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Seacon Shipping Group Holdings Limited

洲際船務集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2409)

MAJOR TRANSACTIONS

(1) ACQUISITION AND GUARANTEE;

(2) BAREBOAT CHARTER ARRANGEMENTS;

AND

(3) NOVATION OF SIX SHIPBUILDING CONTRACTS II

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the “Definitions” section of this circular.

A letter from the Board is set out on pages 9 to 26 of this circular.

The Company has obtained irrevocable and unconditional written approvals for the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II from the Closely Allied Group. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders’ approval requirement in respect of the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II has been satisfied in lieu of a Shareholders’ general meeting of the Company. This circular is being despatched to the Shareholders for information only.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Target Interest contemplated under the Transfer Agreement
“Bank”	Agricultural Bank of China Limited* (中國農業銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and its shares are listed on the Stock Exchange (stock code: 1288) and the Shanghai Stock Exchange (stock code: 601288), respectively
“Bareboat Charter Arrangements”	collectively, the Bareboat Charters, the Security Documents, the Guarantees and the Multi-Party Agreements
“Bareboat Charter(s)”	the Bareboat Charters entered between the Charterers and the Owners in connection with the Vessels on 16 October 2025
“Board”	the board of Directors
“Buyer A”	Gerdecon GmbH & Co. KG, a company incorporated under the laws of the Germany with limited liability
“Buyer B”	Gerdecon GmbH & Co. KG, a company incorporated under the laws of the Germany with limited liability
“Buyer C”	Gerdecon GmbH & Co. KG, a company incorporated under the laws of the Germany with limited liability
“Buyer D”	Geryaocon UG (haftungsbeschränkt) & Co.KG, a company incorporated under the laws of the Germany with limited liability
“Buyer E”	Geryaocon UG (haftungsbeschränkt) & Co.KG, a company incorporated under the laws of the Germany with limited liability
“Buyer F”	Geryaocon UG (haftungsbeschränkt) & Co.KG, a company incorporated under the laws of the Germany with limited liability
“Buyers”	Buyer A, Buyer B, Buyer C, Buyer D, Buyer E and Buyer F and “Buyer” means any one of them
“Charter-Hire Principal Balance”	on any relevant date, the Finance Principal minus the aggregate Fixed Charter-Hire which has been paid by the relevant Charterer and received by the corresponding Owner as at such date
“Charter Period”	the period commencing on the Delivery Date and ending on the Maturity Date, subject to the terms of the relevant Bareboat Charter

DEFINITIONS

“Charterers”	SEACON ATLANTA LTD., SEACON BARCELONA LTD., and SEACON COLOMPO LTD., each of them being a company incorporated in Marshall Islands with limited liability and an indirect wholly owned subsidiary of the Company
“CIMC”	China International Marine Containers (Group) Co., Ltd.* (中國國際海運集裝箱(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability and its shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2039) and the Shenzhen Stock Exchange (Stock Code: 000039), respectively
“Closely Allied Group”	a closely allied group of the Shareholders comprising Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited which together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the Latest Practicable Date)
“Company”	Seacon Shipping Group Holdings Limited (洲際船務集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409)
“Completion Date”	the date of the completion of the sale and purchase of the Target Interest pursuant to the terms of the Transfer Agreement
“Consideration”	the total consideration in the sum of approximately RMB481,914,200 for the Acquisition under the Transfer Agreement
“Delivery”	the time when: (a) the relevant Owner obtains title to the respective Vessel from the Seller in accordance with the terms of the Shipbuilding Contracts; and (b) the relevant Charterer accepts delivery of the respective Vessel from the corresponding Owner in accordance with the terms of the relevant Bareboat Charter
“Delivery Date”	the date on which the relevant Delivery takes place, which are expected to be 30 January 2026, 30 April 2026 and 15 July 2026 for the Vessels respectively
“Directors”	the directors of the Company
“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions

DEFINITIONS

“Enlarged Group”	the Group as enlarged by the Target Company upon completion of the Acquisition
“Finance Lease Arrangements”	the finance lease arrangements in relation to the seven mini bulk carriers, each with 2,518 gross tonnage, five constructed in 2023, one constructed in 2022 and another constructed in 2024, namely Baltic Fin, Baltic Grain, Baltic Moon, Baltic Split, Baltic Steel, Baltic Sun and Baltic Wind, as set out in the announcement of the Company dated 30 April 2025
“Finance Principal”	USD27 million per Vessel
“Fixed Charter-Hire”	a portion payable on each Payment Date commencing from the relevant Delivery Date pursuant to the relevant Bareboat Charters
“General Assignment”	the general assignment to be entered into by the each of the Charterers in favour of the relevant Owner to assign the Charterer’s rights in relation to the earnings, requisition compensation, insurances and any approved sub-charter in respect of the corresponding Vessel
“Germany”	the Federal Republic of Germany
“Group”	the Company and its subsidiaries
“Guarantee”	the provision of guarantee contemplated under the Guarantee Agreement
“Guarantee Agreement”	the Guarantee Agreement entered into between the Bank and the Company on 13 October 2025
“Guarantees”	the guarantees dated 16 October 2025 entered into by the Company in favour of the Owners
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 December 2025

DEFINITIONS

“Leasing Documents”	the relevant Bareboat Charter, Multi-Party Agreement, Novation Agreement, Shipbuilding Contract, Guarantee, letter of undertaking to be executed by each approved manager under which, amongst others, such manager agrees to subordinate its rights against the Charterers to the rights of the Owners, Security Documents, and any other documents designated as a Leasing Document by the relevant Owners and Charterers and any document assigned and/or secured thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the Loan Agreement dated 17 January 2025 entered into between the Bank and the Target Company, as may be amended, supplemented or otherwise modified from time to time
“Marshall Islands”	the Republic of the Marshall Islands
“Maturity Date”	means the date falling 180 months after the Delivery Date
“Multi-Party Agreements”	the agreements entered by the Owners, the respective Charterers and the Seller on 16 October 2025
“Novation”	the transfer of all the rights and obligations under the Shipbuilding Contracts II to the Buyers in relation to the Vessels II pursuant to the Novation Agreements II
“Novation Agreement(s)”	the novation agreement in respect of the Shipbuilding Contract dated 16 October 2025 entered into between the Seller, the Original Buyer and the corresponding Owners in respect of each Vessel
“Novation Agreement(s) II”	the Novation Agreements dated 28 November 2025, entered into among the corresponding Buyers, the Seller and the Previous Buyer, in relation to the transfer of all the rights and obligations under the Shipbuilding Contracts II to the corresponding Buyers in relation to the six Vessels II
“Obligor”	the Original Buyer, the Charterers, Seacon Shipping Pte. Ltd., the Company and any approved manager
“Original Buyer”	Continental Aurora Shipinvest Ltd., a company incorporated in Marshall Islands with limited liability, a joint venture owned by the Group as to 50%
“Original Buyer II”	UNION MARINE LIMITED, a company incorporated and existing under the laws of the British Virgin Islands, an independent third party

DEFINITIONS

“Owners”	Qihang Zhongzhou 2 Leasing (Tianjin) Co., Ltd., Qihang Zhongzhou 3 Leasing (Tianjin) Co., Ltd., and Qihang Zhongzhou 4 Leasing (Tianjin) Co., Ltd., each of them being a company incorporated in the PRC with limited liability
“Payment Date”	each or any of the following dates: <ul style="list-style-type: none">(a) the last day of the third calendar month after the Delivery Date;(b) each date falling at quarterly intervals during the Charter Period after the date described in paragraph (a) above; and(c) the Maturity Date
“PRC”	the People’s Republic of China
“Previous Buyer”	Seacon Shipping Pte. Ltd., a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Previous Novation Agreements”	six novation agreements dated 30 October 2024, entered into among the Previous Buyer, the Seller and Original Buyer II, in relation to the transfer of all the rights and obligations under the original shipbuilding contracts to the Previous Buyer in relation to the Vessels II
“Purchase Option”	the early purchase option which the Charterers are entitled to exercise over the Vessels pursuant to the Bareboat Charters
“Purchase Option Date”	the date on which the relevant Charterer wishes to purchase the Vessel
“Purchase Option Fee”	for each Vessel: <ul style="list-style-type: none">(a) if the Purchase Option Date falls on or before the Delivery Date, an amount equal to 1% of the aggregate amount of the shipbuilding instalments paid or prepositioned by the Owners as at the Purchase Option Date;(b) if the Purchase Option Date falls after the Delivery Date and before the sixth anniversary of the Delivery date, an amount up to 1% of the Charter-Hire Principal Balance as at the Purchase Option Date;(c) if the Purchase Option Date falls after the sixth anniversary of the Delivery Date, nil

DEFINITIONS

“Purchase Option Price”	<p>the aggregate of the following in respect of a Vessel:</p> <ul style="list-style-type: none">(a) the relevant Charter-Hire Principal Balance as at the relevant Purchase Option Date;(b) the relevant applicable Purchase Option Fee as at the relevant Purchase Option Date;(c) any relevant charter-hire due but unpaid as at the relevant Purchase Option Date;(d) any break funding costs incurred or payable by the relevant Owner;(e) any costs and expenses incurred by the relevant Owner as a result of the exercise of the Purchase Option; and(f) any other amounts due and outstanding under the corresponding Leasing Documents together with any applicable interest
“Purchaser”	SG XINDE INVESTMENT (HK) LIMITED, a company incorporated with limited liability under the laws of Hong Kong and an indirect wholly owned subsidiary of the Company
“Reference Rate”	the term secured overnight financing rate for three months and two U.S. Government securities business days before the first day of that period, subject to the terms of the relevant Bareboat Charter
“RMB”	Renminbi, the lawful currency of the PRC
“Security Documents”	the General Assignment, the Shares Security, and any other security documents granted as security for the obligations of the Charterers under or in connection with the Bareboat Charters
“Seller”	Jiangsu Dajin Heavy Industry Co., Ltd.* (江蘇大津重工有限公司), a limited liability company established under the laws of the PRC
“Shareholder(s)”	holders of the Shares
“Shares”	ordinary shares with a nominal or par value of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shares Security”	the charge over the shares in the relevant Charterer dated 16 October 2025 entered into by its direct sole shareholder, Seacon Shipping Pte. Ltd., an indirect wholly owned subsidiary of the Company, in favour of the corresponding Owner
“Shenzhen Exchange”	Shenzhen United Property And Equity Exchange* (深圳聯合產權交易所)
“Shipbuilding Contracts”	the shipbuilding contracts dated 10 May 2024 between the Seller and independent third-party purchasers or, if the context so requires, such shipbuilding contracts as novated and further novated under the Novation Agreements
“Shipbuilding Contract(s) II”	the six shipbuilding contracts as annexed to the Previous Novation Agreements in respect of the sale and purchase of the Vessels II between the Previous Buyer and the Seller
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	CIMC Xinde Leasing (Shenzhen) Co., Ltd.* (中集鑫德租賃(深圳)有限公司), a limited liability company incorporated in the PRC
“Target Interest”	40% equity interest in the Target Company to be acquired by the Purchaser under the Transfer Agreement
“Transfer Agreement”	the equity transaction agreement dated 29 September 2025 entered into among the Vendor, the Purchaser and the Target Company
“United States” or “U.S.”	the United States of America
“USD”	United States dollars, the lawful currency of the United States
“Vendor”	Shenzhen Financial Leasing (Group) Co., Ltd.* (深圳市融資租賃(集團)有限公司), previous known as CIMC Capital Ltd* (中集融資租賃有限公司), a company established in the PRC with limited liability
“Vessels”	three approximately 40,400dwt bulk carriers under construction, which are not revenue-generating assets with an identifiable income stream

DEFINITIONS

“Vessels II” six 5,200dwt multi-purpose dry cargo vessels, each to be constructed respectively under each of the corresponding Novation Agreements II and Shipbuilding Contracts II

“%” per cent



Seacon Shipping Group Holdings Limited

洲際船務集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2409)

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Mr. He Gang

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Independent Non-executive Directors:

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Ms. Zhang Xuemei

Mr. Zhuang Wei

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Shandong Province

the PRC

24 December 2025

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTIONS

(1) ACQUISITION AND GUARANTEE;

(2) BAREBOAT CHARTER ARRANGEMENTS;

AND

(3) NOVATION OF SIX SHIPBUILDING CONTRACTS II

I. INTRODUCTION

References are made to (1) the announcement of the Company dated 29 September 2025 in relation to the Acquisition and the Guarantee; (2) the announcement of the Company dated 16 October 2025 in relation to the Bareboat Charter Arrangements; and (3) the announcement of the Company dated 28 November 2025 in relation to the Novation of six Shipbuilding Contracts II.

LETTER FROM THE BOARD

On 29 September 2025 (after trading hours of the Stock Exchange), (1) the Purchaser, being an indirect wholly owned subsidiary of the Company, the Vendor and the Target Company entered into the Transfer Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Target Interest, representing 40% equity interest in the Target Company, at the Consideration of approximately RMB481,914,200.

Pursuant to the Transfer Agreement, from the Completion Date of the acquisition of the Target Interest, the Purchaser shall undertake the obligation to provide shareholder guarantee for the Target Company in favour of the relevant bank in proportion to its equity interest. The parties to the Transfer Agreement further agreed that the Company shall bear the relevant guarantee obligations under the Guarantee. Accordingly, on 13 October 2025, the Bank and the Company entered into the Guarantee Agreement, pursuant to which the Company shall agree to provide the Guarantee in relation to a principal amount of USD40,440,000, as well as other interest, costs and expenses, to the Bank in respect of the obligations of the Target Company under the Loan Agreement.

On 16 October 2025 (after trading hours of the Stock Exchange), (1) each of the Charterers, being three indirect wholly owned subsidiaries of the Company, entered into a Bareboat Charter with one of the Owners, pursuant to which the relevant Owner agreed to charter a Vessel to the corresponding Charterer; and (2) the Group agreed to enter into the Security Documents, the Guarantees in favour of the Owners and the Multi-Party Agreements.

On 28 November 2025 (after trading hours of the Stock Exchange), the Buyers entered into the Novation Agreements II with the Seller and the Previous Buyer, an indirect wholly-owned subsidiary of the Company, pursuant to which the Previous Buyer agreed to transfer to the Buyers all the rights and obligations under the Shipbuilding Contracts II. Upon completion of the Novation, the Shipbuilding Contracts II continue in full force and effect as novated, save for the amendments set out in the Novation Agreements II, in relation to the six Vessels II at an aggregate consideration of approximately USD12,300,000, being the total amount paid by the Previous Buyer under the Shipbuilding Contracts II up to the date of each Novation Agreement II.

The purpose of this circular is to provide you with information in relation to (1) the Acquisition under the Transfer Agreement and the Guarantee under the Guarantee Agreement; (2) the Bareboat Charters under the Bareboat Charter Arrangements; and (3) the Novation of the six Shipbuilding Contracts II.

LETTER FROM THE BOARD

II. ACQUISITION AND GUARANTEE

The Acquisition

The principal terms of the Transfer Agreement are summarized as follows:

Date	:	29 September 2025
Parties	:	The Vendor, the Purchaser, and the Target Company
Assets to be acquired	:	Pursuant to the Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Target Interest, representing 40% equity interest in the Target Company.

Set out below is a summary of the financial information of the Target Company for the years ended 31 December 2023 and 2024:

	For the year ended 31 December 2023	For the year ended 31 December 2024
	<i>(RMB in thousands, audited)</i>	
Net profits before taxation	31,896	68,151
Net profits after taxation	24,722	63,702

The audited net asset value of the Target Company as of 31 December 2024 was approximately RMB1.2 billion.

Consideration	:	Pursuant to the Transfer Agreement, the Consideration will be approximately RMB481,914,200, which was determined with reference to the net asset value of the proportion of Target Interest in the Target Company, namely 40%, in the amount of approximately RMB480 million and by way of agreement to transfer facilitated by the Shenzhen Exchange.
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LETTER FROM THE BOARD

The Consideration shall be payable by the Purchaser in cash in the following manner:

- (1) the Purchaser shall pay a deposit of RMB120 million to the Shenzhen Exchange; and
- (2) the remaining balance of the Consideration of approximately RMB361,914,200 (after deducting the deposit) shall be paid to the designated settlement account of the Shenzhen Exchange within five working days from the effective date of the Transfer Agreement, namely upon execution by all parties and obtaining any applicable stipulated approvals. The Consideration shall be further transferred in full to the Vendor's designated account in accordance with the terms of the Transfer Agreement.

Transfer of ownership : The transfer of ownership of the Target Interest shall take place and the Vendor shall arrange the registration of the change of the state-owned equity of the Target Company within five working days after the Vendor has received the Consideration and the Purchaser has paid the related fees of the Acquisition it is responsible for.

Guarantee obligations : The Purchaser shall, from the Completion Date of the acquisition of the Target Interest, provide shareholder guarantees for the Target Company in favour of the relevant bank in proportion to its equity interest pursuant to the Transfer Agreement. The parties to the Transfer Agreement further agreed that the Company shall bear the relevant guarantee obligations under the Guarantee.

Termination : Subject to the terms of the Transfer Agreement, it may be terminated upon the occurrence of, among others, of the following events:

- (1) the Parties mutually agree to terminate the Transfer Agreement due to changes in circumstances;
- (2) the performance of all obligations pursuant to the Transfer Agreement becomes impossible due to force majeure; or
- (3) other circumstances as stipulated by applicable laws and regulations.

LETTER FROM THE BOARD

The Guarantee

The principal terms of the Guarantee Agreement are summarized as follows:

- Date : 13 October 2025
- Parties : The Bank and the Company
- Guarantee : The Company, as guarantor, shall agree to provide the Guarantee in relation to a principal amount of USD40,440,000, as well as other interest, costs and expenses, to the Bank in respect of the obligations of the Target Company under the Loan Agreement, including but not limited to those with respect to the principal and interest, as well as any penalties, compensations and other expenses, which is in proportion to its equity interest.
- Effective date : The Guarantee Agreement shall become effective upon the satisfaction of the following conditions, whichever the later: (1) the execution of the Guarantee Agreement by each party of such agreement; (2) the release of bidding results in relation to the Target Interest; and (3) the completion of registration of the transfer of the Target Interest to the Company's subsidiary.
- Period of guarantee : The period of guarantee shall be three years from the expiration of the Target Company's debt performance period under the Loan Agreement.

