)	(77,909)	(61,237)
Payment of reinstatement costs	29	(290)	(374)
Acquisition of non-controlling interests		(481)	(3,775)
Dividends paid to non-controlling equity holders of subsidiaries		(6,388)	(4,198)
Net cash flows used in financing activities		(1,170,768)	(633,539)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		136,093	122,210
Effect of foreign exchange rate changes, net		5,671	(1,364)
CASH AND CASH EQUIVALENTS AT END OF YEAR		243,584	136,093

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION

SITC International Holdings Company Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the Company’s principal place of business in Hong Kong is located at 31/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the provision of integrated shipping logistics services, including the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, land leasing and other services.

The immediate holding company of the Company is Resourceful Link Management Limited, which is incorporated in the British Virgin Islands (the “BVI”), and, in the opinion of the directors of the Company, the ultimate holding company of the Company is Better Master Limited, which is incorporated in the BVI.

Information about principal subsidiaries

Particulars of the Company’s principal subsidiaries, which are all indirectly held by the Company, are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid-up capital	Percentage of equity attributable to the Company	Principal activities
HITC Container Service (Thailand) Co. Ltd. #	Thailand	Thai Baht (THB) THB5,000,000	74	Provision of container maintenance services
New SITC Container Lines Vietnam Co., Ltd	Vietnam	Vietnamese Dong (VND) VND2,328,200,000	80	Provision of freight forwarding services
New SITC International Shipping Agency (Shanghai) Co., Ltd. * #	People’s Republic of China (“PRC”)/ Chinese Mainland	RMB2,000,000	100	Provision of shipping agency services
PT SITC Indonesia	Indonesia	Indonesia Rupiah (IDR) IDR56,400,000,000	67	Provision of shipping agency services
PT SITC Logistik Indonesia	Indonesia	IDR57,844,000,000	89	Provision of freight forwarding services
SITC Batangas Shipping Company Limited	Hong Kong	Hong Kong Dollar (HKD) HK\$100	100	Vessel holding and chartering services
SITC Busan Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Cagayan Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Cebu Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid-up capital	Percentage of equity attributable to the Company	Principal activities
SITC Chenming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Chunming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Container Lines Company Limited	Hong Kong	HK\$470,000,000	100	Provision of container marine transportation services
SITC Container Lines (Cambodia) Co., Ltd. #	Cambodia	US\$200,000	100	Provision of shipping agency services
SITC Container Lines (Korea) Co., Ltd. #	Korea	South Korean Won (KRW) KRW600,000,000	80	Provision of shipping agency services
SITC Container Lines Malaysia SDN. BHD #	Malaysia	Malaysian Ringgit (MYR) MYR1,000,000	70	Provision of shipping agency services
SITC Container Lines Philippines, Inc.	Philippines	Philippine Peso (PHP) PHP10,600,000	80	Provision of shipping agency services
SITC Container Lines (SARAWAK) SDN BHD #	Malaysia	MYR500,000	70	Provision of shipping agency services
SITC Container Lines (Shanghai) Co., Ltd. * #	PRC/Chinese Mainland	US\$16,000,000	100	Provision of shipping agency services
SITC Container Lines (Thailand) Co., Ltd.	Thailand	THB12,000,000	61.25	Provision of shipping agency services
SITC Cowin Supply Chain (Shanghai) Limited ^ #	PRC/Chinese Mainland	RMB10,000,000	60	Provision of multimodal transportation services
SITC Customs Broker Co., Ltd * #	PRC/Chinese Mainland	RMB10,000,000	100	Provision of customs declaration services
SITC Shipping and Service Company Limited	Hong Kong	HK\$1	100	Provision of marine services
SITC Insurance Brokers (HK) Company Limited	Hong Kong	HK\$500,000	100	Provision of marine services
SITC Brokers (Shandong) Co., Ltd *#	PRC/Chinese Mainland	RMB3,000,000	100	Provision of marine services
SITC Brokers (Shanghai) Co., Ltd. *#	PRC/Chinese Mainland	RMB1,000,000	100	Provision of marine services

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid-up capital	Percentage of equity attributable to the Company	Principal activities
SITC Ships Management Co., Ltd. *#	PRC/Chinese Mainland	RMB6,000,000	49	Shipping management services
SITC Shipping Management (Shanghai) Co., Ltd. *#	PRC/Chinese Mainland	US\$1,000,000	100	Shipping management services
SITC Dalian Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Fangcheng Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Fujian Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Guangdong Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Guangxi Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Hainan Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Haiphong Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Hakata Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Hanshin Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Hochiminh Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Incheon Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Intermodal Japan Co. Ltd. #	Japan	Japanese Yen (JPY) JPY10,000,000	100	Provision of multimodal transportation services
SITC Japan Co., Ltd. #	Japan	JPY10,000,000	100	Provision of shipping agency services
SITC Jiangsu Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Kanto Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Keelung Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid- up capital	Percentage of equity attributable to the Company	Principal activities
SITC Kwangyang Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Lianyungang Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Licheng Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Logistics Co., Ltd. * #	PRC/Chinese Mainland	RMB150,000,000	100	Provision of freight forwarding services
SITC Logistics (HK) Limited	Hong Kong	HK\$1	100	Investment holding and provision of freight forwarding services
SITC Logistics (Japan) Co., Ltd. #	Japan	JPY10,000,000	100	Provision of freight forwarding services
SITC Logistics (Myanmar) Co. LTD #	Myanmar	US\$300,000	70	Provision of freight forwarding services
SITC Logistics (PTY) Ltd. #	South Africa	US\$2,400,000	55	Provision of warehousing services
SITC Macao Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Makassar Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Moji Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Nansha Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Osaka Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Penang Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Pinghe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Port Klang Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Pyeongtaek Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC E-commerce Service (Qingdao) Co., Ltd.	PRC/Chinese Mainland	RMB3,000,000	60	Provision of freight forwarding services

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1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid-up capital	Percentage of equity attributable to the Company	Principal activities
SITC Qingdao International Shipping and Logistics Co., Ltd. * #	PRC/Chinese Mainland	US\$50,000,000	100	Land and building holding
SITC Qingdao Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Qinzhou Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Qiuming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Sendai Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shandong Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Shanghai Intelligent Technology Company Limited ^ #	PRC/Chinese Mainland	RMB20,000,000	60	Provision of technology support services
SITC Shanghai Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Shengde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shekou Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shenzhen Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Shidao Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shimizu Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Shipping Agency (HK) Company Limited	Hong Kong	HK\$5,000,000	100	Provision of shipping agency services
SITC Singapore Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Subic Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Taicang Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Technologies (Shanghai) Co., Ltd. * #	PRC/Chinese Mainland	RMB10,000,000	100	Provision of technology support services

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid- up capital	Percentage of equity attributable to the Company	Principal activities
SITC Tokuyama Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Toyohashi Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Weihai Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Wende Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Xiande Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Xingde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Yantai Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Yokkaichi Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Yuanming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Zhaoming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Zhejiang Shipping Company Limited	Hong Kong	US\$100	100	Vessel holding and chartering services
SITC Anhe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Fenghe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Yuhe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Qiming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Renhe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Changming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shengming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Huiming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Yihe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services

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1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid-up capital	Percentage of equity attributable to the Company	Principal activities
SITC Ruiming Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Hengde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shunde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Minhe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Changde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Haode Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Zhi Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Xin Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Zhengde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Junde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Ruide Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
Smart Depot Service (Malaysia) Sdn. Bhd.	Malaysia	MYR4,000,000	70	Provision of warehousing and logistics services
Qingdao SITC Logistics Park Management Company Limited * #	PRC/Chinese Mainland	RMB60,000,000	100	Land and building holding
SITC Crew Services (Qingdao) Co., LTD. #	PRC/Chinese Mainland	RMB1,000,000	100	Crew Management Services
New SITC International Intermodal Transportation (Shanghai) Co.,Ltd.#	PRC/Chinese Mainland	RMB10,000,000	60	Provision of multimodal transportation services
SITC Logistics (Malaysia) Sdn Bhd	Malaysia	MYR6,000,000	100	Provision of freight forwarding services
SITC Jiade Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Lide Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Company name	Place of incorporation/ registration and operations	Nominal value of registered/paid- up capital	Percentage of equity attributable to the Company	Principal activities
SITC Mingcheng Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Mingde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Rende Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shangde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Mingde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Runde Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Shunhe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Tonghe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Xincheng Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Yuanhe Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
SITC Yuncheng Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
HF Fortune Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
HF Lucky Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services
HF Wealth Shipping Company Limited	Hong Kong	US\$1	100	Vessel holding and chartering services

[^] Registered as a limited liability company under PRC law

^{*} Registered as wholly-foreign-owned enterprises under PRC law

[#] The English names of these companies represent the best effort made by the management of the Company to directly translate their official Chinese, Japanese and Korean names as they have not registered any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, financial assets at fair value through profit or loss and equity investments, which have been measured at fair value. These financial statements are presented in the United States dollars (the “US\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

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

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Notes to Financial Statements

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

- (a) HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.
- (b) HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.
- (c) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

- (d) Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.
- (e) Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.
- (f) Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- (g) *Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:
- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
 - *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

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2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

(g) (continued)

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations

Other business combinations are accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its derivative financial instruments at fair value and financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than bunkers and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value-in-use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings	3% to 7%
Vessels	4% to 6%
Containers	9% to 20%
Computers, furniture and equipment	10% to 33 $\frac{1}{3}$ %
Motor vehicles	12% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Trademarks and golf club membership

Trademarks and golf club membership have indefinite useful lives and are stated at cost less any impairment losses.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, reinstatement costs expected to incur and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	3 to 50 years
Offices	2 to 8 years
Containers	1 to 12 years
Vessel	10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- (a) Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
- (b) Financial assets at fair value through other comprehensive income (debt investments)
For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.
- (c) Financial assets designated at fair value through other comprehensive income (equity investments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

- (d) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

(d) Financial assets at fair value through profit or loss (continued)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank borrowings.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

(b) Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risk. These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedge item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to profit or loss.