If the Target Company's debt performance period under the Loan Agreement is extended, the Company shall agree to continue to provide the Guarantee, and the guarantee period shall be three years from the expiration of the extended debt performance period.

LETTER FROM THE BOARD

III. THE BAREBOAT CHARTER ARRANGEMENTS

Each of the Bareboat Charter Arrangements is on substantially the same terms (other than the parties and the vessels involved). The principal terms of the Bareboat Charter Arrangements are summarized as follows:

- | | | |
|----------------|---|---|
| Date | : | 16 October 2025 |
| Parties | : | The respective Charterers and the corresponding Owners |
| Subject matter | : | Each of the Vessels is an approximately 40,400dwt bulk carrier to be constructed under the corresponding Shipbuilding Contract. The estimated values (unaudited) of the right-of-use assets that will be recognized by the Company in relation to each of the Vessels under the Bareboat Charters are similar, which will amount to approximately USD86.6 million in aggregate. |
| Charter period | : | The charter period of each of the Vessels is 180 months commencing from their respective Delivery Date, subject to the terms of the Bareboat Charters. |
| Charter-hire | : | The charter-hire payable by each of the Charterers on each corresponding Payment Date to the relevant Owner in connection with the Vessel under the relevant Bareboat Charter consists of: <ul style="list-style-type: none">(1) a Fixed Charter-Hire of:<ul style="list-style-type: none">(a) USD195,000, for the first three years;(b) USD260,000, for the second three years;(c) USD325,000, for the third three years;(d) USD390,000, for the fourth three years;(e) USD455,000, for the final three years; and(2) a variable charter-hire, being the interest element, calculated by applying an interest rate equal to the sum of a margin of 1.88% per annum and the Reference Rate on the Charter-Hire Principal Balance as at the date falling immediately prior to the relevant Payment Date for the hire period ending on the Payment Date. |

LETTER FROM THE BOARD

Purchase Options : Subject to the terms of the Bareboat Charters, each Charterer shall have a Purchase Option to purchase the relevant Vessel at the Purchase Option Price.

Security Documents

In connection with each of the Bareboat Charters, the following Security Documents have been or will be entered into by the Group:

- (1) the General Assignment to assign the Charterer's rights in relation to the earnings, requisition compensation, insurances and any approved sub-charter in respect of the corresponding Vessel in favour of the relevant Owner; and
- (2) the Shares Security over the entire issued shares in the Charterers in favour of the relevant Owner.

Guarantees

The Company entered into the Guarantees in favour of the Owners, pursuant to which the Company agreed to, among other things:

- (1) guarantee to the Owners the due payment of all amounts payable by the Obligors, and undertake with the Owners to pay to them, immediately on their demand, any such amount which is not paid by the Charterers when due and payable, under or in connection with the Leasing Documents to which they are a party;
- (2) guarantee to the Owners the punctual performance by the Obligors of all their obligations under or in connection with any Leasing Document to which they are a party; and
- (3) undertake to fully indemnify the Owners immediately on their demands in respect of all documented claims, expenses, liabilities, costs and losses which are made or brought against or incurred by the Owners as a result of or in connection with any obligation or liability of the Obligors under the corresponding Leasing Documents, and/or any obligation or liability guaranteed by the Company being or becoming unenforceable, invalid, void or illegal.

LETTER FROM THE BOARD

While the guaranteed Obligors shall include the Original Buyer, which is not a subsidiary of the Group, it is expected that any guarantee liability arising due to the Original Buyer's default will be minimal, as all the Original Buyer's rights and obligations under the Shipbuilding Contract shall be novated to the Owners pursuant to the respective Novation Agreements, and the Original Buyer does not have any specific and substantive payment obligations under the Leasing Documents, while the Group expects that it can effectively supervise the Original Buyer to perform its contractual obligations through the Group's 50% shareholding, board of directors representation in and the decision making procedures of the Original Buyer, such that all major decisions of the Original Buyer are subject to the approval of the Group.

Multi-Party Agreements

The Vessels are being constructed pursuant to the Shipbuilding Contracts entered into between the Seller and independent third-party purchasers. The rights and obligations of the purchasers were novated to the Original Buyer, which were further novated to the respective Owners as the buyers under the Novation Agreements.

In light of the Bareboat Charters, on 16 October 2025, the Owners, the respective Charterers, and the Seller entered into the Multi-Party Agreements in relation to the appointment of the Charterers to act as the relevant Owners' representative or supervisor in respect of the supervision and inspection of the relevant Vessel pursuant to the Shipbuilding Contract.

Moreover, pursuant to the Multi-Party Agreements, each of the Owners' financial obligation under the respective Shipbuilding Contract shall be limited to the Finance Principal of USD27 million per Vessel. Each of the Charterers is responsible for funding any payment obligations exceeding the Finance Principal of approximately USD3 million per Vessel, which represents the difference between the relevant Contract Price and the Finance Principal, subject to adjustment pursuant to the terms of the Shipbuilding Contract.

The amount of the charter-hire payments, the Purchase Option Prices pursuant to the Bareboat Charters and the payment obligations pursuant to the Multi-Party Agreements was determined after arm's length negotiations between the corresponding Owner and Charterer taking into account (1) the Contract Prices of the Vessels under the Shipbuilding Contracts being USD30 million per Vessel, (2) the value of the right-of-use assets that will be recognized by the Company in relation to the Vessels, and (3) the consideration payable by the Company in the bareboat charter transactions for other vessels.

LETTER FROM THE BOARD

IV. THE NOVATION OF THE SIX SHIPBUILDING CONTRACTS II

Each of the Novation Agreements II is on substantially the same terms (other than the Vessels II involved). The material terms of the Novation Agreements II are as follows:

Date	:	28 November 2025
Parties	:	The Seller The Previous Buyer The corresponding Buyers
Subject matter	:	The Shipbuilding Contracts II in relation to the Vessels II, namely six 5,200dwt multi-purpose dry cargo Vessels II to be constructed and expected to be respectively delivered on 30 March and 30 September 2026, 30 June and 30 September 2027, as well as 30 March 2027 for the remaining two Novation Vessels.
Consideration	:	(1) the assumption by the Buyers of all the rights, obligations and liabilities of the Previous Buyer under the Shipbuilding Contracts II and the release of the Previous Buyer from its obligations and liabilities thereunder, subject to the terms of the Novation Agreements II; and (2) the payment of approximately USD12,300,000, being the total amount paid by the Previous Buyer under the Shipbuilding Contracts II up to the date of the Novation Agreements II, by the Buyers to the Previous Buyer within a reasonable time after the date of the Novation Agreements II. The consideration was determined after arm's length negotiations among the Seller, the Previous Buyer and the Buyers taking into account the total amount paid by the Previous Buyer under the Shipbuilding Contracts II up to the date of the Novation Agreements II.
Security	:	The Previous Buyer shall deliver to the Buyers an irrevocable letter of guarantee in favour of the Buyers, pursuant to which the Company shall guarantee the Previous Buyer's due and punctual payment of all of the respective instalments.

For further details on the terms of the Shipbuilding Contracts II, please refer to the announcement of the Company dated 30 October 2024.

LETTER FROM THE BOARD

V. REASONS FOR AND BENEFITS OF (1) THE ACQUISITION AND THE GUARANTEE; (2) THE BAREBOAT CHARTER ARRANGEMENTS; AND (3) THE NOVATION OF THE SIX SHIPBUILDING CONTRACTS II

The Acquisition and the Guarantee

The Group is principally engaged in the shipping services and ship management services.

Through the acquisition of the equity interest in the Target Company, which is principally engaged in container, vessel and general leasing services, as well as investment activities with its own funds, the Group aims to integrate vessel operation, management, investment and financing businesses to establish a circular ecosystem across the maritime value chain. Leveraging the resources of CIMC and the Vendor as shareholders of the Target Company, the Group expects to expand its market influence and achieve operational synergies. The Target Company will also be able to expand its leasing business while benefiting from the Group's professional vessel management services, ensuring seamless integration and effective risk control.

The Acquisition also extends the maritime industry chain. By combining the Group's comprehensive capabilities in the shipping industry, CIMC's shipbuilding expertise, and research and development resources in vessel design, the parties will jointly develop a "one-stop maritime service" platform covering the full lifecycle of vessel design, construction, financing, management, and operation.

The management of the Company is of the view that the Guarantee enables the Target Company to obtain working capital as well as financing for its principal businesses of container, vessel and general leasing services, as well as investment activities with its own funds, ensuring the continuous and steady growth of the Target Company. Therefore, the Guarantee is critical for the continuing operation of the Target Company, which the Group shall have 40% indirect interest therein.

Having considered (1) the reasons for and the Group's benefits of the Acquisition and the Target Company continuing its principal businesses following the Acquisition; (2) the Group's exposure of the Guarantees is in proportion to the Group's indirect interest in the Target Company; and (3) CIMC and the Vendor's financial strength and ability to perform their obligations under their respective guarantees on similar terms and in proportion to their respective indirect interest in the Target Company, the Directors are of the view that the terms of the Acquisition and the Guarantee are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The Bareboat Charter Arrangements

The Bareboat Charter Arrangements are in line with the ongoing strategy of the Group to expand its controlled vessel fleet by the addition of three bulk carriers, diversifying the Group's controlled fleet while conserving capital flow. Through the addition of the Vessels, the Group's shipping capacity for bulk cargoes will increase, and the Company will be able to better meet market demand for its shipping services for large equipment, generating additional revenue and creating greater value and returns for the Shareholders.

In addition, the Vessels are of higher operational and fuel consumption efficiency, which meets the latest environmental regulations and prevailing specification requirements in the shipping industry.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Bareboat Charter Arrangements are fair and reasonable and in the interests of the Shareholders as a whole.

The Novation of the six Shipbuilding Contracts II

The Group is principally engaged in the provision of shipping services and ship management services.

The Novation is in line with the ongoing strategy of the Group to optimize its vessel fleet by maintaining a well-balanced portfolio of the vessel fleet. The Directors consider that the Novation represents an opportunity to novate the Shipbuilding Contracts II at a reasonable price which will enable the Group to enhance its working capital position, further strengthen its liquidity, and provide funding for the acquisition of vessels to optimize the Group's fleet portfolio.

In addition, on 29 September 2025, SG XINDE INVESTMENT (HK) LIMITED, an indirect wholly owned subsidiary of the Company, contracted to acquire 40% equity interest in the Target Company, which wholly owns the Buyers. Accordingly, by novating the Shipbuilding Contracts II, the shipping capacity of the Buyers, which are owned as to 40% by the Group, for dry cargo transportation will increase, and the Buyers will be able to better meet market demand for its shipping services for dry bulk cargoes, which is expected to generate additional economic benefits to the Group and is in line with the Group's overall business strategy and interest in the long run. The Company will continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate.

In light of the above, the Directors believe that the terms of the transaction contemplated under the Novation Agreements II are fair and reasonable and in the interests of the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Seller and the Buyers, any of their directors and legal

LETTER FROM THE BOARD

representatives and/or any ultimate beneficial owner(s) of the Seller and the Buyers who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the transaction.

VI. INFORMATION ON THE PARTIES

The Company, the Group, the Purchasers, the Charterers, Seacon Shipping Pte. Ltd. and the Previous Buyer

The Company is an exempted company incorporated under the laws of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2409). The Group is principally engaged in the shipping services and ship management services.

The Purchaser is a company incorporated with limited liability under the laws of Hong Kong and an indirect wholly owned subsidiary of the Company, which is principally engaged in asset holding.

The Charterers are companies incorporated in Marshall Islands with limited liability and indirect wholly owned subsidiaries of the Company. They are principally engaged in vessel holding and the provision of chartering services.

Seacon Shipping Pte. Ltd. is a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company. It is principally engaged in vessel holding and the provision of chartering services.

The Previous Buyer is a private company limited by shares incorporated in Singapore and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the vessel holding and the provision of chartering services.

The Vendor

The Vendor is a limited liability company incorporated in the PRC. The Vendor is principally engaged in leasing and financing services.

As at the Latest Practicable Date, the Vendor is held as to (1) 53.3185% by Shenzhen Capital Operation Group Co., Ltd.* (深圳市資本運營集團有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of the Shenzhen Municipal (深圳市人民政府國有資產監督管理委員會), and its 75% owned subsidiary, Shenzhen Energy Group Co., Ltd.* (深圳市能源集團有限公司); and (2) 46.6815% directly and indirectly by CIMC, which is a joint stock company incorporated in the PRC with limited liability and its shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2039) and the Shenzhen Stock Exchange (stock code: 000039), respectively.

LETTER FROM THE BOARD

The Target Company

The Target Company is a limited liability company incorporated in the PRC. It is principally engaged in container, vessel and general leasing services, as well as investment activities with its own funds.

As at 29 September 2025, the Target Company is held as to 60% by the Vendor and 40% by CIMC. Upon Completion, the Target Company will be held as to 40% by the Group, 20% by the Vendor, and 40% by CIMC.

The Bank

The Bank is joint stock limited company incorporated in the PRC with limited liability and its shares are listed on the Stock Exchange (stock code: 1288.HK), and the Shanghai Stock Exchange (stock code: 601288), respectively. The Bank is principally engaged in corporate banking business, retail banking business, treasury operations and other business.

To the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor, the Target Company, the Bank and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The Owners

The Owners are companies established in the PRC with limited liability. The Owners are principally engaged in leasing business. The Owners are wholly owned by BOC Financial Leasing Co., Ltd., which is owned as to approximately 92.6% by Bank of China Limited, a company listed on the Stock Exchange (stock code: 3988) and Shanghai Stock Exchange (stock code: 601988).

The Seller

The Seller is a limited liability company established under the laws of the PRC. The Seller is principally engaged in shipbuilding and marine engineering equipment construction. As at the Latest Practicable Date, the Seller has a paid-up capital of RMB500 million and over 900 employees. The Seller has construction capabilities spanning a variety of vessels, including 30,000-ton bulk carriers, container ships and multipurpose vessels tankers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, the Seller's largest ultimate beneficial owner is Mr. He Xudong, while there is no ultimate beneficial owner controlling one-third or more of the Seller.

LETTER FROM THE BOARD

The Original Buyer

The Original Buyer is a company incorporated in Marshall Islands with limited liability, a joint venture owned as to 50% by the Group and 50% by Aurora Ships Co., Ltd., which in turn is ultimately wholly owned by Mr. Liu Renchuan (劉仁川). The Original Buyer is principally engaged in vessel holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Owners, the Seller, the Original Buyer and their respective ultimate beneficial Owners are third parties independent of the Company and its connected persons.

The Buyers

Each of the Buyers is a company incorporated under the laws of Germany, which are both principally engaged in vessel holding. Each of the Buyers is a wholly owned subsidiary of the Target Company. As at the Latest Practicable Date, the Target Company is held as to 40% by the Group, 20% by the Vendor, and 40% by CIMC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save as disclosed above, the Buyers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

VII. FINANCIAL EFFECT OF (1) THE ACQUISITION AND THE GUARANTEE; (2) THE BAREBOAT CHARTER ARRANGEMENTS; AND (3) THE NOVATION OF THE SIX SHIPBUILDING CONTRACTS II

The Acquisition

Upon Completion, the Company will hold 40% of the equity interest in the Target Company and the Target Company become a joint venture of the Company and will be accounted for as an investment in joint venture in the consolidated financial statements of the Group. However, as it will not be a subsidiary of the Company upon completion of the Acquisition, the financial position and results of the Target Company will not be consolidated into those of the Group.

The unaudited pro forma financial information of the Enlarged Group illustrating the financial impact of the Acquisition assuming the completion of the Acquisition had taken place on 30 June 2025 is set out in Appendix III to this circular.

LETTER FROM THE BOARD

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular:

(i). Net asset value

According to the interim report of the Company for the six months ended 30 June 2025 (“**2025 Interim Report**”), the Group’s net assets as at 30 June 2025 were approximately USD252.1 million. Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular, assuming the Acquisition and the provision of guarantee had been completed, the net assets of the Enlarged Group would be approximately USD252.1 million.

(ii). Liquidity

According to 2025 Interim Report, the Group’s cash and cash equivalents as at 30 June 2025 were approximately USD57.3 million. As set out in the Letter from the Board, the consideration shall be settled by the Group’s cash and cash equivalents and bank loans. On this basis, the cash and cash equivalents of the Group will decrease and the borrowings of the Group will increase as a result of the Acquisition.

It should be noted that the aforementioned analysis is for illustrative purposes only and does not purport to represent how the financial positions of the Group will be upon completion.

The Guarantee

The provision of the Guarantee will not have any material immediate effect on the earnings, assets and liabilities of the Company on the date of the Guarantee. However, if the Target Company fails to perform its obligations under the Loan Agreement, the Company, as the guarantor, will be responsible for up to approximately USD40.4 million, as well as other interest, costs and expenses to the Bank in respect of the obligations of the Target Company under the Loan Agreement, and such amount of liabilities will be recorded in the Group’s statement of financial position.

Save as disclosed above, the Directors are of the view that the provision of guarantees under the Guarantee will not have any material effects on the earnings, assets and liabilities of the Group.

The Bareboat Charter Arrangements

The aggregate value (unaudited) of the right-of-use assets that will be recognised by the Company in relation to the Vessels under the Bareboat Charters after the Vessels’ delivery in 2026 will amount to approximately USD86.6 million, which is calculated based on the incremental borrowing rate of 5.87% as at 25 September 2025, which may differ from that at the point of the Vessels’ delivery, being the present value of total consideration payable throughout the lease term under the Bareboat Charter Arrangements, including the Charter-hire and other related fees and charges.

LETTER FROM THE BOARD

The right-of-use assets will depreciate on a straight-line basis over the shorter of their estimated useful life and the charter terms. Interest expenses on lease liabilities will be recognised. After the commencement of the Bareboat Charter Arrangements, the lease liabilities are adjusted by the interest accretion and charter-hire payments.

The Novation of the six Shipbuilding Contracts II

The Group expects that the Novation would not give rise to any gain or loss, as the consideration of approximately USD12,300,000 equals to the total amount paid by the Previous Buyer under the Shipbuilding Contracts II up to the date of the Novation Agreements II. The actual financial effects of the Novation can only be determined at the completion of the Novation and is subject to audit.