Shares held under a share award scheme

Own equity instruments which are issued by way of issue of new shares and/or repurchased from the market and held by the Company or the Group (treasury shares) under the share award scheme of the Company are recognised directly in equity at cost, which are measured at the grant date fair value of the new shares and cost for the repurchase of the shares, respectively. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Upon vesting, the related costs of the vested awarded shares issued by the Company or repurchased from the market are credited to the shares held under share award scheme account, with a corresponding decrease in the share-based compensation reserve for awarded shares.

For vesting of forfeited or unallocated shares regranted, the related costs of the forfeited or unallocated shares regranted are credited to the shares held under share award scheme account, and the related fair value of the shares regranted is debited to the share-based compensation reserve. The difference between the cost and the fair value of the shares regranted is credited to the share premium account if the fair value is higher than the cost or debited against retained profits if the fair value is less than the cost.

Bunkers

Bunkers represent fuels and are stated at the lower of the cost and net realisable value. Cost is determined on the weighted average basis.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with interests in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with interests in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Where the Group receives non-monetary grants of assets, the grants are recorded at the fair value of the non-monetary assets and released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

- (a) Revenue from container shipping activities is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages as at the end of the reporting period. Detention and demurrage fees are recognised over time up until the time of the customer's late return or pick-up of containers.
- (b) Revenue from shipping agency, freight forwarding and logistics management activities are recognised over time upon the services have been rendered.

Other revenue

- (a) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
- (b) Revenue from a time charter is recognised on the straight-line basis over the period of the charter.
- (c) Rental income is recognised on a time proportion basis over the lease terms.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

Share option scheme

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised, where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Share award scheme

The Group operates a share award scheme for the purpose of providing incentive for employees to achieve performance goals and aligning the interests of employees directly to the shareholders of the Company through ownership of shares of the Company.

The amount to be expensed as share-based compensation expenses is determined by reference to the fair value of the awarded shares granted, taking into account all non-vesting conditions associated with the grants. The total expense is recognised over the relevant vesting periods (or on the grant date if the shares vest immediately), with a corresponding credit to the share-based compensation reserve under equity.

For those awarded shares which are amortised over the vesting periods, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest based on the vesting conditions at the end of each reporting period. Any resulting adjustment to the cumulative fair value recognised in prior years is recognised in profit or loss in the current year, with a corresponding adjustment to the share-based compensation reserve.

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Retirement benefit schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Certain subsidiaries outside Hong Kong and Chinese Mainland are required to contribute a certain percentage of their payroll costs to pension schemes operated by the respective governments. The only obligation of the Group with respect to the pension schemes is to pay the required ongoing contributions. Contributions under the schemes are charged to profit or loss as they become payable in accordance with the rules of the pension schemes.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Interim dividends are simultaneously proposed and declared because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Final dividends are recognised as a liability when they have been approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in United States dollar, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the United States dollar. As at the end of each reporting period, the assets and liabilities of these entities are translated into United States dollar at the exchange rates prevailing at the end of each reporting period and their statements of profit or loss are translated into United States dollar at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange translation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries are translated into United States dollar at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of these subsidiaries which arise throughout the year are translated into United States dollar at the weighted average exchange rates for the year.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The key judgements, estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets (other than goodwill)

The Group applies judgement in assessing whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Estimated useful lives and residual values of shipping vessels

Shipping vessels are depreciated on the straight-line basis over their estimated remaining useful lives after allowance for their estimated residual values. Significant judgement and estimate are required in determining the useful life and residual value of a shipping vessel.

In determining the useful lives of its shipping vessels, the Group considers its business model and asset management policy, the industry practice, and factors like expected usage of each shipping vessel, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the shipping vessel market. In respect of capitalised drydocking costs included in the cost of a shipping vessel, the Group estimates the useful life of these costs by reference to regulatory requirements, the average periods between drydocking cycles of shipping vessels of similar age and the expected usage of a shipping vessel until its next drydocking.

In determining the residual value of a shipping vessel, the Group considers net proceeds that would be obtained from the disposal of the shipping vessel in the resale or scrap markets, by reference to the lightweight tonnage of the shipping vessel provided by the shipyard and fluctuations in scrap steel prices.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimated useful lives and residual values of shipping vessels (continued)

The Group will review the useful life and residual value of each of its shipping vessels at the end of each reporting period based on the conditions of the shipping vessels, the market condition and other regulatory requirements. The depreciation expense in future periods will change where the estimated useful life or residual value of a shipping vessel is different from the previous estimate. The carrying amount of the Group's shipping vessels carried as assets in the consolidated statement of financial position as at 31 December 2025 was US\$1,577,714,000 (2024: US\$1,652,345,000) in aggregate, further details of which are set out in note 14 to the financial statements.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., significant customisation to the leased asset).

Income taxes

Significant management judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

4. OPERATING SEGMENT INFORMATION

Year ended 31 December 2025 and 2024

The Group's operating income was derived from the provision of container transportation, freight forwarding, shipping agency, depot, warehousing services, land leasing and other services. For the purposes of resource allocation and performance assessment, the chief operation decision maker (i.e. the executive directors of the Company) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment.

Geographical information

The Group's non-current assets are primarily its vessels. The directors of the Company consider that the nature of the Group's business and the way in which costs are allocated preclude a meaningful allocation of vessels, their operating profits and related capital expenditure to specific geographical areas as defined under HKFRS 8 *Operating Segments* issued by the HKICPA. These vessels are primarily utilised across the geographical markets for shipment of cargoes throughout Asia. Accordingly, geographical information is only presented for revenue.

The following revenue information by geographical area is based on the locations of customers:

	2025 US\$'000	2024 US\$'000
Greater China*	1,653,596	1,473,885
Southeast Asia	983,042	879,335
Japan	596,799	520,960
Others	178,210	183,879
Total revenue	3,411,647	3,058,059

* Greater China includes Chinese Mainland, Hong Kong and Taiwan.

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4. OPERATING SEGMENT INFORMATION (continued)

Major customer information disclosure

Revenue from a customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2025 US\$'000	2024 US\$'000
Customer A	408,587	–

Other than disclosed above, there was no revenue from customers individually contributing over 10% of the total revenue of the Group during the years ended 31 December 2025 and 2024.

5. REVENUE

An analysis of the Group's revenue is as follows:

	2025 US\$'000	2024 US\$'000
Revenue from contracts with customers	3,408,980	3,055,862
Revenue from other sources:		
Other rental income	2,667	2,197
Total	3,411,647	3,058,059

5. REVENUE (continued)

Notes:

(a) *Disaggregated revenue information*

Year ended 31 December 2025

Segments	2025 US\$'000	2024 US\$'000
Types of services		
Container shipping and supporting logistics income	3,077,818	2,735,468
Other container logistics income*	331,162	320,394
Total	3,408,980	3,055,862
Revenue from other sources	2,667	2,197
Total revenue	3,411,647	3,058,059
Geographical markets		
Greater China#	1,653,596	1,473,885
Southeast Asia	983,042	879,335
Japan	596,799	520,960
Others	175,543	181,682
Total	3,408,980	3,055,862
Revenue from other sources	2,667	2,197
Total revenue	3,411,647	3,058,059
Timing of revenue recognition		
Services transferred over time	3,408,980	3,055,862
Revenue from other sources	2,667	2,197
Total revenue	3,411,647	3,058,059

* Other container logistics income includes freight forwarding income, shipping agency income, depot and warehousing income.

Greater China includes Chinese Mainland, Hong Kong and Taiwan.

(b) *Performance obligations*

Information about the Group's performance obligations in contracts with customers is summarised below:

Container shipping and supporting logistics income

The performance obligation relates to the provision of container marine transportation and is satisfied over time as services are rendered and payment is generally due within 15 days upon the completion of the voyage, except for selected customers, where the payment term can be extended up to 3 months.

Other container logistics income

The performance obligation is satisfied when the services including of integrated freight forwarding, and shipping agency, etc. are rendered and payment is generally due within 15 days from the date of billing.

Remaining performance obligations

The amount of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 was US\$51,453,000 (2024: US\$55,980,000), which is expected to be recognised within one year from the end of the reporting period.

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6. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net is as follows:

	2025 US\$'000	2024 US\$'000
Other income		
Bank interest income	35,463	27,027
Government subsidies*	3,745	2,512
Others	268	412
Total other income	39,476	29,951
Gains, net		
Gain on disposal of property, plant and equipment, net	35,527	9,524
Fair value gains, net:		
Cash flow hedges (transfer from equity)	4,426	–
Financial assets at fair value through profit or loss	2,368	18
Foreign exchange differences, net	1,061	5,509
Total gains	43,382	15,051
Total other income and gains, net	82,858	45,002

* The amount represented subsidies of US\$3,745,000 (2024: US\$2,512,000) received from certain governmental authorities in Chinese Mainland and Japan for the Group's operation of container shipping and logistics businesses, where there are no unfulfilled conditions or contingencies relating to these grants during the year.

7. FINANCE COSTS

	Notes	2025 US\$'000	2024 US\$'000
Interest on bank borrowings		3,800	6,782
Interest on lease liabilities	15(b)	11,636	8,774
Increase in discounted amounts of provision for reinstatement costs arising from the passage of time	29	114	120
Total finance costs		15,550	15,676

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 US\$'000	2024 US\$'000
Cost of services provided:			
Cost of bunkers consumed		301,724	327,288
Others		1,799,457	1,587,954
Total		2,101,181	1,915,242
Depreciation of property, plant and equipment	14	116,014	110,999
Less: Included in cost of services provided		(111,058)	(106,778)
Total		4,956	4,212
Depreciation of right-of-use assets	15(a)	64,231	52,913
Less: Included in cost of services provided		(62,370)	(50,382)
Total		1,861	2,531
Lease payments not included in the measurement of lease liabilities		163,703	102,621
Less: Included in cost of services provided		(159,737)	(99,778)
Total		3,966	2,843
Auditor's remuneration		462	432
Employee benefit expense (including directors' remuneration (note 9)):			
Wages and salaries		180,670	167,904
Share award expense	32	26,952	27,829
Pension scheme contributions (defined contribution schemes)*		15,679	13,832
Subtotal		223,301	209,565
Less: Included in cost of services provided		(99,283)	(93,398)
Total		124,018	116,167
Impairment of trade receivables, net**	22(c)	581	634
Fair value (gains)/losses, net:			
Cash flow hedges (transfer from equity)		(4,426)	–
Derivative instruments – transaction not qualifying as hedges**		432	9
Financial assets at fair value through profit or loss		(2,368)	(18)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

** These items are included in "Other expenses, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

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9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383 (1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 US\$'000	2024 US\$'000
Fees	286	281
Other emoluments:		
Salaries, allowances and benefits in kind	2,379	2,508
Performance-related bonuses*	5,185	5,882
Share award expense	6,993	5,985
Pension scheme contributions	52	50
Subtotal	14,609	14,425
Total	14,895	14,706

* Certain executive directors and a non-executive director of the Company are entitled to bonus payments which are determined by the performance of the Group.

Certain directors were granted share options and share awards in the current year and prior years, in respect of their services to the Group, under the Share Scheme of the Company, further details of which are set out in note 32 to the financial statements. The fair values of these options and share awards, which have been recognised in profit or loss over the vesting period, were determined as at the respective dates of grant and the amounts included in the financial statements for the current year are included in the above directors' remuneration disclosures.

9. DIRECTORS' REMUNERATION (continued)

An analysis of the directors' remuneration, on a named basis, is as follows:

	Fees US\$'000	Salaries, allowances and benefits in kind US\$'000	Performance- related bonuses US\$'000	Share award expense US\$'000	Pension scheme contributions US\$'000	Total remuneration US\$'000
Year ended 31 December 2025						
Executive directors:						
Mr. Yang Xianxiang [^]	31	940	2,377	2,852	23	6,223
Mr. Liu Kecheng	31	292	673	1,115	23	2,134
Mr. Xue Mingyuan [#]	31	580	1,427	2,052	2	4,092
Mr. Lai Zhiyong	31	312	451	824	2	1,620
Subtotal	124	2,124	4,928	6,843	50	14,069
Non-executive director:						
Ms. Yang Xin	28	255	257	101	2	643
Independent non-executive directors:						
Mr. Tse Siu Ngan	46	-	-	19	-	65
Dr. Hu Mantian (Mandy)	44	-	-	15	-	59
Dr. Liu Ka Ying, Rebecca	44	-	-	15	-	59
Subtotal	134	-	-	49	-	183
Total	286	2,379	5,185	6,993	52	14,895

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9. DIRECTORS' REMUNERATION (continued)

	Fees US\$'000	Salaries, allowances and benefits in kind US\$'000	Performance- related bonuses US\$'000	Share award expense US\$'000	Pension scheme contributions US\$'000	Total remuneration US\$'000
Year ended 31 December 2024						
Executive directors:						
Mr. Yang Shaopeng*	–	282	705	–	3	990
Mr. Yang Xianxiang [^]	31	901	2,374	2,211	23	5,540
Mr. Liu Kecheng	31	337	672	1,102	18	2,160
Mr. Xue Mingyuan [#]	31	523	1,425	1,921	2	3,902
Mr. Lai Zhiyong	31	292	450	702	2	1,477
Subtotal	124	2,335	5,626	5,936	48	14,069
Non-executive director:						
Ms. Yang Xin	29	173	256	16	2	476
Independent non-executive directors:						
Mr. Tse Siu Ngan	44	–	–	11	–	55
Dr. Hu Mantian (Mandy)	42	–	–	11	–	53
Dr. Liu Ka Ying, Rebecca	42	–	–	11	–	53
Subtotal	128	–	–	33	–	161
Total	281	2,508	5,882	5,985	50	14,706

* Mr. Yang Shaopeng retired as the executive director of the Company on 7 March 2024.

[^] Mr. Yang Xianxiang retired as the chief executive officer of the Company on 7 March 2024.

[#] Mr. Xue Mingyuan is appointed as the chief executive officer of the Company on 7 March 2024.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year are five (2024: five) executive directors, details of whose remuneration are set out in note 9 above.

11. INCOME TAX

An analysis of the Group's income tax is as follows:

	2025 US\$'000	2024 US\$'000
Current:		
Hong Kong	1,741	685
Overprovision in prior years – Hong Kong	(27)	(81)
Chinese Mainland	5,001	5,505
Elsewhere	14,152	13,123
Total tax expense for the year	20,867	19,232

Notes:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024:16.5%). Taxes on profits assessable in Chinese Mainland and elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

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11. INCOME TAX (continued)

Notes: (continued)

- (b) A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable tax rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Year ended 31 December 2025

	Chinese Mainland		Hong Kong		Elsewhere		Total	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Profit before tax	43,552		991,779		215,938		1,251,269	
Tax expenses at the statutory tax rate	10,888	25.0	163,644	16.5	52,486	24.3	227,018	18.1
Lower tax rate(s) for specific provinces or enacted by local authority	(456)	(1.1)	(21)	-	-	-	(477)	-
Effect of withholding tax at 5% of the distributable profits of the Group's PRC joint ventures	(88)	-	-	-	-	-	(88)	-
Adjustments in respect of current tax of previous periods	-	-	(27)	-	-	-	(27)	-
Profits and losses attributable to joint ventures and associates	(5,913)	(13.6)	(485)	-	(641)	(0.3)	(7,039)	(0.5)
Income not subject to tax	(6,171)	(14.2)	(163,273)	(16.5)	(68,129)	(31.6)	(237,573)	(19.0)
Expenses not deductible for tax	6,741	15.4	1,876	0.2	30,436	14.2	39,053	3.1
Tax expense at the Group's effective tax rate	5,001	11.5	1,714	0.2	14,152	6.6	20,867	1.7

Year ended 31 December 2024

	Chinese Mainland		Hong Kong		Elsewhere		Total	
	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Profit before tax	29,959		761,494		262,121		1,053,574	
Tax expenses at the statutory tax rate	7,490	25.0	125,647	16.5	62,960	24.0	196,097	18.6
Lower tax rate(s) for specific provinces or enacted by local authority	(757)	(2.5)	(21)	-	-	-	(778)	(0.1)
Effect of withholding tax at 5% of the distributable profits of the Group's PRC joint ventures	2,083	7.0	-	-	-	-	2,083	0.2
Adjustments in respect of current tax of previous periods	-	-	(81)	-	-	-	(81)	-
Profits and losses attributable to joint ventures and associates	(4,577)	(15.3)	(391)	(0.1)	(1,191)	(0.4)	(6,159)	(0.6)
Income not subject to tax	(363)	(1.2)	(162,123)	(21.3)	(52,381)	(20.0)	(214,867)	(20.4)
Expenses not deductible for tax	1,629	5.4	37,573	4.9	3,735	1.4	42,937	4.1
Tax expense at the Group's effective tax rate	5,505	18.4	604	-	13,123	5.0	19,232	1.8

- (c) The share of tax expense attributable to joint ventures amounting to US\$9,293,000 (2024: US\$7,417,000) and the share of tax expense attributable to associates amounting to US\$578,000 (2024: US\$515,000) are included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss and other comprehensive income.

11. INCOME TAX (continued)

Notes: (continued)

- (d) The Groups within the scope of the Pillar Two model rules. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation has been effective for the Group's financial year beginning 1 January 2025. The Group will account for the additional Pillar Two income taxes as current tax when incurred.

The Group is in scope of the enacted or substantively enacted legislation and is in the process of assessing the potential exposure arising from Pillar Two legislation based on the information available for the financial year ended 31 December 2025. Based on the assessment carried out so far, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. Only few jurisdictions where the transitional safe harbour relief may not apply, and in jurisdictions where the transitional safe harbour may not apply, either Pillar Two legislation has not yet been enacted or substantively enacted, or any potential impact is not expected to be material. Hence, the Group does not expect a material top-up tax exposure in those jurisdictions yet. Quantitative information to indicate potential exposure to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to progress the assessment and expects to report the relevant information in the GloBE Information Return before the filing deadline in 2027.

12. DIVIDENDS

	2025		2024	
	HK\$'000	US\$'000 equivalent	HK\$'000	US\$'000 equivalent
Interim – HK\$1.30 (equivalent to approximately US\$0.17) (2024: HK\$0.72, equivalent to approximately US\$0.09) per ordinary share	3,509,984	450,401	1,931,841	247,817
Special – HK\$0.70 (equivalent to approximately US\$0.09) (2024: HK\$0.40 equivalent to approximately US\$0.05) per ordinary share	1,889,992	242,845	1,074,848	138,311
Proposed final – HK\$1.00 (equivalent to approximately US\$0.13) (2024: HK\$1.40, equivalent to approximately US\$0.18) per ordinary share	2,699,988	345,152	3,779,983*	487,315*

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

- * These was a difference of HK\$17,821,000 (approximately US\$3,641,000) between the amount of the 2024 final dividend disclosed above and the amount disclosed in the consolidated financial statements for the year ended 31 December 2024, which arose from increasing number of shares due to an issue of shares under the Share Scheme of 12,729,108 shares for HK\$17,821,000 (US\$2,291,000), and an increase in the amount of the 2024 final dividend translated in US\$ of US\$1,350,000, as a result of the difference in the exchange rate used for converting HK\$ into US\$ for the amount of the proposed 2024 final dividend disclosed in the consolidated financial statements for the year ended 31 December 2024 and that prevailing on the 2024 final dividend settlement date.

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13. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the year less shares held under the share award schemes of the Company.