Use of Proceeds

The net proceeds from the Novation will be used to finance potential acquisition of vessels and as general working capital of the Group.

VIII. LISTING RULES IMPLICATIONS

The Acquisition and the Guarantee

As the Acquisition and the Guarantee are transactions contemplated under or in connection with the Transfer Agreement, the Acquisition and the Guarantee shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with the Guarantee, is more than 25% but is less than 100%, the Acquisition and the Guarantee constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Bareboat Charter Arrangements

Since the Bareboat Charter Arrangements were entered into with the Owners, the Bareboat Charter Arrangements shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Bareboat Charter Arrangements, when aggregated, exceeds 25% but is less than 100%, the Bareboat Charter Arrangements constitute major transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The Novation of the six Shipbuilding Contracts II

Since the Novation Agreements II were entered into with the Buyers, which are both wholly owned subsidiaries of the Target Company, the Novation under the Novation Agreements II shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As all applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules in respect of the Novation under the Novation Agreements II, when aggregated, are below 5%, the Novation under the Novation Agreements II (on a standalone basis) does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Since both the Novation Agreements II and the Finance Lease Arrangements were entered into with subsidiaries of the Target Company within a 12-month period, the Novation shall be aggregated with Finance Lease Arrangements pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated with reference to Rule 14.07 of the Listing Rules in respect of the Novation, when aggregated with the Finance Lease Arrangements, exceeds 25% but is less than 100%, the Novation constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has a material interest in the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II. As such, no Shareholder is required to abstain from voting if a general meeting of the Company is to be convened for the approval of the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II. The Company has obtained an irrevocable and unconditional written approval for the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II from the Closely Allied Group who together held 288,750,000 Shares (representing 57.75% of the issued share capital of the Company as at the Latest Practicable Date). The Closely Allied Group comprises the following Shareholders:

Name of the Shareholders	Number of Shares interested	Percentage of shareholding
Jin Qiu Holding Ltd. ^(Note 1)	247,500,000	49.5%
Jin Chun Holding Ltd. ^(Note 2)	11,250,000	2.25%
Jovial Alliance Limited ^(Note 2)	30,000,000	6.0%

LETTER FROM THE BOARD

Notes:

1. The entire share capital of Jin Qiu Holding Ltd. is held by Shining Friends Limited, which is wholly-owned by Futu Trustee Limited, the trustee of The J&Y Trust, which was established by Mr. Guo Jinkui (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members.
2. Both Jin Chun Holding Ltd. and Jovial Alliance Limited are directly wholly-owned by Mr. Guo Jinkui.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II has been satisfied in lieu of a Shareholders' general meeting of the Company.

IX. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has obtained irrevocable and unconditional written approvals for the Advances to the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II from the Closely Allied Group. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II has been satisfied in lieu of a Shareholders' general meeting of the Company.

Nonetheless, the Directors would recommend the Shareholders to vote in favour of the resolutions approving the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II if a general meeting were to be convened by the Company.

X. GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

By order of the Board
Seacon Shipping Group Holdings Limited
Guo Jinkui
Chairman

1. FINANCIAL SUMMARY

Details of the financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2025 were disclosed in the following documents which have been published on both the website of the Company (www.seacon.com) and the website of the Stock Exchange (www.hkexnews.hk) as follows:

- the annual report of the Group for the year ended 31 December 2022 published on 28 April 2023 (pages 65 to 163)
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800027.pdf>)
- the annual report of the Group for the year ended 31 December 2023 published on 26 April 2024 (pages 65 to 165)
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603651.pdf>)
- the annual report of the Group for the year ended 31 December 2024 published on 28 April 2025 (pages 61 to 177)
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042804039.pdf>)
- the interim report of the Group for the six months ended 30 June 2025 published on 25 September 2025 (pages 30 to 66)
(available on <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0925/2025092501271.pdf>)

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

As at 31 October 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

	Notes	USD'000 (Unaudited)
Short-term borrowings	1	
— Secured		1,411
— Unsecured		<u>43,294</u>
<i>Sub-total</i>		<u>44,705</u>
Long-term borrowings	1	
— Secured		490,542
— Unsecured		<u>39</u>
<i>Sub-total</i>		<u>490,581</u>

	<i>Notes</i>	<i>USD'000</i> <i>(Unaudited)</i>
Current portion of long-term borrowings	1	
— Secured		34,823
— Unsecured		<u>11</u>
<i>Sub-total</i>		<u>34,834</u>
Lease liabilities	2	
— Current		26,337
— Non-current		<u>25,353</u>
<i>Sub-total</i>		<u>51,690</u>
Guarantees	3	
Joint venture and associates		<u>518,480</u>
Total		<u><u>1,140,290</u></u>

Notes:

1. As at 31 October 2025, the Group had an aggregate outstanding borrowing of approximately USD570,120,000 comprising (a) outstanding borrowings of approximately USD484,791,000 which were secured by vessels; (b) outstanding borrowings of approximately USD40,574,000 which were secured by the Target Company's equity interests; (c) outstanding borrowings of approximately USD1,411,000 which were secured by buildings; and (d) outstanding borrowings of approximately USD43,344,000 which were unsecured.
2. As at 31 October 2025, the Group had lease liabilities of approximately USD46,644,000 and USD5,046,000 in respect of vessels and buildings.
3. In relation to the Group's guarantees to joint ventures and associates, the Group received counter securities undertook by counter guarantors who shall bear a portion of liabilities arisen from such guarantees to joint ventures and associates by the Group. The aggregate amount of such counter securities was amounting to approximately USD141,753,000 as at 31 October 2025.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, on 31 October 2025, the Group did not have any other debt securities issued and outstanding, authorised or otherwise created but unissued, bank overdrafts and liabilities under acceptances or acceptance credits, mortgages, charges, hire purchase commitments and material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up.

4. SUFFICIENCY OF WORKING CAPITAL

As at the Latest Practicable Date, the Group has commenced negotiation with finance lease company for entering into a finance lease arrangement for another vessel for an estimated total consideration of USD13,349,000 (the “**Ongoing Arrangement**”). The Directors are of the opinion that the Group will be able to obtain such financing from the relevant finance lease company and generate sufficient cash inflow from the sale of the vessel to the finance lease company under the said finance lease arrangement.

Taking into account the transactions contemplated under the Acquisition, the Guarantee, the Bareboat Charter Arrangement and the Novation of the six Shipbuilding Contracts II, the abovementioned Ongoing Arrangement and the financial resources available to the Group, including cash flow from operating activities, cash and cash equivalents, bank borrowings and finance lease arrangements normally available to the Group’s vessels, the Directors, after due and careful consideration, are of the opinion that the working capital available to the Group is sufficient for the Group’s requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP FOLLOWING THE ACQUISITION, THE GUARANTEE, THE BAREBOAT CHARTER ARRANGEMENTS AND THE NOVATION OF THE SIX SHIPBUILDING CONTRACTS II

In 2023, the Group has achieved a new milestone with the successful Listing. In the future, the Group will leverage its access to the capital market to actively expand and optimize its vessel fleet, set up new offices in strategic locations and expand its current ship management operations, adopting digital technologies and implementing advanced information technology in its business operations, with a view to creating long-term value for the Shareholders.

As detailed in the section headed “V. REASONS FOR AND BENEFITS OF (1) THE ACQUISITION AND THE GUARANTEE; (2) THE BAREBOAT CHARTER ARRANGEMENTS; AND (3) THE NOVATION OF THE SIX SHIPBUILDING CONTRACTS II” in the letter from the Board contained in this circular, The Group is principally engaged in the shipping services and ship management services. Through the acquisition of the equity interest in the Target Company, which is principally engaged in container, vessel and general leasing services, as well as investment activities with its own funds, the Group aims to integrate vessel operation, management, investment and financing businesses to establish a circular ecosystem across the maritime value chain. Leveraging the resources of CIMC and the Vendor as shareholders of the Target Company, the Group expects to expand its market influence and achieve operational synergies. The Target Company will also be able to expand its leasing business while benefiting from the Group’s professional vessel management services, ensuring seamless integration and effective risk control.

The Acquisition also extends the maritime industry chain. By combining the Group's comprehensive capabilities in the shipping industry, CIMC's shipbuilding expertise, and research and development resources in vessel design, the parties will jointly develop a "one-stop maritime service" platform covering the full lifecycle of vessel design, construction, financing, management, and operation.

The management of the Company is of the view that the Guarantee enables the Target Company to obtain working capital as well as financing for its principal businesses of container, vessel and general leasing services, as well as investment activities with its own funds, ensuring the continuous and steady growth of the Target Company. Therefore, the Guarantee is critical for the continuing operation of the Target Company, which the Group shall have 40% indirect interest therein.

Having considered (1) the reasons for and the Group's benefits of the Acquisition and the Target Company continuing its principal businesses following the Acquisition; (2) the Group's exposure of the Guarantees is in proportion to the Group's indirect interest in the Target Company; and (3) CIMC and the Vendor's financial strength and ability to perform their obligations under their respective guarantees on similar terms and in proportion to their respective indirect interest in the Target Company, the Directors are of the view that the terms of the Acquisition and the Guarantee are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Bareboat Charter Arrangements are in line with the ongoing strategy of the Group to expand its controlled vessel fleet by the addition of three bulk carriers, diversifying the Group's controlled fleet while conserving capital flow. Through the addition of the Vessels, the Group's shipping capacity for bulk cargoes will increase, and the Company will be able to better meet market demand for its shipping services for large equipment, generating additional revenue and creating greater value and returns for the Shareholders. In addition, the Vessels are of higher operational and fuel consumption efficiency, which meets the latest environmental regulations and prevailing specification requirements in the shipping industry.

In light of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Bareboat Charter Arrangements are fair and reasonable and in the interests of the Shareholders as a whole.

As disclosed in the interim report of the Company for the six months ended 30 June 2025, following the Listing, the Group has been actively harnessing the international capital to expand controlled vessel fleet and chartered-in vessel fleet with light and heavy assets. During the six months ended 30 June 2025, the Group has a total of additional weight carrying capacity of 226,243dwt through takeover of five new vessels, seven pre-owned vessels, bareboat chartering of one vessel and the investment in one vessel, an increase of 2.1% of weight carrying capacity as compared with that as of 30 June 2024. Meanwhile, the Group has been also actively expanding its fleet coverage. As at 30 June 2025, the Group expected to add 39 vessels successively from the second half of 2025 to the beginning of 2028, including 15 bulk carriers, 15 chemical tankers, 6 MR product oil tankers, 2 LND bunkering vessels and 1 container ship which were expected to increase the combined weight

carrying capacity by an additional 1,081,900 dwt. With the overall enhancement of the Group's shipping service capacity, the Group expects its financial results to remain solid growth in the short term.

Meanwhile, the operation of new vessels will bring more opportunities for replacing old vessels. The Group is dedicated to capturing the cyclical nature of the industry and release capital values at market highs to lift its asset return. Following the successful disposal of three vessels during the Period, the Group has recorded sales proceeds (after taxes and expenses) of approximately US\$13.7 million during the Period. Subsequent to the reporting period, the Group also continued to implement its vessel replacement plan to optimise its fleet size and improve working capital liquidity. Through its regular vessel investment activities, the Group will continue to seize opportunities to generate additional financial gains on the basis of stable businesses. As the Group eliminates and upgrades fleets in due course, the Group will capture larger market share with vessels that meet the updated international standard and have greater advantages in oil consumption and carbon tax expenses.

The Novation is in line with the ongoing strategy of the Group to optimize its vessel fleet by maintaining a well-balanced portfolio of the vessel fleet. The Directors consider that the Novation represents an opportunity to novate the Shipbuilding Contracts II at a reasonable price which will enable the Group to enhance its working capital position, further strengthen its liquidity, and provide funding for the acquisition of vessels to optimize the Group's fleet portfolio. In addition, on 29 September 2025, SG XINDE INVESTMENT (HK) LIMITED, an indirect wholly owned subsidiary of the Company, contracted to acquire 40% equity interest in the Target Company, which wholly owns the Buyers. For further details, please refer to the announcement of the Company dated 29 September 2025. Accordingly, by novating the Shipbuilding Contracts II, the shipping capacity of the Buyers, which are owned as to 40% by the Group, for dry cargo transportation will increase, and the Buyers will be able to better meet market demand for its shipping services for dry bulk cargoes, which is expected to generate additional economic benefits to the Group and is in line with the Group's overall business strategy and interest in the long run. The Company will continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate.

Following the Acquisition, the Guarantee, the Bareboat Charter Arrangements and the Novation of the six Shipbuilding Contracts II, the Group will continue its principal business of the shipping services and ship management services. The Directors expect that the Group's financial position remains strong and the Group's steady growth will be maintained.

The following is the text of a report set out on pages II-1 to II-66, received from the Target Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF CIMC XINDE LEASING (SHENZHEN) CO., LTD TO THE DIRECTORS OF SEACON SHIPPING GROUP HOLDINGS LIMITED

Introduction

We report on the historical financial information of CIMC XINDE LEASING (SHENZHEN) CO., LTD (the **"Target Company"**) and its subsidiaries (together, the **"Target Group"**) set out on pages II-4 to II-66, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2022, 2023 and 2024 and 30 June 2025 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the **"Relevant Periods"**), and material accounting policy information and other explanatory information (together, the **"Historical Financial Information"**). The Historical Financial Information set out on pages II-4 to II-66 forms an integral part of this report, which has been prepared for inclusion in the circular of Seacon Shipping Group Holdings Limited (the **"Company"**) dated 24 December 2025 (the **"Circular"**) in connection with the major transaction in connection with the acquisition of 40% equity interest in the Target Company and provision of guarantee.

Directors' responsibility for Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

The Underlying Financial Statements of the Target Group as defined on page II-4, on which the Historical Financial Information is based, were prepared by the directors of the Target Company. The directors of the Target Company are responsible for the preparation of the Underlying Financial Statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**), and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Underlying Financial Statements that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Target Group’s financial position as at 31 December 2022, 2023 and, 2024 and 30 June 2025 and of the Target Group’s financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Target Group which comprises 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 six months ended 30 June 2024 and other explanatory information (the “**Stub Period Corresponding Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information

Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 December 2025

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Target Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("**Underlying Financial Statements**").

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Expressed in Renminbi (“RMB”)

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Revenue	4	224,778	363,840	507,910	254,296	258,340
Cost of sales		<u>(142,310)</u>	<u>(303,256)</u>	<u>(377,292)</u>	<u>(190,227)</u>	<u>(172,376)</u>
Gross profit		82,468	60,584	130,618	64,069	85,964
Other net (loss)/income	5	(40,695)	16,331	55,083	50,750	10,010
Sales and marketing expenses		(9,352)	(13,591)	(14,655)	(7,375)	(8,644)
Administrative and other expenses		(26,353)	(25,837)	(36,748)	(13,106)	(16,891)
Research and development costs		(6,170)	(14,967)	(16,430)	(10,212)	(9,705)
Impairment losses on financial assets — net		<u>(4,643)</u>	<u>(2,933)</u>	<u>(72,224)</u>	<u>(1,255)</u>	<u>(36,361)</u>
(Loss)/profit from operations		(4,745)	19,587	45,644	82,871	24,373
Finance costs	6(a)	(312)	(301)	(491)	(233)	(169)
Share of profits of associate	18	13,631	17,557	17,615	9,089	5,074
Share of profits/(losses) of joint venture	19	<u>5,704</u>	<u>(4,947)</u>	<u>5,383</u>	<u>1,211</u>	<u>75</u>
Profit before taxation	6	14,278	31,896	68,151	92,938	29,353
Income tax	7	<u>(6,932)</u>	<u>(7,174)</u>	<u>(4,449)</u>	<u>(7,730)</u>	<u>(4,860)</u>
Profit for the year/period		<u>7,346</u>	<u>24,722</u>	<u>63,702</u>	<u>85,208</u>	<u>24,493</u>
Other comprehensive income for the year/period (after tax)						
Exchange differences on translation of financial statements of operations outside the Chinese mainland		<u>17,956</u>	<u>4,926</u>	<u>8,692</u>	<u>7,251</u>	<u>(6,038)</u>
Other comprehensive income for the year/period		<u>17,956</u>	<u>4,926</u>	<u>8,692</u>	<u>7,251</u>	<u>(6,038)</u>
Total comprehensive income for the year/period		<u>25,302</u>	<u>29,648</u>	<u>72,394</u>	<u>92,459</u>	<u>18,455</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in Renminbi (“RMB”)

		As at 31 December			As at
		2022	2023	2024	30 June
	Note	RMB'000	RMB'000	RMB'000	2025
					RMB'000
Non-current assets					
Property, plant and equipment	8	572,862	562,964	557,430	536,821
Intangible assets	9	921	1,474	2,278	2,070
Financial assets at fair value through profit or loss (“FVTPL”)	20	307,767	307,767	—	—
Interests in joint venture	19	32,526	21,340	27,411	26,995
Interests in associate	18	113,235	116,754	119,199	122,085
Right-of-use assets	10	518	2,331	1,627	876
Finance lease receivables — net	11	1,610,074	3,033,748	4,053,948	4,387,262
Other non-current assets		—	60	58	55
Deferred tax assets	17(b)	—	2,114	20,116	27,026
		<u>2,637,903</u>	<u>4,048,552</u>	<u>4,782,067</u>	<u>5,103,190</u>
Current assets					
Trade and other receivables	12	17,119	21,142	10,964	21,141
Finance lease receivables — net	11	598,970	975,315	1,230,213	1,030,442
Restricted cash	13(b)	89,000	86	106	—
Other current assets		30,898	95,959	129,458	134,348
Cash and cash equivalents	13(a)	336,657	684,378	387,101	494,736
Derivative financial instruments	21	—	395	355	775
		<u>1,072,644</u>	<u>1,777,275</u>	<u>1,758,197</u>	<u>1,681,442</u>
Current liabilities					
Trade and other payables	16	104,424	145,251	153,982	118,756
Bank loans	15	2,152,525	2,970,614	3,430,040	3,824,869
Lease liabilities	14	541	1,559	1,584	1,073
Finance lease payables — net		—	46,910	48,181	62,136
Current taxation		—	6,856	6,796	9,141
Other current liabilities		9,672	8,167	11,863	9,700
Derivative financial instruments	21	—	—	—	11,046
		<u>2,267,162</u>	<u>3,179,357</u>	<u>3,652,446</u>	<u>4,036,721</u>
Net current liabilities		<u>(1,194,518)</u>	<u>(1,402,082)</u>	<u>(1,894,249)</u>	<u>(2,355,279)</u>
Total assets less current liabilities		<u>1,443,385</u>	<u>2,646,470</u>	<u>2,887,818</u>	<u>2,747,911</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