The calculation of the diluted earnings per share is based on the profit for the year attributable to shareholders of the Company; and the weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue during the year as used in the basic earnings per share calculation; (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options into ordinary shares; and (iii) the weighted average number of ordinary shares assumed to have been awarded at no consideration on the deemed vesting of all rights of shares held under the share award schemes of the Company.

The calculations of the basic and diluted earnings per share amounts are based on:

	2025 US\$'000	2024 US\$'000
Earnings		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	1,222,887	1,028,325
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year less shares held under the share award schemes, used in the basic earnings per share calculation	2,655,240,546	2,645,299,332
Effect of dilution – weighted average number of ordinary shares:		
Share options	13,782	312,396
Shares held under the share schemes	40,369,808	38,579,924
Weighted average number of ordinary shares during the year, used in the diluted earnings per share calculation	2,695,624,136	2,684,191,652

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings US\$'000	Land US\$'000	Vessels US\$'000	Containers US\$'000	Computers, furniture and equipment US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
31 December 2025								
At 1 January 2025:								
Cost	53,408	9,908	2,231,587	131,908	88,354	4,253	12,175	2,531,593
Accumulated depreciation	(22,566)	-	(579,242)	(56,084)	(42,958)	(3,017)	-	(703,867)
Net carrying amount	30,842	9,908	1,652,345	75,824	45,396	1,236	12,175	1,827,726
Net carrying amount:								
At 1 January 2025	30,842	9,908	1,652,345	75,824	45,396	1,236	12,175	1,827,726
Additions	2,258	-	53,529	45,971	8,712	1,032	2,232	113,734
Depreciation provided during the year	(2,574)	-	(98,055)	(6,667)	(8,220)	(498)	-	(116,014)
Disposals/write-off	(60)	-	(30,105)	(142)	(4,854)	(44)	-	(35,205)
Transfer	14,266	-	-	-	-	-	(14,266)	-
Exchange realignment	1,420	765	-	5	683	41	205	3,119
At 31 December 2025	46,152	10,673	1,577,714	114,991	41,717	1,767	346	1,793,360
At 31 December 2025:								
Cost	69,476	10,673	2,224,905	177,139	91,845	4,928	346	2,579,312
Accumulated depreciation	(23,324)	-	(647,191)	(62,148)	(50,128)	(3,161)	-	(785,952)
Net carrying amount	46,152	10,673	1,577,714	114,991	41,717	1,767	346	1,793,360

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings US\$'000	Land US\$'000	Vessels US\$'000	Containers US\$'000	Computers, furniture and equipment US\$'000	Motor vehicles US\$'000	Construction in progress US\$'000	Total US\$'000
31 December 2024								
At 1 January 2024:								
Cost	55,177	9,840	2,043,791	114,373	73,222	4,648	2,283	2,303,334
Accumulated depreciation	(21,139)	-	(530,171)	(49,537)	(37,758)	(2,877)	-	(641,482)
Net carrying amount	34,038	9,840	1,513,620	64,836	35,464	1,771	2,283	1,661,852
Net carrying amount:								
At 1 January 2024	34,038	9,840	1,513,620	64,836	35,464	1,771	2,283	1,661,852
Additions	-	-	253,264	17,801	19,526	352	10,043	300,986
Depreciation provided during the year	(2,193)	-	(94,333)	(6,712)	(7,264)	(497)	-	(110,999)
Disposals/write-off	(95)	-	(20,127)	(88)	(2,124)	(339)	-	(22,773)
Exchange realignment	(908)	68	(79)	(13)	(206)	(51)	(151)	(1,340)
At 31 December 2024	30,842	9,908	1,652,345	75,824	45,396	1,236	12,175	1,827,726
At 31 December 2024:								
Cost	53,408	9,908	2,231,587	131,908	88,354	4,253	12,175	2,531,593
Accumulated depreciation	(22,566)	-	(579,242)	(56,084)	(42,958)	(3,017)	-	(703,867)
Net carrying amount	30,842	9,908	1,652,345	75,824	45,396	1,236	12,175	1,827,726

Note: The Group's bank loans were secured by mortgages, over the Group's land which had a net carrying amount of approximately US\$10,673,000 (2024: US\$9,908,000), and no vessels of the Group were used to secure the Group's bank loans (2024: approximately US\$222,318,000), as at 31 December 2025 (note 28(a)).

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, offices and containers (2024: Leasehold land, offices and containers). Lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 3 to 50 years. No ongoing payments will be made under the terms of these land leases. Leases of offices generally have lease terms between 2 and 8 years, while containers generally have lease terms between 1 and 12 years. A vessel is accounted for as a finance lease and has a lease term of 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There is a lease contract that includes an extension option, which is further discussed below.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land US\$'000	Offices US\$'000	Containers US\$'000	Vessel US\$'000	Total US\$'000
As at 1 January 2024	44,238	6,017	162,615	2,593	215,463
Additions	17,542	2,735	58,795	–	79,072
Depreciation charge	(4,198)	(2,508)	(45,671)	(536)	(52,913)
Early termination of leases	(3,777)	(331)	(93)	–	(4,201)
Exchange realignment	(1,379)	(201)	–	–	(1,580)
As at 31 December 2024 and 1 January 2025	52,426	5,712	175,646	2,057	235,841
Additions	6,383	6,995	148,842	–	162,220
Depreciation charge	(3,845)	(2,700)	(57,150)	(536)	(64,231)
Early termination of leases	(5,323)	(520)	(5,252)	–	(11,095)
Exchange realignment	3,542	(133)	–	–	3,409
As at 31 December 2025	53,183	9,354	262,086	1,521	326,144

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15. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Note	2025 US\$'000	2024 US\$'000
Carrying amount at 1 January		221,964	201,670
New leases		160,041	78,045
Early termination of leases		(11,392)	(4,284)
Accretion of interest recognised during the year	7	11,636	8,774
Payments		(77,909)	(61,237)
Exchange realignment		967	(1,004)
Carrying amount at 31 December		305,307	221,964
Analysed into:			
Current portion		59,265	45,980
Non-current portion		246,042	175,984

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 US\$'000	2024 US\$'000
Interest on lease liabilities	11,636	8,774
Depreciation charge of right-of-use assets	64,231	52,913
Expense relating to short-term leases (included in cost of sales and administrative expenses)	163,703	102,621
Total amount recognised in profit or loss	239,570	164,308

15. LEASES (continued)

The Group as a lessee (continued)

(d) Extension option

The Group has three land lease contracts that includes an extension option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and it is aligned with the Group's business needs. The undiscounted potential future rental payments relating to periods following the exercise date of the extension option that is not included in the lease term are US\$1,738,000 (2024: US\$1,613,000), which are payable within five years.

(e) The total cash outflow for leases is disclosed in note 34(c) to the financial statements.

The Group as a lessor

The Group leases certain of its land and buildings to third parties and joint ventures under operating lease arrangements. Leases for land and buildings are for terms ranging from 1 to 5 years (2024: 1 to 5 years).

Rental income recognised by the Group during the year was US\$2,667,000 (2024: US\$2,197,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 US\$'000	2024 US\$'000
Within one year	1,940	1,501
After one year but within two years	1,522	1,336
After two years but within three years	402	1,248
After three years but within four years	268	1,248
After four years but within five years	94	133
Total	4,226	5,466

16. ADVANCE PAYMENTS FOR THE ACQUISITION OF VESSELS

The balance represented advance payments for the purchase of container vessels. Further details of the capital commitments resulting from the purchase of container vessels are set out in note 35 to the financial statements.

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17. GOODWILL

	2025 US\$'000	2024 US\$'000
Cost and net carrying amount at 1 January	971	998
Exchange realignment	43	(27)
Cost and net carrying amount at 31 December	1,014	971

Impairment testing of goodwill

Goodwill of the Group arose from the acquisition of Tianjin Xin Hua Xi Logistics Co., Ltd. ("Tianjin Xin Hua Xi") in 2014. Tianjin Xin Hua Xi is engaged in the provision of depot services and is considered a cash-generating unit that generates independent cash flows.

The goodwill so arising was allocated to the Tianjin Xin Hua Xi cash-generating unit for impairment testing.

The recoverable amount of the Tianjin Xin Hua Xi cash-generating unit has been determined based on a value-in-use calculation using pre-tax cash flow projection of financial budget covering a five-year period approved by senior management. The discount rate applied to the cash flow projection is 13.3% (2024: 15.6%). The growth rate used to extrapolate the cash flows of the business beyond the five-year period is 2% (2024: 2%). This growth rate represents the average growth rate of the industry in which the business operates. Assumptions were used in the value-in-use calculation of the Tianjin Xin Hua Xi cash-generating unit. The following describes each key assumption which management has adopted for its cash flow projection for the purpose of undertaking the impairment testing of the goodwill:

Budgeted gross margin – The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the years before the budget year.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the cash-generating unit.

18. OTHER INTANGIBLE ASSETS

	Golf club membership US\$'000	Trademarks US\$'000	Total US\$'000
Cost and net carrying amount:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	558	1,021	1,579

19. INVESTMENTS IN JOINT VENTURES

	2025 US\$'000	2024 US\$'000
Share of net assets	65,686	60,666

Notes:

(a) Particulars of the Group's principal joint ventures, which are all indirectly held by the Company, are as follows:

Company name	Registered capital	Place of registration and operations and business	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Smart International Logistics Co., Ltd. [#]	RMB25,000,000	PRC/Chinese Mainland	51%	50%	51%	Provision of depot, warehousing and freight forwarding services
SITC Jiaxiang International Logistics (Shanghai) Co., Ltd. [#]	RMB10,000,000	PRC/Chinese Mainland	40%	40%	40%	Provision of freight forwarding services
SITC-Dinhvu Logistics Co., Ltd.	US\$10,000,000	Vietnam	51%	50%	51%	Provision of depot and warehousing services

[#] The English names of these companies represent the best effort made by the management of the Company to directly translate their official Chinese names as they have not registered any official English names.

The above table lists the joint ventures of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other joint ventures would, in the opinion of the directors, result in particulars of excessive length.