		As at 31 December			As at
		2022	2023	2024	30 June
	Note	RMB'000	RMB'000	RMB'000	2025
					RMB'000
Non-current liabilities					
Bank loans	15	313,407	1,056,308	1,259,287	1,198,721
Lease liabilities	14	—	809	272	—
Deferred tax liabilities	17(b)	16,547	18,560	21,522	23,105
Finance lease payables — net		<u>—</u>	<u>427,714</u>	<u>391,264</u>	<u>292,157</u>
		<u>329,954</u>	<u>1,503,391</u>	<u>1,672,345</u>	<u>1,513,983</u>
Net assets		<u>1,113,431</u>	<u>1,143,079</u>	<u>1,215,473</u>	<u>1,233,928</u>
EQUITY					
Paid-in capital	22(b)	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	22(c)	11,246	16,172	24,864	18,826
Retained earnings		<u>102,185</u>	<u>126,907</u>	<u>190,609</u>	<u>215,102</u>
Total equity		<u>1,113,431</u>	<u>1,143,079</u>	<u>1,215,473</u>	<u>1,233,928</u>

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Expressed in Renminbi (“RMB”)

	Attributable to equity shareholders of the Target Company				
	Paid-in capital	Reserves	Retained earnings	Total	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(note 22 (b))</i>	<i>(note 22 (c)(i))</i>			
Balance as at 1 January 2022	655,396	(6,710)	94,839	743,525	743,525
Profit for the year	—	—	7,346	7,346	7,346
Other comprehensive income	—	17,956	—	17,956	17,956
Capital injection from shareholders	<u>344,604</u>	<u>—</u>	<u>—</u>	<u>344,604</u>	<u>344,604</u>
Balance as at 31 December 2022 and 1 January 2023	1,000,000	11,246	102,185	1,113,431	1,113,431
Profit for the year	—	—	24,722	24,722	24,722
Other comprehensive income	<u>—</u>	<u>4,926</u>	<u>—</u>	<u>4,926</u>	<u>4,926</u>
Balance as at 31 December 2023	<u>1,000,000</u>	<u>16,172</u>	<u>126,907</u>	<u>1,143,079</u>	<u>1,143,079</u>
Balance as at 1 January 2024	1,000,000	16,172	126,907	1,143,079	1,143,079
Profit for the year	—	—	63,702	63,702	63,702
Other comprehensive income	<u>—</u>	<u>8,692</u>	<u>—</u>	<u>8,692</u>	<u>8,692</u>
Balance as at 31 December 2024 and 1 January 2025	1,000,000	24,864	190,609	1,215,473	1,215,473
Profit for the period	—	—	24,493	24,493	24,493
Other comprehensive income	<u>—</u>	<u>(6,038)</u>	<u>—</u>	<u>(6,038)</u>	<u>(6,038)</u>
Balance as at 30 June 2025	<u>1,000,000</u>	<u>18,826</u>	<u>215,102</u>	<u>1,233,928</u>	<u>1,233,928</u>
(unaudited)					
Balance as at 1 January 2024	1,000,000	16,172	126,907	1,143,079	1,143,079
Profit for the period	—	—	85,208	85,208	85,208
Other comprehensive income	<u>—</u>	<u>7,251</u>	<u>—</u>	<u>7,251</u>	<u>7,251</u>
Balance as at 30 June 2024	<u>1,000,000</u>	<u>23,423</u>	<u>212,115</u>	<u>1,235,538</u>	<u>1,235,538</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in Renminbi (“RMB”)

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Operating activities						
Cash used in operations	13(c)	(146,042)	(1,278,158)	(1,136,790)	(684,655)	(285,215)
Income tax paid		(1,813)	(419)	(19,549)	(13,829)	(7,842)
Net cash used in operating activities		<u>(147,855)</u>	<u>(936,380)</u>	<u>(1,156,339)</u>	<u>(698,484)</u>	<u>(293,057)</u>
Investing activities						
Proceeds from disposal of FVTPL		—	—	350,000	350,000	—
Proceeds from disposal of property, plant and equipment and intangible assets		203	61	—	—	—
Payment for the purchase of property, plant and equipment and intangible assets		(908)	(1,777)	(1,636)	(1,257)	(34)
Dividend received from joint ventures and associates		11,595	23,054	18,973	16,354	—
Cash paid relating to other investing activities		—	(123)	(47)	—	—
Decrease/(increase) in time deposits		(89,000)	89,000	—	—	—
Net cash (used in)/generated from investing activities		<u>(78,110)</u>	<u>110,215</u>	<u>367,290</u>	<u>365,097</u>	<u>(34)</u>
Financing activities						
Proceeds from shareholders' capital contributions		344,604	—	—	—	—
Proceeds from borrowings	13(d)	2,428,958	3,115,335	4,986,035	2,895,554	2,812,933
Repayment for borrowings	13(d)	(2,294,175)	(1,600,456)	(4,494,821)	(2,404,808)	(2,416,076)
Capital element of lease rentals paid	13(d)	(1,572)	(1,540)	(2,771)	(770)	(782)
Interest element of lease rentals paid	13(d)	(61)	(94)	(196)	(46)	(35)
Net cash generated from financing activities		<u>477,754</u>	<u>1,513,245</u>	<u>488,247</u>	<u>489,930</u>	<u>396,040</u>
Net increase/(decrease) in cash and cash equivalents		251,789	344,883	(300,802)	156,543	102,949
Cash and cash equivalents at the beginning of the year/period		78,934	336,657	684,378	684,378	387,101
Effect of foreign exchange rate changes		<u>5,934</u>	<u>2,838</u>	<u>3,525</u>	<u>1,496</u>	<u>4,686</u>
Cash and cash equivalents at the end of the year/period	13(a)	<u>336,657</u>	<u>684,378</u>	<u>387,101</u>	<u>842,417</u>	<u>494,736</u>

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION**1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION**

CIMC Xinde Leasing (Shenzhen) Co., Ltd. (“**the Target Company**”) was incorporated in Shenzhen on 1 January 2014 under the Companies Law of The People’s Republic of China. The Target Company and its subsidiaries (together, “**the Target Group**”) are principally engaged in container, vessel and general leasing services, as well as investment activities with its own funds.

The Historical Financial Information has been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). Further details of the material accounting policy information adopted are set out in Note 2.

The HKICPA has issued a number of new and revised HKFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Target Group has adopted all applicable new and revised HKFRS Accounting Standards to the Relevant Periods, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2025 are set out in Note 26.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, total current liabilities exceeded total current assets by approximately RMB2,355 million as at 30 June 2025.

As of 30 June, 2025, the unused bank facilities granted by the bank to the Target Group exceeded the scale of its net current liabilities. Taken the above into consideration, the directors and management of the Target Company are of the opinion that the Target Group has sufficient financial resources to continue as a going concern for the next twelve months and it is appropriate for the Historical Financial Information to be prepared on a going concern basis.

For all subsidiaries within the Target Group subject to statutory audit requirements, the financial statements as of the reporting date were prepared under the accounting standards and regulatory frameworks applicable in their respective jurisdictions of operation.

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

As at the date of this report, the Target Group has direct or indirect interests in the following subsidiaries, all of which are private companies:

Company name	Place and date of incorporation/ establishment	Particulars of issued/ paid-up capital	31 December, 2022	31 December, 2023	31 December, 2024	At the date of this report	Principal activities and place of operation
Directly held by the Target Company							
CIMC Qianhai Financial Leasing (Zhaoqing) Co., Ltd (a), (b)	The PRC/ 03/11/2021	RMB170,000,000	100%	100%	100%	100%	Finance lease/ The PRC
CIMC Xinde Financial Leasing (Tianjin) Co., Ltd (a), (b)	The PRC/ 28/11/2018	RMB500,000,000	100%	100%	100%	100%	Finance lease/ The PRC
CIMC Marine Engineering Design and Research Institute Co., Ltd (a), (b)	The PRC/ 12/01/2021	RMB50,000,000	100%	100%	100%	100%	Finance lease/ The PRC
Tianjin Xinde Shipbuilding Technology Service Co., Ltd (a), (b)	The PRC/ 04/02/2021	RMB2,300,000	100%	100%	100%	100%	Finance lease/ The PRC
COMMANDER SHIPPING LIMITED (c)	Hong Kong/ 04/03/2016	HKD10,000	100%	100%	100%	100%	Finance lease/ Hongkong
CIMC Qianhai Commerce & Trading Co., Limited (c)	Hong Kong/ 18/12/2018	USD500,000	100%	100%	100%	100%	Finance lease/ Hongkong
Starry Result Limited (c)	British Virgin Islands/ 09/08/2011	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
MaxLuck Fort Limited (c)	Hong Kong/ 11/17/2016	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
MaxLuck Plus Limited (c)	Hong Kong/ 11/17/2016	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Lush Advance Limited (c)	Hong Kong/ 18/09/2017	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Lush Resource Limited (c)	Hong Kong/ 18/09/2017	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Lush Treasury Limited (c)	Hong Kong/ 18/09/2017	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Lush Universal Limited (c)	Hong Kong/ 18/09/2017	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Leith Hill Limited (c)	British Virgin Islands/ 29/08/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Platinum Haze Limited (c)	British Virgin Islands/ 30/08/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Roydon Mount Limited (c)	British Virgin Islands/ 30/08/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Bright Athena Limited (c)	Hong Kong/ 26/10/2018	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Bright Apollo Limited (c)	Hong Kong/ 26/10/2018	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Bright Poseidon Limited (c)	Hong Kong/ 26/10/2018	USD1	100%	100%	100%	100%	Operating lease/ Hongkong

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

Company name	Place and date of incorporation/ establishment	Particulars of issued/ paid-up capital	31 December, 2022	31 December, 2023	31 December, 2024	At the date of this report	Principal activities and place of operation
Geryncon UG (haftungsbeschränkt) (e)	Germany/ 12/12/2018	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Gerchicon GmbH (e)	Germany/ 12/12/2018	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Geryaocon UG (haftungsbeschränkt) & Co KG (e)	Germany/ 12/12/2018	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Gerecon UG (haftungsbeschränkt) & Co KG (e)	Germany/ 19/12/2018	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Geroncon UG (haftungsbeschränkt) & Co KG (e)	Germany/ 11/04/2018	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Gertiecon GmbH & Co. KG (e)	Germany/ 11/04/2019	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Gerfucon GmbH & Co. KG (e)	Germany/ 09/05/2019	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Gerdecon GmbH & Co. KG (e)	Germany/ 03/05/2019	EUR1	100%	100%	100%	100%	Operating lease/ Germany
Melsynhope Limited (e)	Malta/ 03/06/2024	EUR1	N/A	N/A	100%	100%	Finance lease/ Malta
Melsynsunny Limited (e)	Malta/ 03/06/2024	EUR1	N/A	N/A	100%	100%	Finance lease/ Malta
Melsynwise Limited (e)	Malta/ 03/06/2024	EUR1	N/A	N/A	100%	100%	Finance lease/ Malta
Melsynstable Limited (e)	Malta/ 03/06/2024	EUR1	N/A	N/A	100%	100%	Finance lease/ Malta
Melsynbless Limited (e)	Malta/ 21/03/2025	EUR1	N/A	N/A	N/A	100%	Finance lease/ Malta
Grace Advance Limited (e)	British Virgin Islands/ 20/12/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Grace Plus Limited (e)	British Virgin Islands/ 20/12/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Grace Pathfinder Limited (e)	British Virgin Islands/ 20/12/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Grace Treasury Limited (e)	British Virgin Islands/ 20/12/2018	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Splendor Advance Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Splendor Plus Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

Company name	Place and date of incorporation/ establishment	Particulars of issued/ paid-up capital	31 December, 2022	31 December, 2023	31 December, 2024	At the date of this report	Principal activities and place of operation
Splendor Pathfinder Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Splendor Treasury Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Splendor Symbol Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Splendor Result Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synadvance Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synbright Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Syndwin Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synhope Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synmodel Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synsight Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synstrong Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synplus Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synupper Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Synview Limited (e)	British Virgin Islands/ 28/12/2022	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Propitious Advance Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Propitious Pathfinder Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands

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Company name	Place and date of incorporation/ establishment	Particulars of issued/ paid-up capital	31 December, 2022	31 December, 2023	31 December, 2024	At the date of this report	Principal activities and place of operation
Propitious Treasury Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Propitious Symbol Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Propitious Development Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Propitious Result Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Propitious Horizon Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Rosy Plus Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Rosy Pathfinder Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
Rosy Treasury Limited (e)	British Virgin Islands/ 19/03/2019	USD1	100%	100%	100%	100%	Finance lease/ British Virgin Islands
CIMC Qianhai Financial Leasing (Singapore) Pte Ltd (e)	Singapore/ 28/11/2018	SGD50,000	100%	100%	100%	100%	Finance lease/ Singapore
Sinrecon Pte Ltd (e)	Singapore/ 28/11/2018	SGD1	100%	100%	100%	100%	Finance lease/ Singapore
Sinchicon Pte Ltd (e)	Singapore/ 28/11/2018	SGD1	100%	100%	100%	100%	Finance lease/ Singapore
Sinicon Pte Ltd (e)	Singapore/ 28/11/2018	SGD1	100%	100%	100%	100%	Finance lease/ Singapore
Ocean Pathfinder Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Ocean Treasury Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Ocean Symbol Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Ocean Result Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Ocean Horizon Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Golden Pathfinder Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Golden Symbol Limited (c)	Hong Kong/ 24/01/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Golden Result Limited (c)	Hong Kong/ 01/24/2020	USD1	100%	100%	100%	100%	Finance lease/ Hongkong

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Company name	Place and date of incorporation/ establishment	Particulars of issued/ paid-up capital	31 December, 2022	31 December, 2023	31 December, 2024	At the date of this report	Principal activities and place of operation
Bright Prometheus Limited (c)	Hong Kong/ 26/10/2018	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Bright Symbol Limited (c)	Hong Kong/ 26/10/2018	USD1	100%	100%	100%	100%	Finance lease/ Hongkong
Syncarnation Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Syndaisy Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synecobasic Limited (e)	Hong Kong/ 02/02/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synecobright Limited (d)	Hong Kong/ 02/02/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synecofield Limited (d)	Hong Kong/ 02/02/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synecofine Limited (d)	Hong Kong/ 02/02/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synecofriend Limited (d)	Hong Kong/ 02/02/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synecogood Limited (d)	Hong Kong/ 02/02/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Syngreen Limited (d)	Hong Kong/ 01/11/2023	USD1	N/A	100%	100%	100%	Finance lease/ Hongkong
Syniris Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synlight Limited (d)	Hong Kong/ 15/07/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synlily Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synorchid Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synpansy Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synepony Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synrose Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synsailing Limited (d)	Hong Kong/ 01/11/2023	USD1	N/A	100%	100%	100%	Finance lease/ Hongkong
Synsmooth Limited (d)	Hong Kong/ 01/11/2023	USD1	N/A	100%	100%	100%	Finance lease/ Hongkong
Synsunbeam Limited (e)	Hong Kong/ 15/07/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synsunny Limited (e)	Hong Kong/ 15/07/2024	USD1	N/A	N/A	100%	100%	Finance lease/ Hongkong
Synsunrise Limited (e)	Hong Kong/ 15/07/2024	USD1	N/A	N/A	100%	100%	Operating lease/ Hongkong
Synsunshine Limited (e)	Hong Kong/ 15/07/2024	USD1	N/A	N/A	100%	100%	Operating lease/ Hongkong

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Company name	Place and date of incorporation/ establishment	Particulars of issued/ paid-up capital	31 December, 2022	31 December, 2023	31 December, 2024	At the date of this report	Principal activities and place of operation
Synsunup Limited (e)	Hong Kong/ 15/07/2024	USD1	N/A	N/A	100%	100%	Operating lease/ Hongkong
Syntrend Limited (d)	Hong Kong/ 01/11/2023	USD1	N/A	100%	100%	100%	Finance lease/ Hongkong
Syntulip Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong
Synviolet Limited (e)	Hong Kong/ 14/02/2025	USD1	N/A	N/A	N/A	100%	Finance lease/ Hongkong

- (a) These entities are limited liability companies established in Chinese Mainland. The official names of these entities are in Chinese. The English names are for identification purpose only.
- (b) The financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the People's Republic of China ("PRC GAAP") and were audited by Zhonghui Certified Public Accountants (Special General Partnership) Guangzhou Branch.
- (c) The financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 were audited by Patrick Chow Certified Public Accountant (Practising) & Consultancy.
- (d) The financial statements of this entity for the years ended 31 December 2024 were audited by Patrick Chow Certified Public Accountant (Practising) & Consultancy.

No audited financial statements was prepared for this entity for the years ended 31 December 2022 and 2023.

- (e) No audited financial statements were prepared for these entities for the years ended 31 December 2022, 2023 and 2024.

All companies comprising the Target Group have adopted 31 December as their financial year end date.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at fair value through profit or loss and derivative financial instruments are stated at their fair value as explained in the accounting policies set out in Note 2(e) and 2(f), respectively.

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

When the Target Group obtains control over one or more enterprises (or a group of assets or net assets) that constitutes a business, such transaction or even constitutes a business combination. For transactions not under common control, when the acquirer assesses whether the acquired asset group, etc., constitutes a business, it will consider whether to apply the simplified judgment method of the “concentration test”. If the Target Group passes the concentration test, it is determined not to constitute a business; if it fails, the assessment shall still be conducted in accordance with the business criteria. When the Target Group acquires a group of assets or net assets that do not constitute a business, the purchase cost shall be allocated based on the relative fair values of the identifiable assets and liabilities acquired on the acquisition date, and shall not be accounted for in accordance with the accounting treatment methods for business combinations set out below.