(b) In the opinion of the directors, all joint ventures of the Group are not individually material and the following table illustrates their financial information in aggregate:

	2025 US\$'000	2024 US\$'000
Share of joint ventures' profit for the year	31,080	24,503
Share of joint ventures' other comprehensive income/(loss)	2,890	(4,988)
Share of joint ventures' total comprehensive income	33,970	19,515
Aggregate carrying amount of the Group's investments in joint ventures	65,686	60,666

(c) The Group's trade receivable balances and trade payable balances with joint ventures are disclosed in notes 22(d) and 26(b) to the financial statements, respectively.

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20. INVESTMENTS IN ASSOCIATES

	2025 US\$'000	2024 US\$'000
Share of net assets	13,885	13,892

Notes:

(a) Particulars of the Group's principal associates, which are all indirectly held by the Company, are as follows:

Company name	Registered/ paid-up/issued capital	Place of registration and operation	Percentage of ownership interest attributable to the Group	Principal activities
APL-SITC Terminal Holdings Pte. Ltd.	32,600,000 ordinary shares of US\$1 each	Singapore	20%	Investment holding
Shanghai SIPG Shengfeng International Container Development Co. Ltd.*	50,000,000 ordinary shares of RMB1 each	PRC/ Chinese Mainland	40%	Provision of container repairing services
Qingdao Qianwan United Container Terminal Co., Ltd*	700,000,000 ordinary shares of RMB1 each	PRC/ Chinese Mainland	6%	Provision of terminal services

* The English name of this company represents the best effort made by the management of the Company to directly translate their official Chinese names as it has not registered any official English name.

(b) In the opinion of the directors, all associates of the Group are not individually material and the following table illustrates their financial information in aggregate:

	2025 US\$'000	2024 US\$'000
Share of associates' profit for the year	1,679	1,878
Share of associates' other comprehensive income/(loss)	(917)	1,880
Share of associates' total comprehensive income	762	3,758
Aggregate carrying amount of the Group's investments in associates	13,885	13,892

(c) The Group's trade receivable balances and trade payable balances with associates are disclosed in notes 22(d) and 26(b) to the financial statements, respectively.

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Notes	2025		2024	
		Assets US\$'000	Liabilities US\$'000	Assets US\$'000	Liabilities US\$'000
Forward currency contracts	(a)	387	–	868	1,001
Interest rate swaps	(b)	–	–	4,426	–
Total		387	–	5,294	1,001
Portion classified as non-current assets		–	–	(3,006)	–
Current portion		387	–	2,288	1,001

Notes:

- (a) The Group has entered into various forward currency contracts to manage its exchange rate exposures. These forward currency contracts are not designated for hedge purposes and are measured at fair value through profit or loss. A net loss on fair value changes in non-hedging forward currency contracts amounting to US\$432,000 (2024: net gain of US\$9,000) was recognised in profit or loss during the year.
- (b) The interest rate swap contracts are designated as hedging instruments in cash flow hedge of interest rate risk and are measured at fair value through other comprehensive income.
- (c) Derivative financial instruments of the Group were conducted with creditworthy banks.

Cash flow hedge – Interest rate risk

At 31 December 2024, the Group had interest rate swap agreements in place whereby it receives interest at variable rate of Secured Overnight Financing Rate (“SOFR”) plus and pays interest at fixed rates based on 0.60% to 0.89% of the notional amount. The swap is used to hedge the exposure to changes in the fair value of certain of its US\$ secured loan.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match the terms of the variable rate loans (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swaps is identical to that of the hedged risk components (variable loan interest rates). To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

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21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Cash flow hedge – Interest rate risk (continued)

The hedge ineffectiveness can arise from:

- differences in the timing of cash flows of the hedged items and the hedging instruments
- the counterparties' credit risks differently impacting the fair value movements of the hedging instruments and the hedged items

The effects of the cash flow hedge on the statement of profit or loss and the statement of comprehensive income are as follows:

	Total hedging losses recognised in other comprehensive income		Gain reclassified from other comprehensive income to profit or loss		Line item in the statement of profit or loss
	2025	2024	2025	2024	
	US\$'000	US\$'000	US\$'000	US\$'000	
Secured bank loans	(4,426)	(1,626)	(1,951)	(3,196)	Finance cost

22. TRADE RECEIVABLES

	Notes	2025 US\$'000	2024 US\$'000
Trade receivables	(a)	185,007	175,189
Impairment	(c)	(945)	(518)
Net carrying amount		184,062	174,671

22. TRADE RECEIVABLES (continued)

Notes:

(a) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 15 days, extending up to three months for selected customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

(b) An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 US\$'000	2024 US\$'000
Within 1 month	150,293	147,346
1 to 2 months	20,185	15,834
2 to 3 months	4,671	6,883
Over 3 months	8,913	4,608
Total	184,062	174,671

(c) The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 US\$'000	2024 US\$'000
At beginning of year	518	478
Impairment loss, net	581	634
Amount written off as uncollectible	(154)	(594)
At end of year	945	518

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rate of 0.1% (2024: 0.1%) is provided for the external customers with good credit. External customers with credit deterioration (i.e. overdue by more than 3 months) will be assessed on an individual basis for the provision of expected credit losses. Generally, trade receivables will be written off when past due for more than one year and are not subject to enforcement activity.

Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

(d) Included in the Group's trade receivables as at 31 December 2025 are amounts of US\$43,654,000 (2024: US\$43,844,000), US\$32,000 (2024: US\$269,000), and US\$3,585,000 (2024: US\$871,000) due from joint ventures, associates, and companies controlled by the Controlling Shareholder, respectively, which are repayable on credit terms similar to those offered to the selected customers of the Group.

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
Prepayments	14,453	30,143
Deposits and other receivables (note)	24,565	24,253
Total	39,018	54,396

Note: None of these assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 US\$'000	2024 US\$'000
Fund investments	(a)	167,386	–
Unlisted investment	(b)	–	690
Total		167,386	690

Notes:

- (a) The fund investments were classified as financial assets at fair value through profit or loss as they were held for trading.
- (b) The unlisted investment was made with creditworthy securities firm in the PRC. It was mandatorily classified as financial assets at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

25. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS WITH ORIGINAL MATURITY OF OVER THREE MONTHS

	2025 US\$'000	2024 US\$'000
Cash and bank balances other than time deposits	122,364	128,143
Time deposits	658,864	616,351
Subtotal	781,228	744,494
Less: Non-pledged time deposits with original maturity of over three months when acquired	(537,644)	(608,401)
Cash and cash equivalents	243,584	136,093

Notes:

- (a) At the end of the reporting period, cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to US\$10,604,000 (2024: US\$16,008,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods ranging between seven days and one year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

26. TRADE PAYABLES

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 US\$'000	2024 US\$'000
Within 1 month	180,911	177,660
1 to 2 months	24,634	23,260
2 to 3 months	3,956	6,931
Over 3 months	25,743	25,829
Total	235,244	233,680

- (b) Included in the Group's trade payables as at 31 December 2025 are amounts of US\$8,815,000 (2024: US\$6,757,000), US\$680,000 (2024: US\$843,000) and US\$10,228,000 (2024: US\$9,885,000) due to joint ventures, associates, and companies controlled by the Controlling Shareholder, respectively, which are repayable within 30 days.
- (c) The trade payables are non-interest-bearing and are normally settled on terms ranging from 15 to 45 days.

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27. OTHER PAYABLES AND ACCRUALS

	Notes	2025 US\$'000	2024 US\$'000
Other payables	(a)	83,430	62,042
Accruals		53,182	56,107
Contract liabilities	(b)	25,516	22,654
Provision for litigation	(c)	2,804	2,529
Total		164,932	143,332

Notes:

- (a) Other payables are non-interest-bearing and have an average credit term of three months.
- (b) Contract liabilities represented advance payments received from the customers for the container shipping service, which will be recognised as revenue as the performance obligation is satisfied. The balance of contract liabilities as at 1 January 2025 are amounts of US\$22,654,000.
- (c) In February 2023, there was a marine incident in connection with the operation of a vessel of the Group. In March 2023, a plaintiff commenced legal proceedings and claimed against the Group for the loss of property. In June 2023 and December 2023, the courts in the PRC handed down judgments and decided that the marine incident was a single incident, and the Group provided a letter of undertaking to the court setting up the Maritime Liability Limitation Fund with available funds of approximately US\$2.4 million in accordance with maritime law of the PRC. The Group has provided US\$2.5 million for the litigation and, as advised by the external legal adviser to the Group, having considered the facts and circumstances of the incident, the provision was considered to be adequate. In November 2025, US\$2.5 million has been settled due to the result released from the court.

In April 2024, there was a marine incident in connection with the operation of a vessel of the Group. The relevant government bodies engaged in the casualty rescue operation have requested the relevant costs of US\$2.8 million to the company, as advised by the external legal adviser to the Group, having considered the facts and circumstances of the incident.

28. BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	US\$'000	Effective interest rate (%)	Maturity	US\$'000
<i>Current</i>						
Bank loans – Unsecured	4.31	2026	15,000	5.18-5.20	2025	30,000
Current portion of long term bank loans – secured	Bangkok Interbank Offered Rate ("BIBOR")+1.20	2026	3,939	BIBOR+1.20	2025	1,219
				SOFR+0.52	2025	71,859
				SOFR*+0.99-SOFR*+1.00	2025	11,903
Total – current			18,939			114,981
<i>Non-current</i>						
Non-current portion of long term bank loans – secured			-	BIBOR+1.20	2026	3,657
				SOFR*+0.99-SOFR*+1.00	2026-2028	48,219
Total – non-current			-			51,876
Total bank borrowings			18,939			166,857
Analysed into bank loans repayable:						
Within one year or on demand			18,939			114,981
In the second year			-			15,561
In the third to fifth years, inclusive			-			36,315
Total			18,939			166,857

* The SOFR is fixed at 0.60% to 0.89% under interest rate swap contracts.