Business Combinations under Common Control

A business combination in which the enterprises participating in the combination are ultimately controlled by the same party or the same group of parties both before and after the combination, and such control is not temporary, is a business combination under common control. The assets and liabilities acquired by the combining party in the business combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party as of the combination date.

Business Combinations not under Common Control

A business combination in which the parties participating in the combination are not ultimately controlled by the same party or the same group of parties both before and after the combination is a business combination not under common control. As the acquirer, the Target Group measures the sum of the fair values on the acquisition date of the assets transferred (including the equity interests in the acquiree held before the acquisition date), liabilities incurred or assumed, and equity securities issued to obtain control over the acquiree. The difference between this sum and the share of the fair value of the identifiable net assets of the acquiree obtained in the combination, after considering the impact of relevant deferred income taxes, is recognized as goodwill if positive; if negative, it is recognized in the current profit or loss. All direct costs incurred by the Target Group for the business combination are recognized in the current profit or loss. The Target Group recognizes all identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition criteria at their fair values on the acquisition date. The acquisition date is the date on which the acquirer actually obtains control over the acquiree.

Consolidated Financial Statements

The scope of consolidated financial statements is determined based on control, including the Target Company and its subsidiaries. Control means that the Target Group has power over the investee, is exposed to variable returns from its involvement in the relevant activities of the investee, and has the ability to use its power over the investee to affect the amount of such returns. The financial position, operating results and cash flows of subsidiaries are included in the consolidated financial statements from the date control is obtained to the date control ceases.

For subsidiaries acquired through business combinations under common control, when preparing the consolidated financial statements for the current period of the combination, based on the carrying amounts of the assets and liabilities of the combined subsidiary in the financial statements of the ultimate controlling party, the combined subsidiary is deemed to have been included in the Target Company's consolidation scope from the date on which the Target Company's ultimate controlling party began to exercise control over it, and the opening balances of the consolidated financial statements and the comparative financial statements of prior periods are adjusted accordingly.

For subsidiaries acquired through business combinations not under common control, when preparing the consolidated financial statements for the current period of the combination, the acquiree is included in the Target Company's consolidation scope from the acquisition date based on the fair values of the identifiable assets and liabilities of the acquiree determined on the acquisition date.

All intra-group transactions and balances at the time of consolidation, including unrealized intra-group transaction gains and losses, have been eliminated.

For unrealized losses arising from intra-group transactions, if there is evidence that such losses are impairment losses of relevant assets, the full amount of such losses shall be recognized. Changes in non-controlling interests without losing control are treated as equity transactions. When the Target Group loses control over the original subsidiaries, any gain or loss arising therefrom is recognized in the investment income for the period in which control is lost.

(d) Associates and joint ventures

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Target Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Target Group's share of losses exceeds its interest in the associate or the joint venture, the Target Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Target Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Target Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Target Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Target Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Target Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses, unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Other investments in debt and equity securities

The Target Group's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Target Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Target Group determines fair value of financial instruments, see Note 23(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments held by the Target Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(r)(i)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cashflows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- fair value through profit or loss (FVTPL), if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Target Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other net income.

(f) Derivative financial instruments

The Target Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(g) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 2(j)), are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(k)(ii)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Ships and other transportation equipment	5–25 years
Office and other equipment	5 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

At each reporting date, the Target Group reviews the carrying amounts of property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(h) Intangible assets

Intangible assets that are acquired by the Target Group and have finite useful lives are stated at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The useful lives of intangible assets are determined based on factors such as technological and commercial obsolescence. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Software, copyright and trademark	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Long-term deferred expenses

The Target Group shall recognize all expenses incurred and with a benefit period of more than one year as long-term deferred expenses.

Decoration fee	2 years
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(j) Leased assets

At the lease commencement date, the Target Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Target Group enters into a lease in respect of a low-value item, the Target Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

(i) As a lessee

At the lease commencement date, the Target Group recognises a right-of-use asset and a lease liability. Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 3(k)(ii)).

At inception of a contract, the Target Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Target Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Target Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease

liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Target Group depreciates right-of-use assets using the straight-line method. For leases where it is reasonably certain that the Target Group will obtain ownership of the leased asset at the end of the lease term, the Target Group depreciates the leased asset over its remaining useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its remaining useful life.

Lease liabilities are initially measured at the present value of the lease payments not yet paid at the lease commencement date, using the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Target Group's incremental borrowing rate is used as the discount rate.

The Target Group calculates the interest expense on the lease liability for each period during the lease term using a fixed periodic interest rate, which is recognized in the current profit or loss or the cost of relevant assets. Variable lease payments not included in the measurement of lease liabilities are recognized in the current profit or loss or the cost of relevant assets when incurred.

After the lease commencement date, the Target Group remeasures the lease liability at the present value of the revised lease payments if any of the following events occurs:

- Changes in the estimated amount payable under the guaranteed residual value;
- Changes in the index or rate used to determine lease payments;
- Changes in the Target Group's assessment of the purchase option, renewal option or termination option, or discrepancies between the actual exercise of the renewal option or termination option and the original assessment.

When remeasuring the lease liability, the Target Group adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability still needs to be further reduced, recognizes the remaining amount in the current profit or loss.

The Target Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets, and recognizes the relevant lease payments in the current profit or loss or the cost of relevant assets on a straight-line basis over the lease term.

(ii) As a lessor

The Target Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When the Target Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Target Group applies the exemption described in note 2(j)(i), then the Target Group classifies the sub-lease as an operating lease.

Under finance leases, on the lease commencement date, the Target Group recognizes finance lease receivables and derecognizes the leased assets.

The Target Group calculates and recognizes interest income for each period during the lease term using a fixed periodic interest rate. The derecognition and impairment of finance lease receivables are accounted for in accordance with the accounting policies described in Note 2(k). Variable lease payments not included in the measurement of the net investment in the lease are recognized in the current profit or loss when incurred.

Lease receipts from operating leases are recognized as rental income on a straight-line basis over the lease term. Variable lease payments not included in the lease receipts are recognized in the current profit or loss when incurred.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Target Group recognises a loss allowance for expected credit losses (“ECL”) on:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables.
- finance lease receivables

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- finance lease receivables: discount rate used in the measurement of the lease receivable;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Target Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Target Group measures loss allowances at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Target Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Target Group's historical experience and informed credit assessment, that includes forward-looking information.

The Target Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Target Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Target Group in full, without recourse by the Target Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Target Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Target Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Target Group on terms that the Target Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization.

Write-off policy

If the Target Group no longer reasonably expects to collect all or part of the contractual cash flows of a financial asset, it directly writes down the carrying amount of such financial asset. Such write-down constitutes the derecognition of the relevant financial asset. This situation usually occurs when the Target Group determines that the debtor has no assets or income sources to generate sufficient cash flows to repay the amount to be written down. However, the written-down financial asset may still be affected by the Target Group's enforcement activities related to collecting due amounts.

If a previously written-down financial asset is subsequently recovered, the recovery is recognized as a reversal of impairment loss in the profit or loss of the period when the recovery is made.

(ii) *Impairment of other non-current assets*

At each reporting date, the Target Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

(l) *Trade and other receivables*

Trade receivables include freight receivables, rent receivables and ship management fees receivable from customers for services provided.

If trade and other receivables are expected to be collected within one year or less (or, if longer, the normal operating cycle of the business), they are classified as current assets. Otherwise, they are presented as non-current assets.

Trade receivables and other receivables are initially recognized at the amount of the unconditional consideration, unless they contain a significant financing component when recognized at fair value. The Target Group holds trade and other receivables to collect contractual cash flows, and therefore subsequently measures them at amortized cost using the effective interest method. For further information on the Target Group's accounting treatment of trade receivables, please refer to note 12, and for a description of the Target Group's impairment policy, please refer to note 2(k).

(m) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions. Cash and cash equivalents are assessed for ECL (see note 2(k)).

(n) *Trade and other payables*

Trade and other payables are payment obligations arising from the purchase of goods or services in the course of daily business operations. If trade and other payables are due within one year or less (or, if longer, the normal operating cycle of the business), they are classified as current liabilities. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(t).

(p) Employee benefits

(i) Short term employee benefits

During the Relevant Periods when employees provide services, the Target Group recognizes employee salaries, bonuses, social insurance premiums such as medical insurance and work-related injury insurance, and housing provident fund that are actually incurred or accrued in accordance with specified bases and ratios as liabilities, and records them in the current profit or loss or the cost of relevant assets.

(ii) Post-employment Benefits — Defined Contribution Plans

The defined contribution plan participated by the Target Group is the basic endowment insurance in the social security system established and managed by government agencies, which employees of the Target Group participate in accordance with the requirements of relevant Chinese laws and regulations. The contribution amount of basic endowment insurance is calculated based on the bases and ratios specified by the state. During the Relevant Periods when employees provide services, the Target Group recognizes the amount to be contributed as a liability and records it in the current profit or loss or the cost of relevant assets.

(iii) Termination Benefits

When the Target Group terminates the employment relationship with employees before the expiration of their labor contracts, or proposes compensation to encourage employees to voluntarily accept redundancy, it recognizes the liability arising from termination benefits and records it in the current profit or loss on the earlier of the following dates:

When the Target Group can no longer unilaterally withdraw the termination benefits provided under the plan to terminate the employment relationship or the redundancy proposal;

When the Target Group has a detailed and formal restructuring plan involving the payment of termination benefits; and the restructuring plan has been implemented, or the main contents of the plan have been notified to the parties affected thereby, so that the parties have formed a reasonable expectation that the Target Group will implement the restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates to the extent that the Target Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

The Target Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Target Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Target Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(r) Revenue and other income

Income is classified by the Target Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Target Group's assets under leases in the ordinary course of the Target Group's business.

Further details of the Target Group's revenue and other income recognition policies are as follows:

(i) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Revenue from financing leases shall be recognized as revenue in each period of the lease term using the effective interest rate method.

(b) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest

income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Other income

Other income primarily includes revenue from ship design services, which is recognized in accordance with the contract terms upon delivery of the related service outcomes.

(d) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Target Group will comply with the conditions attaching to them. Grants that compensate the Target Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Target Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(s) Translation of foreign currencies

When the Target Group receives capital invested by investors in foreign currencies, it converts such capital into Renminbi at the spot exchange rate on the date of receipt. For other foreign currency transactions, they are converted into Renminbi at the spot exchange rate on the transaction date upon initial recognition.

At the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on that date. Except for the exchange differences arising from the principal and interest of specific borrowings related to the acquisition and construction of qualifying assets for capitalization (see Note 2(t), other exchange differences are recognized in profit or loss for the current period. Foreign currency non-monetary items measured at historical cost are still translated at the spot exchange rate on the transaction date.

When translating the financial statements of overseas operations, assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date; for equity items, except for undistributed profits and the foreign currency financial statement translation difference item in other comprehensive income, other items are translated at the spot exchange rate on the date of occurrence. Revenue and expense items in the income statement are translated at the spot exchange rate on the transaction date. The foreign currency financial statement translation differences arising from the above translations are presented in other comprehensive income. When disposing of an overseas operation, the relevant foreign currency financial statement translation differences are transferred from other comprehensive income to profit or loss for the current period of disposal.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Target Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Target Group disposes of only part of an associate while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(t) Borrowing costs

The borrowing costs incurred by the Target Group that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized and included in the cost of such assets; all other borrowing costs are recognized as finance costs in the period in which they are incurred.

During the capitalization period, the Target Group determines the amount of interest to be capitalized (including amortization of discounts or premiums) for each accounting period as follows:

- For specific borrowings incurred to acquire, construct or produce qualifying assets: The capitalizable interest amount is determined as the actual interest expense on the specific borrowings calculated at the effective interest rate, minus the interest income from depositing unused borrowing funds in banks or investment income from temporary investments.
- For general borrowings utilized in the acquisition, construction or production of qualifying assets: The capitalizable interest amount is calculated by multiplying the weighted average of the cumulative asset expenditures in excess of specific borrowings by the capitalization rate of the general borrowings used. The capitalization rate is determined based on the weighted average effective interest rate of the general borrowings.

(u) Related parties

- (a) A person, or a close member of that person's family, is related to the Target Group if that person:
 - (i) has control or joint control over the Target Group;
 - (ii) has significant influence over the Target Group; or
 - (iii) is a member of the key management personnel of the Target Group or the Target Group's parent.
- (b) An entity is related to the Target Group if any of the following conditions applies:
 - (i) The entity and the Target Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 Target Group or an entity related to the Target 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the Target Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

The Target Group determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system. If two or more operating segments have similar economic characteristics and have similarities or similarities in the nature of each individual product or service, the nature of the production process, the type of customer for the product or service, the method of selling or providing services, and the impact of laws and administrative regulations on the production of products and providing services, they can be merged into one operating segment. The Target Group determines the reporting segments based on the principle of importance, taking into account the operating segments.

When the Target Group prepares the segment reporting, the 'income' from inter segment transactions is measured based on the actual transaction price. The accounting policies adopted in the preparation of segment reporting are consistent with those adopted in the preparation of the Target Group's financial statements.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying The Target Group's accounting policies

In the process of applying the Target Group's accounting policies, management has made the following accounting judgements:

(i) Determining the lease term

The Target Group classifies leases at commencement date as either finance leases (which transfer substantially all the risks and rewards incidental to ownership of an asset, and where the lessee recognises an asset and a liability while the lessor recognises a receivable) or operating leases (where the lessee recognises an asset and a liability, and the lessor continues to recognise the asset).

Determining whether The Target Group has transferred substantially all the risks and rewards of ownership requires an assessment of the relevant terms and conditions of the lease arrangements, which involves significant judgement by management.

(b) Sources of estimation uncertainty

(i) Impairment loss for finance lease receivables

The loss allowances for finance lease receivables are based on assumptions about risk of default and expected loss rates. The Target Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Target Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Impairment of non-financial assets

In considering the impairment losses that may be required for certain of the Target Group's assets which include property, plant and equipment intangible assets and right-of-use assets, the recoverable amount of the asset needs to be determined. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. It is difficult to precisely estimate fair value because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of selling price, amount of operating

costs and discount rates. The Target Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as selling price, amount of operating costs and discount rates.

(iii) Income taxes

The Target Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Target Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 REVENUE AND SEGMENT REPORTING

The principal activities of the Target Group in to provide lease services, ship design services and other services in the PRC.

(a) Disaggregation of revenue

The amount of each significant category of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue from other source					
Finance lease income	113,859	238,024	360,890	172,759	178,547
Operating lease income	92,131	97,795	99,544	48,739	49,008
Revenue from contracts with customers within the scope of HKFRS 15					
Income from ship designing technical services	18,788	27,891	47,404	32,774	30,761
Others	—	130	72	24	24
Total	224,778	363,840	507,910	254,296	258,340

Out of the Target Group's revenue from contracts with customers, RMB18,788,000, RMB28,021,000, RMB47,476,000, RMB32,798,000 (unaudited) and RMB30,785,000 were recognised over time for the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025.

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

Revenue from major customers which accounted for 10% or more of the Target Group's revenue in each year ended 31 December 2022, 2023 and 2024, and for the 6 months period ended 30 June 2024 and 30 June 2025:

	Year ended 31 December						Six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
A	92,131	41	97,795	27	99,544	20	48,739	19	49,008	19
B	89,334	40	84,745	23	77,759	15	41,348	16	33,018	13

(b) Segment reporting

HKFRS 8 Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Target Group's chief operating decision maker for the purpose of resources allocation and performance assessment.

The Target Group's management has assessed the criteria for identifying reportable operating segments as set out in Note 2(v), as the Target Group manages its businesses by the most senior executive management for the purposes of resource allocation and performance assessment. Therefore, the Target Group has one operating segment. The Target Group's most senior executive management reviews the Target Group's results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

Geographic information

The information on revenue from foreign transactions presented by the Target Group in different regions is as follows. Revenue from external transactions is allocated based on the place of registration (legal domicile) of the subsidiary offering services or purchase products.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Geographic information					
Chinese Mainland	22,788	68,709	151,848	80,114	83,964
Hong Kong	30,428	83,369	94,913	72,323	81,523
British Virgin Islands	142,358	105,037	149,115	47,119	42,072
Germany	29,204	97,794	99,544	48,739	41,944
Singapore	—	8,931	12,490	6,001	4,450
Malta	—	—	—	—	4,387
Total	224,778	363,840	507,910	254,296	258,340

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5 OTHER NET (LOSS)/INCOME

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Government grants	1,499	497	640	149	2,932
Unrealised fair value change of FVTPL	(1,429)	—	(7,767)	(7,767)	—
Unrealised fair value change of derivatives	—	392	(50)	—	(10,746)
Realised losses from derivatives	—	1,358	1,726	1,024	(1,120)
Interest income	5,674	13,555	10,384	6,365	5,439
Foreign exchange differences	963	379	150	979	12,502
Loss on disposal of an associate	(47,335)	—	—	—	—
Investment income from disposal of FVTPL	—	—	50,000	50,000	—
Others	(67)	150	—	—	3
Total	<u>(40,695)</u>	<u>16,331</u>	<u>55,083</u>	<u>50,750</u>	<u>10,010</u>

6 PROFIT BEFORE TAXATION

(a) Finance costs

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Bank charges	251	207	295	187	133
Interest expense on lease liabilities	61	94	196	46	35
Total	<u>312</u>	<u>301</u>	<u>491</u>	<u>233</u>	<u>168</u>

(b) Staff costs

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Salaries, wages and other benefits	28,340	32,648	40,757	19,454	21,443
Contributions to defined contribution retirement plan	2,449	2,904	3,434	1,578	1,856
Total	<u>30,789</u>	<u>35,552</u>	<u>44,191</u>	<u>21,032</u>	<u>23,299</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

(c) Other items

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Depreciation and amortisation charges					
— Depreciation of property, plant and equipment	19,889	20,965	21,765	10,743	10,824
— Amortisation of long-term deferred expenses	—	4	7	3	3
— Amortisation of intangible assets	310	317	395	187	208
— Depreciation of right-of-use assets	1,554	1,554	1,901	777	751
Total	21,753	22,840	24,068	11,710	11,786

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, the Target Company and subsidiaries which operate in Chinese mainland are subject to income tax at a rate of 25% on the taxable income, except for CIMC Marine Engineering Design and Research Institute Co., Ltd., one of the subsidiaries of the Target Group was recognised as a high and new technology enterprise (“HNT”). Accordingly, it was entitled to a preferential income tax rate of 15% during the Relevant Periods.

Except for subsidiaries entitled to preferential income tax rates, the income tax rates applicable to its major subsidiaries are listed as follows:

	Note	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
Subsidiaries registered in China		25%	25%	25%	25%	25%
Subsidiaries registered in Hong Kong, China	(i)	8.25%/16.5%	8.25%/16.5%	8.25%/16.5%	8.25%/16.5%	8.25%/16.5%
Subsidiaries registered in the British Virgin Islands	(ii)	—	—	—	—	—
Subsidiaries registered in Germany		N/A	16%	16%	16%	16%
Subsidiaries registered in Singapore		N/A	17%	17%	17%	17%

Notes:

(i) Hong Kong Profits Tax

The provision for Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profit tax rates regime, the first HK\$2million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. A group of “connected entities” can only nominate one entity within the Target Group to enjoy the two-tier rates for a given year of assessment. The profits of corporation which is not qualifying for the two-tiered profits tax rates regime is taxed at a flat rate of 16.5%.

The profits not sourced from Hong Kong are not subject to profits tax.

(ii) British Virgin Islands (“BVI”) Income Tax

Under the current laws of the BVI, the BVI subsidiaries are not subject to tax on its income or capital gains.

As disclosed in note 7(c), the Target Group is not liable to Pillar Two income taxes.

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Current tax					
— PRC Enterprise					
Income Tax	1,740	6,856	18,467	7,733	9,139
— Hong Kong Profits					
Tax	73	236	31	15	15
— Overseas income taxes	—	183	991	13	1,033
Deferred tax					
— Origination and					
reversal of					
temporary					
differences	5,119	(101)	(15,040)	(31)	(5,327)
Total	<u>6,932</u>	<u>7,174</u>	<u>4,449</u>	<u>7,730</u>	<u>4,860</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

(b) Reconciliation between income tax expense and accounting profit or loss at applicable tax rates:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit before taxation	14,278	31,896	68,151	92,938	29,353
Notional tax on profit before taxation, calculated at the tax rate of 25%	3,569	7,974	17,037	23,235	7,338
Tax effect of different tax rates applicable to subsidiaries	(12,115)	(5,617)	(12,624)	(6,290)	(4,518)
Super-deduction of research and development expense	(926)	(2,245)	(2,465)	(1,532)	(1,456)
Tax effect of non-deductible expenses	337	362	385	180	139
Tax effect of tax losses and temporary differences not recognised	16,067	6,700	6,234	3,028	3,875
Utilization of tax losses not recognised	—	—	(4,118)	(10,891)	(518)
Actual tax expenses	6,932	7,174	4,449	7,730	4,860

(c) *Pillar Two income taxes*

The Target Group is not subject to the Global Anti-Base Erosion Model Rules (“**Pillar Two model rules**”) published by the Organization for Economic Co-operation and Development, as it does not meet the definition of a Multinational Enterprise Group thereunder.

8 PROPERTY, PLANT AND EQUIPMENT

	Ships and other transportation equipment	Office and other equipment	Total
	RMB'000	RMB'000	RMB'000
Cost			
As at 1 January 2022	552,605	1,519	554,124
Additions	556	352	908
Disposals	(1,192)	(582)	(1,774)
Currency translation differences	50,888	—	50,888
As at 31 December 2022 and 1 January 2023	602,857	1,289	604,146
Additions	263	403	666
Disposals	(475)	(54)	(529)
Currency translation differences	11,147	—	11,147

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

	Ships and other transportation equipment <i>RMB'000</i>	Office and other equipment <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2023 and 1 January 2024	613,792	1,638	615,430
Additions	—	257	257
Currency translation differences	<u>17,438</u>	<u>—</u>	<u>17,438</u>
As at 31 December 2024 and 1 January 2025	631,230	1,895	633,125
Additions	—	34	34
Currency translation differences	<u>(11,268)</u>	<u>—</u>	<u>(11,268)</u>
As at 30 June 2025	<u>619,962</u>	<u>1,929</u>	<u>621,891</u>
Accumulated depreciation:			
As at 1 January 2022	(10,291)	(1,168)	(11,459)
Charge for the year	(19,793)	(96)	(19,889)
Disposal for the year	1,073	498	1,571
Currency translation differences	<u>(1,507)</u>	<u>—</u>	<u>(1,507)</u>
	<u>—</u>		
As at 31 December 2022 and 1 January 2023	(30,518)	(766)	(31,284)
Charge for the year	(20,844)	(121)	(20,965)
Disposal for the year	427	42	469
Currency translation differences	<u>(686)</u>	<u>—</u>	<u>(686)</u>
	<u>—</u>		
As at 31 December 2023 and 1 January 2024	(51,621)	(845)	(52,466)
Charge for the year	(21,583)	(182)	(21,765)
Currency translation differences	<u>(1,463)</u>	<u>—</u>	<u>(1,463)</u>
As at 31 December 2024 and 1 January 2025	(74,667)	(1,028)	(75,695)
Charge for the period	(10,720)	(104)	(10,824)
Currency translation differences	<u>1,449</u>	<u>—</u>	<u>1,449</u>
As at 30 June 2025	<u>(83,938)</u>	<u>(1,132)</u>	<u>(85,070)</u>
Net book value:			
As at 31 December 2022	<u>572,339</u>	<u>523</u>	<u>572,862</u>
As at 31 December 2023	<u>562,171</u>	<u>793</u>	<u>562,964</u>
As at 31 December 2024	<u>556,563</u>	<u>867</u>	<u>557,430</u>
As at 30 June 2025	<u>536,024</u>	<u>797</u>	<u>536,821</u>

9 INTANGIBLE ASSETS

	Software, copyright and trademark RMB'000	Total RMB'000
Cost		
As at 1 January 2022	<u>12,304</u>	<u>12,304</u>
As at 31 December 2022 and 1 January 2023	12,304	12,304
Additions	<u>870</u>	<u>870</u>
As at 31 December 2023 and 1 January 2024	13,174	13,174
Additions	<u>1,199</u>	<u>1,199</u>
As at 31 December 2024 and 1 January 2025	<u>14,373</u>	<u>14,373</u>
As at 30 June 2025	<u>14,373</u>	<u>14,373</u>
Accumulated amortisation:		
As at 1 January 2022	(11,073)	(11,073)
Charge for the year	<u>(310)</u>	<u>(310)</u>
As at 31 December 2022 and 1 January 2023	(11,383)	(11,383)
Charge for the year	<u>(317)</u>	<u>(317)</u>
As at 31 December 2023 and 1 January 2024	(11,700)	(11,700)
Charge for the year	<u>(395)</u>	<u>(395)</u>
As at 31 December 2024 and 1 January 2025	(12,095)	(12,095)
Charge for the period	<u>(208)</u>	<u>(208)</u>
As at 30 June 2025	<u>(12,303)</u>	<u>(12,303)</u>
Net book value:		
As at 31 December 2022	<u>921</u>	<u>921</u>
As at 31 December 2023	<u>1,474</u>	<u>1,474</u>
As at 31 December 2024	<u>2,278</u>	<u>2,278</u>
As at 30 June 2025	<u>2,070</u>	<u>2,070</u>

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10 RIGHT-OF-USE ASSETS

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Cost:				
At 1 January	6,733	3,367	3,367	4,564
Additions	—	3,367	1,197	—
Disposals	(3,366)	(3,367)	—	—
At 31 December/30 June	3,367	3,367	4,564	4,564
Accumulated depreciation:				
At 1 January	(4,661)	(2,849)	(1,036)	(2,937)
Charge for year/period	(1,554)	(1,554)	(2,962)	(751)
Expiration of leases	3,366	3,367	1,061	—
At 31 December/30 June	(2,849)	(1,036)	(2,937)	(3,688)
Net book value:				
At 31 December/30 June	518	2,331	1,627	876

The Target Group has obtained the right to use other properties as its place of business through tenancy agreements. The leases typically have a leasing period of 1 to 4 years.

11 FINANCE LEASE RECEIVABLES — NET

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Finance lease receivables — net	2,213,687	4,017,631	5,364,693	5,534,597
Less: Current portion	(598,970)	(975,315)	(1,230,213)	(1,030,442)
	1,614,717	3,042,317	4,134,480	4,504,155
Less: Allowance for expected credit losses	(4,643)	(8,568)	(80,532)	(116,893)
Non-current portion	1,610,074	3,033,748	4,053,948	4,387,262

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(undiscounted)	(undiscounted)	(undiscounted)	(undiscounted)
Within 1 year	713,242	1,208,938	1,582,645	1,362,121
1 to 2 years	432,748	992,042	1,284,632	1,388,808
2 to 3 years	331,422	715,178	1,134,669	1,414,772
3 to 4 years	207,590	566,936	1,323,477	1,040,210
4 to 5 years	231,040	867,366	611,147	906,919
Over 5 years	<u>713,179</u>	<u>348,806</u>	<u>286,321</u>	<u>244,276</u>
	2,629,221	4,699,266	6,222,891	6,357,106
Less: Unrealized financing income	<u>(415,534)</u>	<u>(681,635)</u>	<u>(858,198)</u>	<u>(822,509)</u>
Finance lease receivables — net	<u><u>2,213,687</u></u>	<u><u>4,017,631</u></u>	<u><u>5,364,693</u></u>	<u><u>5,534,597</u></u>

	As at 31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amount as at 1 January 2022	—	—	—	—
Transfer between stages	—	—	—	—
Provision for the year	4,643	—	—	4,643
Reversal for the year	—	—	—	—
Amount as at 31 December 2022	<u><u>4,643</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>4,643</u></u>

	As at 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amount as at 1 January 2023	4,643	—	—	4,643
Transfer between stages	—	—	—	—
Provision for the year	3,925	—	—	3,925
Reversal for the year	—	—	—	—
Amount as at 31 December 2023	<u><u>8,568</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>8,568</u></u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

	As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Amount as at 1 January 2024	8,568	—	—	8,568
Transfer between stages	(2,650)	—	2,650	—
Provision for the year	8,616	—	63,390	72,006
Reversal for the year	(42)	—	—	(42)
Amount as at 31 December 2024	<u>14,492</u>	<u>—</u>	<u>66,040</u>	<u>80,532</u>

	As at 30 June 2025			
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Amount as at 1 January 2025	14,492	—	66,040	80,532
Transfer between stages	(5,423)	5,423	—	—
Provision for the period	13,095	23,316	—	36,411
Reversal for the period	(50)	—	—	(50)
Amount as at 30 June 2025	<u>22,114</u>	<u>28,739</u>	<u>66,040</u>	<u>116,893</u>

12 Trade and other receivables — net

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Trade receivables				
— third parties	10,665	12,613	6,293	15,343
— related parties	10,986	10,354	6,055	5,947
Less: provision for impairment	<u>(6,150)</u>	<u>(5,158)</u>	<u>(5,418)</u>	<u>(5,418)</u>
Other receivables				
— deposits	722	564	542	542
— others	<u>896</u>	<u>2,769</u>	<u>3,492</u>	<u>4,727</u>
Total	<u>17,119</u>	<u>21,142</u>	<u>10,964</u>	<u>21,141</u>

The aging analysis of trade receivables is as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 1 year	4,652	7,691	1,578	9,925
1 to 2 years	107	260	—	594
2 to 3 years	—	—	260	—
Over 3 years	16,892	15,016	10,510	10,771
Less: provision for impairment	<u>(6,150)</u>	<u>(5,158)</u>	<u>(5,418)</u>	<u>(5,418)</u>
Total	<u>15,501</u>	<u>17,809</u>	<u>6,930</u>	<u>15,872</u>

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The movements in the loss allowance for impairment of trade and other receivables are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period	(6,150)	(6,150)	(5,158)	(5,418)
Provision for the year/period	—	—	(260)	—
Reversal for the year/period	—	992	—	—
At the end of the year/period	<u>(6,150)</u>	<u>(5,158)</u>	<u>(5,418)</u>	<u>(5,418)</u>

13 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents:

		As at 31 December			As at 30 June
		2022	2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand		1	1	2	2
Cash at banks	(i)	336,455	683,135	380,228	477,172
Cash at other financial institutions	(ii)	<u>201</u>	<u>1,242</u>	<u>6,871</u>	<u>17,562</u>
Total		<u>336,657</u>	<u>684,378</u>	<u>387,101</u>	<u>494,736</u>

Notes:

- (i) As of June 30, 2025, neither the Target Group nor the Target Company has any bank deposits used for pledge or guarantee.
- (ii) Other financial institutions are the Target Group's monetary fund deposits with CIMC Finance Co., Ltd.

(b) Restricted cash:

		As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Pledged time deposit		89,000	—	—	—
Restricted bank deposits due to prolonged inactivity		<u>—</u>	<u>86</u>	<u>106</u>	<u>—</u>
Total		<u>89,000</u>	<u>86</u>	<u>106</u>	<u>—</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

(c) Reconciliation of profit before taxation to cash used in operations:

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Operating activities						
Profit before taxation		14,278	31,896	68,151	92,938	29,353
Adjustments for						
Depreciation of property, plant and equipment	6(c)	19,889	20,965	21,765	10,743	10,824
Amortisation of intangible assets	6(c)	310	317	395	187	208
Depreciation of right-of-use assets	6(c)	1,554	1,554	1,901	777	751
Amortisation of long-term deferred expenses	6(c)	—	4	7	3	3
Impairment losses on financial assets — net	11, 12	4,643	2,933	72,224	1,255	36,361
Interest expense on lease liabilities	6(a)	61	94	196	46	35
Unrealised fair value change of FVTPL	5	1,429	—	7,767	7,767	—
Unrealised fair value change of derivatives	5	—	(392)	50	—	10,746
Loss on disposal of an associate	5	47,335	—	—	—	—
Share of profits of joint ventures and associates	18, 19	(19,335)	(12,610)	(22,998)	(10,300)	(5,149)
Investment income from disposal of FVTPL	5	—	—	(50,000)	(50,000)	—
Foreign exchange differences		(963)	(379)	(150)	(979)	(12,502)
Operating profit before changes in working capital		<u>69,201</u>	<u>44,382</u>	<u>99,308</u>	<u>52,437</u>	<u>70,630</u>
Changes in working capital						
(Increase)/decrease in amounts due from restricted cash		—	(86)	(20)	86	106
Increase in operating receivables		(312,221)	(1,836,400)	(1,604,583)	(709,947)	(233,410)
Decrease/(increase) in operating payables		<u>96,978</u>	<u>513,946</u>	<u>368,505</u>	<u>(27,231)</u>	<u>(122,541)</u>
Cash used in operating activities		<u>(146,042)</u>	<u>(1,278,158)</u>	<u>(1,136,790)</u>	<u>(684,655)</u>	<u>(285,215)</u>

(d) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Target Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Target Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank loans <i>RMB'000</i>	Trade and other payables <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2022	121,343	2,059,120	2,113	2,182,576
Changes from financing cash flows:				
Proceeds from borrowings	2,428,958	—	—	2,428,958
Repayment for borrowings	(121,343)	(2,172,832)	—	(2,294,175)
Capital element of lease rentals paid	—	—	(1,572)	(1,572)
Interest element of lease rentals paid	—	—	(61)	(61)
Sub-total	<u>2,307,615</u>	<u>(2,172,832)</u>	<u>(1,633)</u>	<u>133,150</u>
Other changes:				
Foreign exchange movement	36,974	113,712	—	150,686
Interest expenses	47,179	31,896	61	79,136
Interest paid classified as operating cash flows	<u>(47,179)</u>	<u>(31,896)</u>	<u>—</u>	<u>(79,075)</u>
Sub-total	<u>36,974</u>	<u>113,712</u>	<u>61</u>	<u>150,747</u>
As at 31 December 2022 and 1 January 2023	2,465,932	—	541	2,466,473
Changes from financing cash flows:				
Proceeds from borrowings	3,115,335	—	—	3,115,335
Repayment for borrowings	(1,600,456)	—	—	(1,600,456)
Capital element of lease rentals paid	—	—	(1,540)	(1,540)
Interest element of lease rentals paid	—	—	(94)	(94)
Sub-total	<u>1,514,879</u>	<u>—</u>	<u>(1,634)</u>	<u>1,513,245</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

	Bank loans <i>RMB'000</i>	Trade and other payables <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
Other changes:				
Foreign exchange movement	46,111	—	—	46,111
Interest expenses	227,070	—	94	227,164
Interest paid classified as operating cash flows	(227,070)	—	—	(227,070)
Increase in lease liabilities from entering into new leases	—	—	3,367	3,367
Sub-total	46,111	—	3,461	49,572
As at 31 December 2023	4,026,922	—	2,368	4,029,290
		Bank loans <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024		4,026,922	2,368	4,029,290
Changes from financing cash flows:				
Proceeds from borrowings		4,986,035	—	4,986,035
Repayment for borrowings		(4,494,821)	—	(4,494,821)
Capital element of lease rentals paid		—	(2,771)	(2,771)
Interest element of lease rentals paid		—	(196)	(196)
Sub-total		491,214	(2,967)	488,247
Other changes:				
Foreign exchange movement		171,191	—	171,191
Interest expenses		283,188	196	283,384
Interest paid classified as operating cash flows		(283,188)	—	(283,188)
Increase in lease liabilities from entering into new leases		—	2,258	2,258
Sub-total		171,191	2,454	173,645
As at 31 December 2024 and 1 January 2025		4,689,327	1,855	4,691,182
Changes from financing cash flows:				
Proceeds from borrowings		2,812,933	—	2,812,933
Repayment for borrowings		(2,416,076)	—	(2,416,076)
Capital element of lease rentals paid		—	(782)	(782)
Interest element of lease rentals paid		—	(35)	(35)
Sub-total		396,857	(817)	396,040

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

	Bank loans <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
Other changes:			
Foreign exchange movement	(62,594)	—	(62,594)
Interest expenses	130,914	35	130,949
Interest paid classified as operating cash flows	<u>(130,914)</u>	<u>—</u>	<u>(130,914)</u>
Sub-total	<u>(62,594)</u>	<u>35</u>	<u>(62,559)</u>
As at 30 June 2025	<u><u>5,023,590</u></u>	<u><u>1,073</u></u>	<u><u>5,024,663</u></u>
(unaudited)			
As at 1 January 2024	4,026,922	2,368	4,029,290
Changes from financing cash flows:			
Proceeds from borrowings	2,895,554	—	2,895,554
Repayment for borrowings	(2,404,808)	—	(2,404,808)
Capital element of lease rentals paid	—	(770)	(770)
Interest element of lease rentals paid	<u>—</u>	<u>(46)</u>	<u>(46)</u>
Sub-total	<u>490,746</u>	<u>(816)</u>	<u>489,930</u>
Other changes:			
Foreign exchange movement	67,216	—	67,216
Interest expenses	142,723	46	142,769
Interest paid classified as operating cash flows	<u>(142,723)</u>	<u>—</u>	<u>(142,723)</u>
Sub-total	<u>67,216</u>	<u>46</u>	<u>67,262</u>

14 LEASE LIABILITIES

At the end of each of the reporting periods, the lease liabilities were repayable as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	541	1,559	1,584	1,073
After 1 year but within 2 years	—	809	272	—
After 2 years but within 5 years	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u><u>541</u></u>	<u><u>2,368</u></u>	<u><u>1,856</u></u>	<u><u>1,073</u></u>

15 BANK LOANS

(a) The analysis of the repayment schedule of bank loans is as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 1 year or on demand	<u>2,152,525</u>	<u>2,970,614</u>	<u>3,430,040</u>	<u>3,824,869</u>
After 1 year but within 2 years	—	—	543,827	534,884
After 2 years but within 5 years	313,407	283,744	294,151	663,837
After 5 years	<u>—</u>	<u>772,564</u>	<u>421,309</u>	<u>—</u>
	<u>2,465,932</u>	<u>4,026,922</u>	<u>4,689,327</u>	<u>5,023,590</u>

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the weighted average annual interest rate of the Target Group's bank loans was 3.43%, 6.52%, 6.26% and 5.44%.