28. BANK BORROWINGS (continued)

Notes:

- (a) The Group's bank loans were secured by mortgages, over the Group's land which had a net carrying amount of approximately US\$10,673,000 (2024: US\$9,908,000), and no vessels of the Group were used to secure the Group's bank loans (2024: approximately US\$222,318,000), as at 31 December 2025.
- (b) An analysis of the carrying amounts of the bank borrowings by types and currencies is as follows:

	2025 US\$'000	2024 US\$'000
US\$:		
Fixed rate loans	15,000	90,122
Floating rate loans	–	71,859
Subtotal	15,000	161,981
THB:		
Floating rate loan	3,939	4,876
Total	18,939	166,857

29. PROVISION FOR REINSTATEMENT COSTS

The carrying amount of provision for reinstatement costs and the movements during the year are as follows:

	2025 US\$'000	2024 US\$'000
Carrying amount at 1 January	3,953	2,857
Additional provision	2,140	1,443
Accretion of interest recognised during the year (note 7)	114	120
Early termination of leases	(687)	(93)
Payments	(290)	(374)
Carrying amount at 31 December	5,230	3,953

Provision for reinstatement costs represents the present value of the estimated cost for the restoration work of the Group's leased containers agreed to be carried out upon the expiry of the relevant leases. The amount of the provision for the reinstatement costs is estimated based on past experience of the level of restoration work performed. The estimation basis is reviewed on an ongoing basis and revised where appropriate. The related reinstatement costs, upon initial recognition, have been included as right-of-use assets in the consolidated statement of financial position.

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30. DEFERRED TAX

- (a) The new Corporate Income Tax Law of the PRC, which became effective on 1 January 2008, states that the distribution of dividends by a foreign invested enterprise established in Chinese Mainland to its foreign investors, from its earnings in 2008 and thereafter, shall be subject to withholding corporate income tax at a rate of 5% or 10%. The Group carefully evaluates the necessity of dividend distribution of its PRC subsidiaries out of profits earned after 1 January 2008 based on senior management's judgement.
- (b) Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. The Group did not recognise any deferred tax assets as at 31 December 2025 (2024: Nil).
- (c) The Group did not have tax losses arising in Hong Kong during the year (2024: Nil).

At 31 December 2025, the Group did not have tax losses arising in Chinese Mainland (2024: Nil), that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

- (d) The Group is liable for withholding taxes on dividends distributed by those subsidiaries and joint ventures established in Chinese Mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, associates and joint ventures established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries, associates and joint ventures will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries and joint ventures in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately US\$13,937,000 (2024: US\$9,389,000) and US\$39,330,000 (2024: US\$35,664,000), as at 31 December 2025, respectively.

- (e) There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

31. SHARE CAPITAL

Shares

	2025		2024	
	HK\$'000	US\$'000 equivalent	HK\$'000	US\$'000 equivalent
Authorised:				
5,000,000,000 ordinary shares of HK\$0.1 each	500,000		500,000	
Issued and fully paid:				
2,699,988,016 (2024: 2,687,119,908) ordinary shares of HK\$0.1 each	269,999	34,806	268,712	34,641

31. SHARE CAPITAL (continued)

Shares (continued)

A summary of movements in the Company's issued share capital during the current and prior years is as follows:

	Notes	Number of issued and fully paid ordinary shares	Issued capital US\$'000	Share premium account US\$'000	Shares held under the Share Scheme account US\$'000	Total US\$'000
At 1 January 2024		2,682,623,360	34,583	402,127	(96,263)	340,447
Exercise of share options granted under the post-IPO share option scheme	(a)	579,000	8	410	-	418
Issue of shares under the Share Scheme	(b), 32	3,917,548	50	8,813	(8,863)	-
Repurchase of ordinary shares for the Share Scheme	32	-	-	-	(5,083)	(5,083)
Vesting of share awards under the Share Scheme	32	-	-	-	9,435	9,435
At 31 December 2024 and 1 January 2025		2,687,119,908	34,641	411,350	(100,774)	345,217
Exercise of share options granted under the post-IPO share option scheme	(a)	139,000	2	98	-	100
Issue of shares under the Share Scheme	(b), 32	12,729,108	163	34,036	(34,199)	-
Repurchase of ordinary shares for the Share Scheme	32	-	-	-	(914)	(914)
Vesting of share awards under the Share Scheme	32	-	-	-	42,078	42,078
At 31 December 2025		2,699,988,016	34,806	445,484	(93,809)	386,481

- (a) During the year, subscription rights attaching to 139,000 (2024: 579,000) share options granted under the post-IPO share option scheme were exercised at the subscription prices of HK\$4.378 (2024: HK\$4.378) per share (note 32), respectively, resulting in the issue of a total of 139,000 (2024: 579,000) shares of HK\$0.1 each for a total cash consideration, before expenses, of approximately HK\$609,000 (2024: HK\$2,535,000) (equivalent to approximately US\$78,000 (2024: US\$325,000)). An amount of HK\$180,000 (2024: HK\$721,000) (equivalent to approximately US\$22,000 (2024: US\$93,000)) was transferred from the share option reserve to the share premium account upon the exercise of the share options.
- (b) During the year, 12,729,108 (2024: 3,917,548) new shares were issued to satisfy the grant of share awards to eligible participants under the Share Scheme. Such shares are held by the trustee of the Share Scheme and will be transferred to the grantees upon the satisfaction of the vesting conditions. These shares are issued at closing price of the Company's shares at the date of grant of HK\$20.90 (2024: HK\$17.40), resulting in additional share capital of HK\$1,273,000 (2024: HK\$392,000) (equivalent to approximately US\$163,000 (2024: US\$50,000)) and share premium of HK\$264,765,000 (2024: HK\$68,479,000) (equivalent to approximately US\$34,036,000 (2024: US\$8,813,000)) before any issue expenses. These shares shall be vested on the third anniversary of the date of grant and accordingly recorded in shares held under the Share Scheme account of the Group.

Share option and share schemes

Details of the Company's share option and share schemes are included in note 32 to the financial statements.

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32. SHARE OPTION AND SHARE SCHEMES

Post-IPO Share Option Scheme

The Company operates a share option scheme (the "Post-IPO Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Post-IPO Share Option Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group. The Post-IPO Share Option Scheme became effective on 10 September 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Post-IPO Share Option Scheme has expired on 9 September 2020.

The maximum number of unexercised share options currently permitted to be granted under the Post-IPO Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Post-IPO Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive officer or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, or in excess of 0.1% of the shares of the Company in issue at any time, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

On 10 March 2015, the Company granted a total of 13,800,000 share options pursuant to the Post-IPO Share Option Scheme with a exercise price of HK\$4.378 per share and shall be exercisable from 10 March 2016 to 10 March 2025.

The following share options were outstanding under the Post-IPO Share Option Scheme during the year:

	2025		2024	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At 1 January	4.378	139	4.378	718
Exercised during the year	4.378	(139)	4.378	(579)
At 31 December	4.378	–	4.378	139

The weighted average share price at the date of exercise of share options during the year was HK\$16.8 per share (2024: HK\$14.3 per share).

The exercise prices and exercise periods of the share options outstanding under the Post-IPO Share Option Scheme as at the end of the reporting period are as follows:

Number of options '000		Exercise price* HK\$ per share	Exercise period
2025	2024		
–	139	4.378	10 March 2016 to 10 March 2025

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

32. SHARE OPTION AND SHARE AWARD SCHEMES (continued)

Post-IPO Share Option Scheme (continued)

At 31 December 2025 and at the date of approval of these financial statements, the Company had no share options outstanding under the Post-IPO Option Scheme.

Share Scheme

The shareholders of the Company approved the adoption of a new share scheme (the "Share Scheme") with effect from 26 April 2024 to replace the Share Award Scheme. The purpose of the Share Scheme is to provide incentive to the eligible participants in order to promote the development and success of the business of the Group. The Share Scheme will give the eligible participants an opportunity to have a personal stake in the Company and will help motivate the eligible participants in optimising their performance and efficiency and attract and retain the eligible participants whose contributions are important to the long-term growth of the Group. Unless otherwise early terminated by the resolution of the board, the Share Scheme is valid and effective for a period of 10 years from 26 April 2024, the adoption date.

Same as the Share Award Scheme, the Share Scheme is operated through a trustee which is independent of the Group. The shares to be awarded under the Share Scheme will be (i) issued by way of new issue of shares; and/or (ii) acquired by the trustee from the open market after the notification and instruction by the Company. The trustee shall not hold more than 5% of the total number of issued shares of the Company.

On 29 April 2025, (2024: 2 September 2024), the Company granted an aggregate of 3,715,000 (2024: 2,220,000) awarded shares to eight directors, namely Messrs. Yang Xianxiang, Xue Mingyuan, Liu Kecheng, Lai Zhiyong, Yang Xin, Liu Ka Ying, Rebecca, Tse Siu Ngan and Hu Mantian, as well as 9,952,864 (2024: 5,164,372) and 332,136 (2024: 198,176) awarded shares (collectively referred to as the "Awarded Shares") to employees of the Group and related entity participants (collectively referred to as the "Selected Participants"), respectively. Subject to the acceptance of the Selected Participants and that the Selected Participants remain as employees of the Group on the vesting date of the Awarded Shares, the Awarded Shares shall vest in them in accordance with the Scheme Rules on a date specified by the Board and on 29 April 2028 (2024: 2 September 2027) or an earlier date as approved by the Board, respectively, at which time the Awarded Shares will be transferred to the Selected Participants at nil consideration. The closing price of the shares immediately before the date of grant of such Awarded Shares was HK\$20.90. The closing price of the Company's shares at the date of grant was HK\$20.90 on 29 April 2025 (equivalent to approximately US\$2.7) (2024: HK\$17.58 on 2 September 2024 (equivalent to approximately US\$2.3)).

The fair value of the share awards granted on 29 April 2025 (2024: 2 September 2024) was HK\$292,600,000 (equivalent to approximately US\$37,541,000) (2024: HK\$133,301,000 (equivalent to approximately US\$17,079,000)).

The fair value of share awards granted during the year was estimated as at the date of grant by reference to the closing price per share as stated in the daily quotation sheets issued by the Stock Exchange, taking into account all non-vesting conditions associated with the grants. No other features of the awards granted were incorporated into the measurement of fair value.

During the year, the Company repurchased Nil shares (2024: 2,066,000) of the Company through the trustee of the Share Scheme from the open market. The total amount paid to acquire the shares was HK\$7,104,000 (equivalent to approximately US\$914,000) (2024: HK\$39,700,000 (equivalent to approximately US\$5,083,000)), and has been deducted from shareholders' equity. The Awarded Shares that are not yet vested were recorded in shares held under the Share Scheme account of the Group. The Group recognised a share award expense of HK\$210,362,000 (equivalent to approximately US\$26,952,000) (2024: HK\$230,292,000 (equivalent to approximately US\$27,829,000)) during the year in respect of the Awarded Shares granted in the current and prior years.

During the year, 12,729,108 (2024: 3,917,548) new shares were issued to satisfy the grant of share awards to eligible participants under the Share Scheme. Such shares are held by the trustee of the Share Scheme and will be transferred to the grantees upon the satisfaction of the vesting conditions. These shares are issued at closing price of the Company's shares at the date of grant of HK\$20.90 (2024: HK\$17.58), resulting in additional share capital of HK\$1,273,000 (equivalent to approximately US\$163,000) (2024: HK\$392,000 (equivalent to approximately US\$50,000)) and share premium of HK\$264,765,000 (equivalent to approximately US\$34,036,000) (2024: HK\$68,479,000 (equivalent to approximately US\$8,813,000)) before any issue expenses. These shares shall be vested on the third anniversary of the date of grant and accordingly recorded in shares held under the Share Scheme account of the Group.

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32. SHARE OPTION AND SHARE SCHEMES (continued)

Share Scheme (continued)

As at 31 December 2025, there were 42,590,713 shares held through the trustee of the Share Award Scheme and the Share Scheme. Movements in the number of the shares held under the Share Award Scheme and the Share Scheme and their related average repurchase cost are as follows:

	2025		2024	
	Weighted average repurchase cost US\$ per share	Number of shares	Weighted average repurchase cost US\$ per share	Number of shares
At 1 January	2.67	42,242,942	2.36	40,866,939
Vesting of share awards	2.38	(12,381,337)	1.52	(4,607,545)
Issuance of new shares	–	12,729,108	–	3,917,548
Repurchase of ordinary shares during the year	–	–	2.35	2,066,000
At 31 December	3.64	42,590,713	2.67	42,242,942

At the date of approval of these financial statements, the Company had 42,590,713 shares held under the trustee of the the Share Scheme, which represented approximately 1.6% of the Company's shares in issue as at that date.

33. RESERVES

(a) The amounts of the Group's reserves and the movements for the current and prior years are presented in the consolidated statement of changes in equity.

(b) Capital and other reserves

The capital and other reserves comprise the following:

- (i) the par value of ordinary shares of the Company which had been repurchased and cancelled in prior years;
- (ii) the excess of the Company's share of the nominal value of the paid-up capital of the subsidiaries acquired, over the Company's cost of acquisition of the subsidiaries under common control; the capital contribution from the then holding companies of the Group's subsidiaries; and the deemed distributions to the Controlling Shareholder and the acquisition of subsidiaries through business combinations under common control; and
- (iii) the premium paid on repurchase of the Company's own ordinary shares in prior years over their par values.

(c) Reserve funds

Pursuant to the relevant laws and regulations, a portion of the profits of the Company's subsidiaries established in the PRC and other countries has been transferred to statutory reserve funds which are not distributable in the form of cash dividends.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of US\$162,220,000 (2024: US\$79,072,000) and US\$160,041,000 (2024: US\$78,045,000), respectively, in respect of lease arrangements for land, offices and containers.

(b) Changes in liabilities arising from financing activities

	Notes	Bank borrowings		Lease liabilities		Dividend payables	
		2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
At 1 January		166,857	169,034	221,964	201,670	–	–
Changes from financing cash flows		(148,494)	(2,004)	(77,909)	(61,237)	(937,716)	(557,550)
Non-cash changes:							
Dividend declared	12	–	–	–	–	1,180,561	557,550
New leases	15(b)	–	–	160,041	78,045	–	–
Early termination of leases	15(b)	–	–	(11,392)	(4,284)	–	–
Accretion of interest recognised during the year	7	–	–	11,636	8,774	–	–
Amortisation of issuance cost		259	134	–	–	–	–
Exchange realignment		317	(307)	967	(1,004)	(14)	–
At 31 December		18,939	166,857	305,307	221,964	242,831	–

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 US\$'000	2024 US\$'000
Within operating activities	163,703	102,621
Within financing activities	77,909	61,237
Total	241,612	163,858

35. CAPITAL COMMITMENTS

At 31 December 2025, the Group had capital commitments of US\$909,094,000 (2024: US\$181,452,000) and US\$1,581,000 (2024: US\$4,382,000), which are contracted, but not provided for, in respect of acquisition of vessels and construction of intelligent depot respectively.

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36. RELATED PARTY DISCLOSURES

(a) The Group had the following material transactions with related parties during the year:

	Notes	2025 US\$'000	2024 US\$'000
Companies controlled by the Controlling Shareholder:			
Container marine transportation service income [#]	(i)	28,079	25,709
Container vessel rental expenses*	(ii)	8,565	3,062
Container rental expenses	(ii)	598	415
Shipping agency fee expenses [#]	(iii)	1,631	1,865
Joint ventures:			
Container marine transportation service income	(i)	122,712	123,158
Freight forwarding service income	(i)	420,686	311,479
Warehousing expenses	(iii)	23,058	8,460
Freight forwarding service expenses	(iii)	19,292	8,036
Rental income from land and buildings	(iv)	3,112	2,664
Technology outsourcing service income	(iv)	276	373
Container maintenance income	(iv)	155	428

Notes:

- (i) The service income from companies controlled by the Controlling Shareholder and joint ventures was received according to the published prices and conditions similar to those offered to the selected customers of the Group.
- (ii) The container vessel and container rental expenses paid to companies controlled by the Controlling Shareholder are based on market prices.
- (iii) These expenses paid and payable to companies controlled by the Controlling Shareholder and joint ventures were charged according to the published prices and conditions similar to those offered by the major suppliers of the Group.
- (iv) These income from joint ventures are based on market prices.
- * These transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- # The entire economic interest and risks of these transactions were captured and borne by the Group.

(b) Key management personnel of the Group are directors of the Company, details of whose emoluments are included in note 9 to the financial statements.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

At 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss – designated as such upon initial recognition US\$'000	Financial assets at amortised cost US\$'000	Total US\$'000
Trade receivables	–	184,062	184,062
Financial assets included in prepayments, deposits and other receivables	–	24,565	24,565
Derivative financial instruments	387	–	387
Financial assets at fair value through profit or loss	167,386	–	167,386
Cash and cash equivalents	–	243,584	243,584
Time deposits with original maturity over three months	–	537,644	537,644
Total	167,773	989,855	1,157,628

Financial liabilities

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition US\$'000	Financial liabilities at amortised cost US\$'000	Total US\$'000
Trade payables	–	235,244	235,244
Financial liabilities included in other payables and accruals	–	83,430	83,430
Bank borrowings	–	18,939	18,939
Lease liabilities	–	305,307	305,307
Total	–	642,920	642,920

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37. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

At 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss – designated as such upon initial recognition US\$'000	Financial assets at amortised cost US\$'000	Total US\$'000
Trade receivables	–	174,671	174,671
Financial assets included in prepayments, deposits and other receivables	–	24,253	24,253
Derivative financial instruments	5,294	–	5,294
Financial assets at fair value through profit or loss	690	–	690
Cash and cash equivalents	–	136,093	136,093
Time deposits with original maturity over three months	–	608,401	608,401
Total	5,984	943,418	949,402

Financial liabilities

	Financial liabilities at fair value through profit or loss – designated as such upon initial recognition US\$'000	Financial liabilities at amortised cost US\$'000	Total US\$'000
Trade payables	–	233,680	233,680
Derivative financial instruments	1,001	–	1,001
Financial liabilities included in other payables and accruals	–	62,042	62,042
Bank borrowings	–	166,857	166,857
Lease liabilities	–	221,964	221,964
Total	1,001	684,543	685,544

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and dividend payables approximate to their carrying amounts largely due to the short term maturities of these instruments. In addition, management considers that the Group's exposure to fair value and cash flow interest rate risks on the bank borrowings is insignificant as the majority of the balances bear interest at fixed interest rates.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the Chief Financial Officer and the Audit Committee.

At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Chief Financial Officer. The valuation process and results are discussed with the Audit Committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (a) The Group places principal-protected investment deposits with creditworthy banks, and their fair values are determined with reference to market observable inputs currently available for investments with similar terms and credit risk. The carrying amounts of principal-protected investment deposits are the same as their fair values.
- (b) The Group places into derivative financial instruments with various counterparties, principally financial institutions of creditworthy banks. Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

- (c) The fair value of unlisted fund is based on the reported net asset value in the monthly statement provided by the fund administrator. The net asset value is determined with reference to unobservable inputs for the underlying assets, using the best available assumptions for the purposes of the pricing of underlying assets. The carrying amount of unlisted fund investment is the same as its fair value.