(b) Assets pledged as security for bank loans

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
— Unsecured	1,504,949	1,800,050	2,122,654	2,886,095
— Pledged	77,649	100,000	55,000	55,000
— Guaranteed	<u>883,334</u>	<u>2,126,872</u>	<u>2,511,673</u>	<u>2,082,495</u>
	<u>2,465,932</u>	<u>4,026,922</u>	<u>4,689,327</u>	<u>5,023,590</u>

As at 31 December 2022, the collateral pledged for the Target Group's banks loans was a time deposit of RMB89,000,000. As at 31 December 2023, 31 December 2024, and 30 June 2025, the pledged collateral was a patent right. As at 30 June 2025, the guarantors for these bank loans included the Target Group, its fellow subsidiaries and its controlling shareholder.

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16 TRADE AND OTHER PAYABLES

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Bills payable	—	—	10,000	18,321
Account payable	29	19	37	3
Other payable	104,395	145,232	143,945	100,432
Total	104,424	145,251	153,982	118,756

(a) Other payables

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Accounts payable to related parties	43	43	43	43
Deposit payable	99,822	104,949	94,847	55,821
Accrued expenses	10	107	—	—
Received in advance	1,665	39,148	45,959	40,188
Others	2,855	985	3,096	4,380
Total	104,395	145,232	143,945	100,432

17 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represent:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
As at 1 January	—	—	6,856	6,796
Provision for PRC				
Enterprise Income tax for the year/period	1,740	6,856	18,467	9,139
Provision for Hong Kong				
Profits tax for the year/period	73	236	31	15
Provision for Overseas				
income taxes for the year/period	—	183	991	1,033
Income tax paid	(1,813)	(419)	(19,549)	(7,842)
As at 31 December/30 June	—	6,856	6,796	9,141

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and their movements during the year/period are as follows:

Deferred tax assets/(liabilities) arising from:	Impairment loss RMB'000	Dividend distribution from non-resident foreign enterprises RMB'000	Total RMB'000
At 1 January 2022	—	(11,428)	(11,428)
Credited/(charged) to profit or loss	—	(5,119)	(5,119)
At 31 December 2022 and 1 January 2023	—	(16,547)	(16,547)
Credited/(charged) to profit or loss	2,114	(2,013)	101
At 31 December 2023 and 1 January 2024	2,114	(18,560)	(16,446)
Credited/(charged) to profit or loss	18,002	(2,962)	15,040
At 31 December 2024 and 1 January 2025	20,116	(21,522)	(1,406)
Credited/(charged) to profit or loss	6,910	(1,583)	5,327
At 30 June 2025	27,026	(23,105)	3,921

(c) Deferred tax assets not recognised

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deductible temporary differences	17,489	18,088	21,077	22,672
Deductible losses	198,843	205,132	207,251	211,591
Total	216,332	223,220	228,328	234,263

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(d) Expiry information of deductible losses for deferred tax assets not recognised

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
2023	30,312	—	—	—
2024	14,901	14,901	—	—
2025	2,571	2,571	—	—
2026	40,791	40,791	14,591	2,113
2027	63,608	63,608	63,608	63,608
2028	—	17,708	17,708	17,708
2030	—	—	—	4,518
Long term	<u>46,660</u>	<u>65,553</u>	<u>111,344</u>	<u>123,644</u>
Total	<u>198,843</u>	<u>205,132</u>	<u>207,251</u>	<u>211,591</u>

18 INTERESTS IN ASSOCIATE

Set out below is the information of the Target Group's associate, which is an unlisted corporate entity whose quoted market price are not available:

Name of associate	Form of business structure	Place of incorporation and business	Effective interest held by the Target Group				Principal activities
			As at 31 December		As at 30 June		
			2022	2023	2024	2025	
Chemgas Schifffahrts UG (haftungsbeschränkt) & Co. MT “GASCHEMNARWHAL” KG	Incorporated	Germany	33.34%	33.34%	33.34%	33.34%	Financial leasing Company

The above associate is accounted for using the equity method in the consolidated financial statements. Aggregate information of the associate that is not individually material:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Aggregate carrying amounts of individually immaterial associate in the consolidated financial statements	<u>113,235</u>	<u>116,754</u>	<u>119,199</u>	<u>122,085</u>
Aggregate amounts of the Target Group's share of the associate's profit from continuing operations and total comprehensive income	<u>13,631</u>	<u>17,557</u>	<u>17,615</u>	<u>5,074</u>

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19 INTERESTS IN JOINT VENTURE

Set out below is the information of the Target Group's joint venture, which is an unlisted corporate entity whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Effective interest held by the Target Group				Principal activities
			2022	As at 31 December 2023	2024	As at 30 June 2025	
Ninth New Horizons Shipping UG (haftungsbeschränkt) & Co. KG, Haren	Incorporated	Germany	50.00%	50.00%	50.00%	50.00%	Financial leasing Company

The above joint venture is accounted for using the equity method in the consolidated financial statements. Aggregate information of the joint venture that is not individually material:

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Aggregate carrying amounts of individually immaterial joint venture in the consolidated financial statements	32,526	21,340	27,411	26,995
Aggregate amounts of the Target Group's share of the joint venture's profit/(loss) from continuing operations and total comprehensive income	5,704	(4,947)	5,383	75

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in unlisted equity securities	307,767	307,767	—	—
Total	307,767	307,767	—	—

21 Derivative financial instruments

	<i>Note</i>	As at 31 December			As at 30 June
		2022	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Derivative financial assets					
Structured currency swap	(i)	—	395	355	775
Derivative financial liabilities					
Cross currency swap	(ii)	—	—	—	11,046

Notes:

- (i) The Target Group held two cross currency swap contracts for hedging against USD interest rate risk: a USD50 million contract from February 16, 2023 to August 4, 2025, and a USD228 million contract from March 12, 2025 to March 12, 2026.
- (ii) As of June 30, 2025, the Target Group held one outstanding cross currency swap contract, which began on June 10, 2025 and will expire on July 23, 2027, to mitigate the exchange rate risk of the Euro project. Fluctuations in the fair value of derivative financial instruments are recorded in profit or loss.

22 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of Target Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Target Company's individual components of equity between the beginning and the end of the period are set out below:

	Paid-in capital	Retained earnings	Total equity
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance as at 1 January 2022	655,396	35,763	691,159
Loss and other comprehensive income for the year	—	(50,577)	(50,577)
Capital injection from shareholders	344,604	—	344,604
Balance as at 31 December 2022 and 1 January 2023	1,000,000	(14,814)	985,186
Loss and other comprehensive income for the year	—	(1,475)	(1,475)
Balance as at 31 December 2023 and 1 January 2024	1,000,000	(16,289)	983,711
Profit and other comprehensive income for the year	—	5,460	5,460

	Paid-in capital <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total equity <i>RMB'000</i>
Balance as at 31 December 2024 and 1 January 2025	1,000,000	(10,829)	989,171
Loss and other comprehensive income for the period	—	(4,887)	(4,887)
Capital injection from shareholders	—	—	—
Balance as at 30 June 2025	<u>1,000,000</u>	<u>(15,716)</u>	<u>984,284</u>

(b) Paid-in capital

	2022		As at 31 December 2023		2024		As at 30 June 2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Shenzhen Financial Leasing (Group) Co., Ltd.	600,000	60	600,000	60	600,000	60	600,000	60
China International Marine Containers (Group) Co., Ltd.	<u>400,000</u>	<u>40</u>	<u>400,000</u>	<u>40</u>	<u>400,000</u>	<u>40</u>	<u>400,000</u>	<u>40</u>
Total	<u>1,000,000</u>	<u>100</u>	<u>1,000,000</u>	<u>100</u>	<u>1,000,000</u>	<u>100</u>	<u>1,000,000</u>	<u>100</u>

(c) Reserves

(i) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of foreign operations. The foreign exchange reserve is dealt with in accordance with the accounting policy set out in Note 2(s).

(d) Dividends

No dividends have been paid by the Target Company during the Relevant Periods.

(e) Capital management

The Target Group's objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to minimize the cost of capital.

To maintain or adjust the capital structure, the Target Group may adjust the amount of dividends paid, return capital to shareholders, raise capital, or sell assets to reduce debt. The Target Group's total capital consists of equity attributable to owners as presented in the consolidated statement of financial position.

The Target Group is not subject to any external mandatory capital requirements and monitors its capital using the asset-liability ratio.

23 FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**(a) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Target Group. The Target Group's credit risk is primarily attributable to cash and cash equivalents, finance lease receivables, trade and other receivables, and derivative financial instruments.

The Target Group's exposure to credit risk arising from cash and cash equivalents, restricted cash and derivative financial instruments is limited because the counterparties are banks and financial institutions, which the Target Group considers to represent low credit risk.

The maximum credit risk exposure relating to financial assets recognized in the consolidated statement of financial position is their carrying amount. The Target Group has not provided any other guarantees that could expose it to credit risk.

Finance lease receivables

For finance lease receivables, the Target Group's management has established plans to implement risk management based on industry research, counterparty credit ratings, and an understanding of the counterparty's business and financial condition. In the event of default, management may seek to reclaim, repossess, or sell the leased asset, as applicable. In cases of delayed payments, management has the right to charge interest at a default rate on any overdue portion until the outstanding amount is settled. Furthermore, security deposits may be requested, as appropriate, to cover or extinguish the lessee's obligations. The Target Group manages, limits, and controls significant concentrations of credit risk, particularly by regularly assessing lessees' repayment capabilities.

Trade and other receivables

The Target Group's management has established credit policies under which each customer is assessed for credit quality to determine credit limits and payment terms. This assessment is primarily based on the customer's financial condition, external credit ratings (where available), and banking credit history. The related receivables fall due on each payment date, commencing from the start of the lease period. Customers with arrears exceeding three months are required to settle all outstanding balances before any further credit is granted. Typically, the Target Group requests customers to provide security deposits.

The management provides for impairment on trade and other receivables with an aging period exceeding three years, as well as on those confirmed to be uncollectible. The cumulative impairment allowances for trade and other receivables as of 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, were RMB6,150,000, RMB5,158,000, RMB5,418,000, and RMB5,418,000, respectively (Note 12).

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As at 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Target Group did not hold any significant collateral or other credit enhancements.

As at 31 December 2022

	Current RMB'000	Past Due Less Than 30 Days RMB'000	Past Due 30 to 60 Days RMB'000	Past Due 61 to 90 Days RMB'000	Past Due over 90 Days RMB'000	Total RMB'000
Finance lease receivables						
— net	2,213,687	—	—	—	—	2,213,687
Expected Credit Loss	(4,643)	—	—	—	—	(4,643)

As at 31 December 2023

	Current RMB'000	Past Due Less Than 30 Days RMB'000	Past Due 30 to 60 Days RMB'000	Past Due 61 to 90 Days RMB'000	Past Due over 90 Days RMB'000	Total RMB'000
Finance lease receivables						
— net	4,017,631	—	—	—	—	4,017,631
Expected Credit Loss	(8,568)	—	—	—	—	(8,568)

As at 31 December 2024

	Current RMB'000	Past Due Less Than 30 Days RMB'000	Past Due 30 to 60 Days RMB'000	Past Due 61 to 90 Days RMB'000	Past Due over 90 Days RMB'000	Total RMB'000
Finance lease receivables						
— net	5,333,885	—	—	—	30,808	5,364,693
Expected Credit Loss	(57,872)	—	—	—	(22,660)	(80,532)

As at 30 June 2025

	Current RMB'000	Past Due Less Than 30 Days RMB'000	Past Due 30 to 60 Days RMB'000	Past Due 61 to 90 Days RMB'000	Past Due over 90 Days RMB'000	Total RMB'000
Finance lease receivables						
— net	4,930,834	—	327,667	—	276,096	5,534,597
Expected Credit Loss	(28,654)	—	(22,200)	—	(66,039)	(116,893)

(b) Liquidity risk

Liquidity risk is the risk of a shortage of funds when the Target Group is obligated to settle commitments in cash or other financial assets. The Target Group and its subsidiaries are each responsible for their own cash management, including the short-term investment of cash surpluses and raising loans to meet anticipated cash needs (borrowing in excess of certain pre-set authorization limits requires approval from the Target Company's Board of Directors). The Target Group's policy is to regularly monitor short-term and long-term liquidity requirements, as well as compliance with borrowing agreement covenants, to ensure that sufficient cash reserves and readily marketable securities are maintained, while also securing adequate committed standby banking facilities from major financial institutions to meet both short-term and longer-term liquidity needs.

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The contractual undiscounted cash flows (including interest calculated at contractual rates, or at prevailing rates as of December 31 for floating-rate instruments) for the Target Group's financial liabilities at the reporting date, analysed by their remaining contractual maturities and the earliest date on which payment can be required, are as follows:

Contractual undiscounted cash outflow as at 31 December 2022						Carrying amount in consolidated statement of financial position
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	RMB'000
Bank loans	2,203,494	72,648	254,268	—	2,530,410	2,465,932
Lease liabilities	544	—	—	—	544	541
Trade and other payable	104,424	—	—	—	104,424	104,424
Total	2,308,462	72,648	254,268	—	2,635,378	2,570,897

Contractual undiscounted cash outflow as at 31 December 2023						Carrying amount in consolidated statement of financial position
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	RMB'000
Bank loans	3,032,182	401,211	473,426	522,738	4,429,557	4,026,922
Lease liabilities	1,633	817	—	—	2,450	2,368
Finance lease payables — net	46,910	253,472	214,754	—	515,136	474,624
Trade and other payable	118,294	14,459	12,498	—	145,251	145,251
Total	3,199,019	669,959	700,678	522,738	5,092,394	4,649,165

Contractual undiscounted cash outflow as at 31 December 2024						Carrying amount in consolidated statement of financial position
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	RMB'000
Bank loans	3,257,000	156,627	960,321	432,595	4,806,543	4,689,327
Lease liabilities	1,633	272	—	—	1,905	1,856
Finance lease payables — net	48,181	256,553	159,288	—	464,022	439,445
Trade and other payable	127,214	13,539	13,412	—	154,165	153,982
Total	3,434,028	426,991	1,133,021	432,595	5,426,635	5,284,610

Contractual undiscounted cash outflow as at 30 June 2025						Carrying amount in consolidated statement of financial position
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	RMB'000
Bank loans	3,868,993	675,503	808,203	—	5,352,699	5,023,590
Lease liabilities	1,089	—	—	—	1,089	1,073
Finance lease payables — net	62,136	196,429	127,583	—	386,148	354,293
Trade and other payable	127,958	14,282	13,725	—	155,965	118,756
Total	4,060,176	886,214	949,511	—	5,895,901	5,497,712

(c) Currency risk

For cash and cash equivalents, finance lease receivable, bank loans, and other foreign currency assets and liabilities not denominated in the functional currency of the companies in the Target Group, if there is a short-term imbalance, the Target Group will buy and sell foreign currencies at market exchange rates as necessary to ensure that the net risk exposure is maintained at an acceptable level. To mitigate foreign exchange risks associated with foreign currencies, the Target Group utilizes swaps to hedge its currency risk. Hedge accounting is not applied to these contracts.

(i) Exposure to currency risk

	2022			As at 31 December 2023			2024			As at 30 June 2025		
	United States	Euros	Hong Kong	United States	Euros	Hong Kong	United States	Euros	Hong Kong	United States	Euros	Hong Kong
	Dollars		Dollars	Dollars		Dollars	Dollars		Dollars	Dollars		Dollars
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	177	1,375	—	3	2,176	—	2,084	2,205	727	1,536	9,003	1,186
Finance lease receivables — net	—	—	—	—	—	—	—	—	—	—	480,193	—
Bank loans	—	—	—	—	—	—	—	—	—	—	(206,584)	—
Net exposure arising from recognised assets and liabilities	177	1,375	—	3	2,176	—	2,084	2,205	727	1,536	282,612	1,186

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Target Group's profit after tax (and retained profits) that would arise if the RMB against the US dollars, the Euros, and the Hong Kong dollars had increased/decreased 10% at the end of the reporting period, assuming all other risk variables remained constant. The impact is shown in RMB, translated using the spot rate at the year/period-end date.