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

At 31 December 2025

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Derivative financial instruments	–	387	–	387
Financial assets at fair value through profit or loss	167,386	–	–	167,386
Total	167,386	387	–	167,773

At 31 December 2024

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Derivative financial instruments	–	5,294	–	5,294
Unlisted investment at fair value through profit or loss	–	–	690	690
Total	–	5,294	690	5,984

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Liabilities measured at fair value

At 31 December 2025

	Fair value measurement using			Total US\$'000		
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000			
	Derivative financial instruments	-	-		-	-

At 31 December 2024

	Fair value measurement using			Total US\$'000		
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000			
	Derivative financial instruments	-	1,001		-	1,001

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 (2024: Nil) and no transfer into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. To manage this mix in a cost-effective manner, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2025, after taking into account the effect of the interest rate swaps, 79% (2024: 54%) of the Group's borrowings are at fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax US\$'000
2025		
US\$	100	(150)
THB	100	(39)
US\$	(100)	150
THB	(100)	39
2024		
US\$	100	(719)
THB	100	(49)
US\$	(100)	719
THB	(100)	49

Foreign currency risk

The Group has minimal transactional currency exposure as most of the Group's sales and purchases by operating units are denominated in the functional currencies of the relevant operating units. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The Group shall use derivative contracts to hedge against its exposure to currency risk only when it is required. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. At 31 December 2025, the Group had no foreign exchange hedging instruments (2024: Nil) of its foreign currency sales.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB and JPY exchange rates against US\$, with all other variables held constant, of the Group's profit before tax (arising from RMB and JPY denominated financial instruments) and the Group's equity (due to changes in the fair value of certain bank borrowings designated as hedging instruments).

	Increase/ (decrease) in rate %	Increase/ (decrease) in profit before tax US\$'000	Increase/ (decrease) in equity US\$'000
2025			
If US\$ weakens against RMB	(5.0)	424	–
If US\$ strengthens against RMB	5.0	(424)	–
If US\$ weakens against JPY	(5.0)	9	–
If US\$ strengthens against JPY	5.0	(9)	–
2024			
If US\$ weakens against RMB	(5.0)	393	–
If US\$ strengthens against RMB	5.0	(393)	–
If US\$ weakens against JPY	(5.0)	6	–
If US\$ strengthens against JPY	5.0	(6)	–

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, financial assets at fair value through profit or loss, deposits and other receivables and certain derivative financial instruments arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within one year or on demand US\$'000	In the second year US\$'000	In the third to fifth years, inclusive US\$'000	In the sixth to tenth years, inclusive US\$'000	Total US\$'000
At 31 December 2025					
Trade payables	235,244	-	-	-	235,244
Financial liabilities included in other payables and accruals	83,430	-	-	-	83,430
Bank borrowings	19,708	-	-	-	19,708
Lease liabilities	74,783	71,906	159,158	49,721	355,568
Total	413,165	71,906	159,158	49,721	693,950

	Within one year or on demand US\$'000	In the second year US\$'000	In the third to fifth years, inclusive US\$'000	In the sixth to tenth years, inclusive US\$'000	Total US\$'000
At 31 December 2024					
Trade payables	233,680	-	-	-	233,680
Financial liabilities included in other payables and accruals	62,042	-	-	-	62,042
Bank borrowings	118,077	16,473	37,203	-	171,753
Lease liabilities	56,125	42,586	112,761	30,005	241,477
Total	469,924	59,059	149,964	30,005	708,952

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. The Group's policy is to maintain a healthy ratio. Net debt includes bank borrowings, lease liabilities, trade and other payables and accruals, less cash and bank balances. Adjusted capital includes equity attributable to shareholders of the Company less hedging reserve. The gearing ratios as at the end of the reporting periods were as follows:

	31 December 2025 US\$'000	31 December 2024 US\$'000
Bank borrowings	18,939	166,857
Lease liabilities	305,307	221,964
Trade payables	235,244	233,680
Other payables and accruals	164,932	143,332
Less: Cash and cash equivalents	(243,584)	(136,093)
Time deposits with original maturity over three months	(537,644)	(608,401)
Net debt*	–	21,339
Equity attributable to shareholders of the Company	2,478,538	2,404,236
Less: Hedging reserve	(4,105)	(8,531)
Adjusted capital	2,474,433	2,395,705
Adjusted capital and net debt	2,417,627	2,417,044
Gearing ratio	0%	0.9%

* Net debt is zero when the total amounts of cash and cash equivalents and time deposits with original maturity over three months are higher than gross asset.

Notes to Financial Statements

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40. EVENT AFTER THE REPORTING PERIOD

On 30 January 2026, SITC Shipowning Group Company Limited exercised the options for the construction of two additional container vessels at the aggregate consideration of US\$76,360,000. Further details are set out in the announcement of the Company dated 30 January 2026.

Save as disclosed above, no significant event has taken place subsequent to the reporting period.

41. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year's presentation and disclosures.

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	2025 US\$'000	2024 US\$'000
NON-CURRENT ASSETS		
Investment in a subsidiary	59,413	59,413
Total non-current assets	59,413	59,413
CURRENT ASSETS		
Due from a subsidiary	1,105,540	442,629
Cash and bank balances	52	50
Total current assets	1,105,592	442,679
CURRENT LIABILITIES		
Other payables	25,815	23,598
Dividend payables	242,831	5
Total current liabilities	268,646	23,603
NET CURRENT ASSETS	836,946	419,076
TOTAL ASSETS LESS CURRENT LIABILITIES	896,359	478,489
Net assets	896,359	478,489
EQUITY		
Issued capital	34,806	34,641
Reserves (note)	861,553	443,848
Total equity	896,359	478,489

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: A summary of the Company's reserves is as follows:

	Notes	Share premium account US\$'000	Shares held under the Share Scheme account US\$'000	Share-based compensation award reserve US\$'000	Capital and other reserves US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2024		402,127	(96,263)	50,353	59,614	78,786	494,617
Profit for the year and total comprehensive income for the year		-	-	-	-	483,768	483,768
Issue of shares upon exercise of share options under the Post-IPO share option scheme	31	410	-	(93)	-	-	317
Issue of shares under the Share Scheme	31	8,813	(8,863)	-	-	-	(50)
Vesting of share awards under the Share Scheme	32	-	9,435	(9,435)	-	-	-
Repurchase of shares under the Share Scheme	32	-	(5,083)	-	-	-	(5,083)
Share award expense	32	-	-	27,829	-	-	27,829
Final 2023 dividend paid		-	-	-	-	(171,422)	(171,422)
Interim 2024 dividend declared	12	-	-	-	-	(247,817)	(247,817)
Special dividend declared	12	-	-	-	-	(138,311)	(138,311)
At 31 December 2024 and 1 January 2025		411,350	(100,774)	68,654	59,614	5,004	443,848
Profit for the year and total comprehensive income for the year		-	-	-	-	1,572,315	1,572,315
Issue of shares upon exercise of share options under the Post-IPO share option scheme	31	98	-	(22)	-	-	76
Issue of shares under the Share Scheme	31	34,036	(34,199)	-	-	-	(163)
Vesting of share awards under the Share Scheme	32	-	42,078	(42,078)	-	-	-
Repurchase of shares under the Share Scheme	32	-	(914)	-	-	-	(914)
Share award expense	32	-	-	26,952	-	-	26,952
Final 2024 dividend paid	12	-	-	-	-	(487,315)	(487,315)
Interim 2025 dividend declared	12	-	-	-	-	(450,401)	(450,401)
Special dividend declared	12	-	-	-	-	(242,845)	(242,845)
At 31 December 2025		445,484	(93,809)	53,506	59,614	396,758	861,553

43. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 10 March 2026.

Five Year Financial Summary

A summary of the consolidated results and of the assets, liabilities and equity of SITC International Holdings Company Limited (the “Company”) and its subsidiaries (together the “Group”) for the last five financial years, as extracted from the published audited financial statements for the year ended 31 December 2025 and the annual report for the year ended 31 December 2024, is set out below.

The summary below does not form part of the audited financial statements.

	2025 US\$'000	Year ended 31 December			
		2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
RESULTS					
REVENUE	3,411,647	3,058,059	2,428,959	4,112,955	3,012,447
Cost of sales	(2,101,181)	(1,915,242)	(1,805,925)	(2,133,873)	(1,693,074)
Gross profit	1,310,466	1,142,817	623,034	1,979,082	1,319,373
Other income and gains, net	82,858	45,002	69,465	160,319	24,267
Administrative expenses	(153,578)	(143,998)	(136,047)	(165,651)	(154,764)
Other expenses, net	(5,686)	(952)	(4,085)	(5,383)	(4,493)
Finance costs	(15,550)	(15,676)	(18,753)	(17,492)	(15,663)
Share of profits and losses of:					
Joint ventures	31,080	24,503	20,013	21,706	15,578
Associates	1,679	1,878	(213)	461	368
PROFIT BEFORE TAX	1,251,269	1,053,574	553,414	1,973,042	1,184,666
Income tax	(20,867)	(19,232)	(17,240)	(23,235)	(17,487)
PROFIT FOR THE YEAR	1,230,402	1,034,342	536,174	1,949,807	1,167,179
Profit attributable to:					
Shareholders of the Company	1,222,887	1,028,325	531,393	1,944,425	1,162,714
Non-controlling interests	7,515	6,017	4,781	5,382	4,465
	1,230,402	1,034,342	536,174	1,949,807	1,167,179

	2025 US\$'000	At 31 December			
		2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
ASSETS, LIABILITIES AND EQUITY					
TOTAL ASSETS	3,477,570	3,198,073	2,652,463	3,082,856	2,716,423
TOTAL LIABILITIES	(976,364)	(776,569)	(721,405)	(917,845)	(1,200,739)
NET ASSETS	2,501,206	2,421,504	1,931,058	2,165,011	1,515,684
Represented by:					
Equity attributable to shareholders of the Company	2,478,538	2,404,236	1,914,536	2,150,540	1,501,687
Non-controlling interests	22,668	17,268	16,522	14,471	13,997
TOTAL EQUITY	2,501,206	2,421,504	1,931,058	2,165,011	1,515,684