	2022			As at 31 December 2023			2024			As at 30 June 2025		
	United States	Euros	Hong Kong	United States	Euros	Hong Kong	United States	Euros	Hong Kong	United States	Euros	Hong Kong
	Dollars		Dollars	Dollars		Dollars	Dollars		Dollars	Dollars		Dollars
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Increase 10% in foreign exchange rates	(13)	(115)	—	—	(163)	—	(156)	(165)	(55)	(58)	(10,598)	(44)
Decrease 10% in foreign exchange rates	13	115	—	—	163	—	156	165	55	58	10,598	44

(d) Interest rate risk

Interest-bearing financial instruments with fixed interest rates and floating interest rates expose the Target Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Target Group determines the proportion of fixed and floating interest rate instruments based on market conditions and maintains an appropriate mix of such instruments through regular reviews and monitoring.

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(i) Interest rate risk profile

	As at 31 December			As at 30
	2022	2023	2024	June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Fixed rate financial instruments				
Financial assets				
— Cash and cash equivalents	253,300	—	—	—
— Restricted cash	89,000	86	106	—
— Finance lease receivables — net	1,374,832	1,828,008	1,696,634	1,613,762
Financial liabilities	—	—	—	—
— Bank loans	(215,981)	(732,841)	(946,597)	(919,246)
Net exposure	<u>1,501,151</u>	<u>1,095,253</u>	<u>750,143</u>	<u>694,516</u>
Variable rate financial instruments				
Financial assets				
— Cash and cash equivalents	83,357	684,378	387,101	494,736
— Finance lease receivables — net	235,242	1,205,740	2,357,314	2,773,500
Financial liabilities	—	—	—	—
— Bank loans	(2,249,951)	(3,294,081)	(3,742,730)	(4,104,344)
Net exposure	<u>(1,931,352)</u>	<u>(1,403,963)</u>	<u>(998,315)</u>	<u>(836,108)</u>

(ii) Sensitivity analysis

The following table presents the projected impact on the Target Group's profit/(loss) for the reporting year/period, assuming a 25-basis point increase/decrease in interest rates while keeping all other variables constant.

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Increase of 25 basis points	<u>(3,621)</u>	<u>(2,632)</u>	<u>(1,872)</u>	<u>(784)</u>
Decrease of 25 basis points	<u>3,621</u>	<u>2,632</u>	<u>1,872</u>	<u>784</u>

(e) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Target Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	As at 31 December 2022			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets measured at fair value through profit or loss	—	—	307,767	307,767
	As at 31 December 2023			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Derivative financial instruments	—	395	—	—
Financial assets measured at fair value through profit or loss	—	—	307,767	—
	As at 31 December 2024			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Derivative financial instruments	—	355	—	—
	As at 31 December 2025			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Derivative financial instruments	—	(10,271)	—	—

Except for the financial assets and financial liabilities described above, the carrying amounts of financial assets and financial liabilities that are not carried at fair value approximate their fair values.

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 in each year at 31 December 2022, 2023 and 2024 and 30 June 2025.

24 MATERIAL RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name of related party	Relationship
Wang Yu	Director
Yu Yuqun	Director
Zhang Li	Director
Zeng Han	Director
Tao Kuan	Director
Wu Sanqiang	Director
Jiang Jun	Director & General Manager
Wang Zhiwu	Director
Zhou Mi	Director
Gao Wenbao	Director
Liu Wujun	Director
He Gang	Director
Chen Yihao	Director
Cao Zewen	Vice General Manager
Li Huilin	Vice General Manager
Zhoushan Changhong International Ship Repair Co., Ltd.	Associate
Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd.	Fellow Subsidiaries
CIMC Blue Water Technology Development (Guangdong) Co., Ltd.	Fellow Subsidiaries
CIMC Special Shunda Supply Chain Service Co., Ltd.	Fellow Subsidiaries
Dalian CIMC Special Logistics Equipment Co., Ltd.	Fellow Subsidiaries
Nantong CIMC Energy Equipment Co., Ltd.	Fellow Subsidiaries
Zhangzhou Zhongji Container Co., Ltd.	Fellow Subsidiaries
DONGGUAN SOUTHERN CIMC LOGISTICS EQUIPMENT MANUFACTURE CO., LTD	Fellow Subsidiaries
Ningbo CIMC Logistic Equipment Co. Ltd	Fellow Subsidiaries
Tianjin CIMC Container Co., Ltd.	Fellow Subsidiaries
CIMC ENRIC SJZ GAS EQUIPMENT, INC	Fellow Subsidiaries
CIMC Commercial Factoring Co., Ltd.	Fellow Subsidiaries
Shenzhen Leasing (Hong Kong) Limited	Shareholder of the Group
China International Marine Containers (Hong Kong) Limited	Fellow Subsidiaries
CIMC Offshore Engineering Institute Co., Ltd	Fellow Subsidiaries
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	Fellow Subsidiaries

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(b) Key management personnel remuneration

Remuneration for key management personnel of the Target Group is as follows:

	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i> (unaudited)	2025 <i>RMB'000</i>
Salaries and other emoluments	(i)	4,669	4,023	2,121	844	707
Social welfare		511	539	521	224	160
Total		<u>5,180</u>	<u>4,562</u>	<u>2,642</u>	<u>1,068</u>	<u>867</u>

Note:

- (i) The Target Group solely bears the personnel remuneration of key management. The remuneration of the directors of the Target Group is paid at the shareholder level of the Target Company.

(c) Related party transactions:

	Year ended 31 December			Six months ended 30 June	
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
MATERIAL RELATED PARTY TRANSACTIONS:					
(1) Revenue from Ship Design Zhoushan Changhong International Ship Repair Co., Ltd.	4,972	22,245	—	—	—
Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd.	—	2,311	7,085	7,085	3,396
CIMC Blue Water Technology Development (Guangdong) Co., Ltd.	—	94	—	—	—
CIMC Blue Water Technology Development (Guangdong) Co., Ltd.	<u>—</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>—</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

	Year ended 31 December			Six months ended	
	2022	2023	2024	30 June	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(2) Leases Income					
CIMC Offshore Engineering Institute Co., Ltd	531	—	—	—	—
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	<u>118</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
(3) Procurement					
Zhoushan Changhong International Ship Repair Co., Ltd.	24,145	—	—	—	—
Dalian CIMC Special Logistics Equipment Co., Ltd.	220,910	61,740	22,072	22,072	26,160
Nantong CIMC Energy Equipment Co., Ltd.	—	85,150	—	—	—
Zhangzhou Zhongji Container Co., Ltd.	—	19,460	—	—	—
DONGGUAN SOUTHERN CIMC LOGISTICS EQUIPMENT MANUFACTURE CO., LTD	—	22,400	—	—	—
Ningbo CIMC Logistic Equipment Co. Ltd	—	19,600	—	—	—
Tianjin CIMC Container Co., Ltd.	<u>49,020</u>	<u>63,450</u>	<u>32,900</u>	<u>32,900</u>	<u>54,500</u>
(4) Recovery of funds					
China International Marine Containers (Group) Co., Ltd.	<u>190,025</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
(5) Repayment of funds					
China International Marine Containers (Hong Kong) Limited	35,006	—	—	—	—
Shenzhen Leasing (Hong Kong) Limited	<u>2,169,722</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
The balance of transactions with related parties:					
(1) Cash equivalents					
CIMC Finance Limited	<u>201</u>	<u>1,242</u>	<u>6,871</u>	<u>6,871</u>	<u>17,562</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

	Year ended 31 December			Six months ended	
				30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(2) Trade receivables					
CIMC Blue Water					
Technology					
Development					
(Guangdong) Co.,					
Ltd.	—	50	—	—	—
Nantong CIMC					
Sinopacific Offshore					
& Engineering Co.,					
Ltd.	—	—	—	250	—
CIMC Special Shunda					
Supply Chain Service					
Co., Ltd.	—	—	—	15	—
CIMC ENRIC SJZ					
GAS EQUIPMENT,					
INC	10,986	10,304	6,055	6,055	5,947
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
(3) Other payables					
Shenzhen Leasing					
(Hong Kong)					
Limited	43	43	43	43	43
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
(4) Borrowings guaranteed					
by shareholder					
China International					
Marine Containers					
(Group) Co., Ltd	—	1,691,824	868,754	868,754	644,850
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET COMPANY

25 FINANCIAL POSITION OF THE TARGET COMPANY

Statements of financial position of the Target Company

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	352	410	416	360
Financial assets at fair value through profit or loss ("FVTPL")	307,767	307,767	—	—
Investment in subsidiaries	223,444	423,444	723,444	723,444
Other non-current assets	—	62	58	54
	531,563	731,683	723,918	723,858
Current assets				
Trade and other receivables	210,015	846,820	884,681	1,050,870
Other current assets	46	—	896	65
Restricted cash	89,000	—	—	—
Cash and cash equivalents	262,316	66,464	83,595	193,296
	561,377	913,284	969,172	1,244,231
Total assets	1,092,940	1,644,967	1,693,090	1,968,089
Current liabilities				
Trade and other payables	4,349	184,715	198,038	208,542
Bank loans	101,359	474,932	500,726	770,712
Other current liabilities	2,046	1,609	5,155	4,551
	107,754	661,256	703,919	983,805
Net current assets	453,623	252,028	265,253	260,426
Total assets less current liabilities	985,186	983,711	989,171	984,284
Net assets	985,186	983,711	989,171	984,284
Capital and reserves				
Pain-in capital	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	(14,814)	(16,289)	(10,829)	(15,716)
Total equity	985,186	983,711	989,171	984,284

26 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING ON 1 JANUARY 2025

Up to the date of this report, the HKICPA has issued a number of new or amended standards, which are not yet effective for Relevant Periods and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Target Group.

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to HKFRS 10 and IAS 28 — Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Target Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application.

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Target Group does not plan to early adopt HKFRS 18 and based on the initial assessment result it concluded that adoption of HKFRS 18 would not significantly affect the financial position and performance of the Target Group.

27 SUBSEQUENT EVENTS

In September 2025, the Company acquires 40% equity interest in the Target Company from Shenzhen Financial Leasing (Group) Co., Ltd at a consideration of RMB480 million. Upon completion, the Target Company is no longer a subsidiary of Shenzhen Financial Leasing (Group) Co., Ltd.

In September 2025, the Target Group transferred its 33.34% equity interest in the associated enterprise Chemgas Schiffahrts UG (haftungsbeschränkt) & Co. MT "GASCHEMNARWHAL" KG at a consideration of USD24 million to, a third party, RHKG Beteiligungen UG (haftungsbeschränkt) & Co.KG, and recognised an investment gain of USD8 million.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company or any of its subsidiaries in respect of any period subsequent to 30 June 2025.

The following is the text of a report on the unaudited pro forma financial information of the Enlarged Group received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Seacon Shipping Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Seacon Shipping Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”), and the 40% equity interest in CIMC Xinde Leasing (Shenzhen) Co., Ltd. (the “**Target Company**”), and the provision of guarantee to the Target Company. The unaudited pro forma financial information was prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2025, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages III-4 to III-7 of the Company’s circular dated 24 December 2025, in connection with the acquisition of the 40% equity interest in the Target Company and the provision of guarantee to the Target Company (the “**Transaction**”) by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-4 to III-7 of the circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group’s financial position as at 30 June 2025 as if the Transaction had taken place at 30 June 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited condensed consolidated balance sheet as at 30 June 2025, on which no audit or review report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 December 2025

**UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE
ENLARGED GROUP****Introduction**

The following is the unaudited pro forma financial information of the Company and its subsidiaries (collectively the “**Group**”), and the 40% equity interest in the Target Company, comprising the unaudited pro forma consolidated statement of assets and liabilities as at 30 June 2025 and related notes of the Enlarged Group (collectively, the “**Unaudited Pro Forma Financial Information**”) in connection with the acquisition of the 40% equity interest in the Target Company and the provision of guarantee to the Target Company (the “**Transaction**”) by the Company as disclosed in this circular.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated balance sheet of the Group as at 30 June 2025, which was extracted from the published interim report of the Group for the six months ended 30 June 2025, after making pro forma adjustments as summarised in the accompanying notes attributable to the Transaction, as if they had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29(7) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited for illustrative purposes only, and is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Group that would have been attained had the Transaction been completed on 30 June 2025 nor purport to predict the Group’s future financial position.

The Unaudited Pro Forma Financial Information of the Group should be read in conjunction with the interim financial information of the Group as set out in the published interim report of the Company for the six months ended 30 June 2025 and other financial information included elsewhere in this circular.

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP AS AT 30 JUNE 2025**

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2025 <i>US\$'000</i> <i>(Note i)</i>	Pro forma adjustments <i>US\$'000</i> <i>(Note ii)</i>	Pro forma consolidated statement of assets and liabilities of the Group <i>US\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment	428,503	—	428,503
Right-of-use assets	35,376	—	35,376
Intangible assets	201	—	201
Interests in associates and joint ventures	22,262	68,028	90,290
Loans to associates and joint ventures	32,752	—	32,752
Other non-current assets	131,427	—	131,427
	<u>650,521</u>	<u>68,028</u>	<u>718,549</u>
Current assets			
Financial assets at fair value through profit or loss	825	—	825
Inventories	8,316	—	8,316
Prepayment and other current assets	9,950	—	9,950
Trade and other receivables	45,305	—	45,305
Restricted bank deposits	243	—	243
Cash and cash equivalents	57,306	(27,050)	30,256
	<u>121,945</u>	<u>(27,050)</u>	<u>94,895</u>
Total assets	<u><u>772,466</u></u>	<u><u>40,978</u></u>	<u><u>813,444</u></u>
Liabilities			
Non-current liabilities			
Borrowings	365,193	40,574	405,767
Lease liabilities	18,565	—	18,565
Contract liabilities	1,825	—	1,825
Deferred income tax liabilities	2,831	—	2,831
Guarantee contract liabilities	10,187	404	10,591
	<u>398,601</u>	<u>40,978</u>	<u>439,579</u>

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2025 US\$'000 (Note i)	Pro forma adjustments US\$'000 (Note ii)	Pro forma consolidated statement of assets and liabilities of the Group US\$'000
Current liabilities			
Advances and contract liabilities	22,778	—	22,778
Trade and other payables	36,427	—	36,427
Current tax liabilities	650	—	650
Borrowings	46,419	—	46,419
Lease liabilities	15,505	—	15,505
	<u>121,779</u>	<u>—</u>	<u>121,779</u>
Total liabilities	<u>520,380</u>	<u>40,978</u>	<u>561,358</u>
Net assets	<u>252,086</u>	<u>—</u>	<u>252,086</u>

Notes:

- (i) The unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2025 were extracted from the unaudited condensed consolidated balance sheet included in the published interim report of the Group for the six months ended 30 June 2025.
- (ii) Pursuant to the Transfer Agreement, the Company acquired the 40% equity interest in the Target Company at the cash consideration of approximately RMB481,914,200 (equivalent to approximately US\$67,624,000 with exchange rate on the date of payment). The Company financed the consideration by (i) obtaining a bank borrowing amounting to RMB289,148,520 (equivalent to approximately US\$40,574,000 with exchange rate on the date of payment) and (ii) cash at bank of RMB192,765,680 (equivalent to approximately US\$27,050,000 with exchange rate on the date of payment). In addition, pursuant to the Transfer Agreement, from the Completion Date of the acquisition of the Target Interest, the Purchaser shall undertake the seller's previous obligation to provide a shareholder guarantee for the Target Company in favour of the relevant bank in proportion to the Purchaser's equity interest. The provision of guarantee to the Target Company is also regarded as part of the consideration with a fair value amounting to US\$404,000. The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm's length transaction.

Upon the completion of the Transaction, the Target Company was accounted as a joint venture of the Company. For the purpose of the Unaudited Pro Forma Financial Information, assuming that the completion of the Transaction had taken place on 30 June 2025, the investment in the joint venture would also have been recorded. The Group recognized it as interests in a joint venture in the consolidated balance sheet of the Group, which was initially recognised at cost. The adjustment represents the Group's initial investment. Details of the Company's share of identifiable assets and liabilities of the Target Company as at 30 September 2025 to be accounted for in the unaudited pro forma consolidated balance sheet of the Enlarged Group and the calculation of implied goodwill are as follows:

	Carrying amount <i>US\$'000</i> <i>Note (a)</i>	Fair value adjustment <i>US\$'000</i> <i>Note (b)</i>	Fair value <i>US\$'000</i> <i>Note (b)</i>
Total assets	950,692	9,483	960,175
Total liabilities	<u>788,875</u>	<u>1,565</u>	<u>790,440</u>
Identifiable net assets	<u><u>161,817</u></u>	<u><u>7,918</u></u>	<u><u>169,735</u></u>

Notes:

- (a) These amounts are extracted from the unaudited financial information of the Target Group as at 30 September 2025.
- (b) These fair value adjustments of total assets are extracted from the valuation report prepared by an independent professionally qualified valuer as at 30 September 2025. These fair value adjustments of total liabilities are corresponding deferred tax liabilities arising from the fair value adjustments of total assets.

	<i>US\$'000</i>
Identifiable net assets	169,735
Equity interest in Target Company	<u>40.0%</u>
Share of identifiable net assets	<u>67,894</u>
Purchase consideration	<u>68,028</u>
Implied goodwill	<u><u>134</u></u>

The fair value of the identifiable assets and liabilities of the Target Company at the completion date of the Transaction and the implied goodwill may be different from the amounts presented above.

- (iii) Apart from the above, other adjustments have not been made to reflect any operating results or other transactions of the Group entered into subsequent to 30 June 2025, including but not limited to the bareboat charter arrangements and the novation of six Shipbuilding Contracts II included in this circular. The above pro forma adjustments are not expected to have a continuing effect on the financial performance of the Group.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “SFO”)) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Company

Name	Capacity/Nature of interest	Number of Shares held (Note 1)	Percentage of shareholding (Note 1)
Mr. Guo Jinkui (“Mr. Guo”) (Note 2)	Founder of a discretionary trust; Interest in controlled corporations	288,750,000	57.75%
Mr. Chen Zekai (“Mr. Chen”) (Note 3)	Founder of a discretionary trust; Interest in a controlled corporation	75,000,000	15.0%
Mr. Zhao Yong (“Mr. Zhao”) (Note 4)	Interest in a controlled corporation	7,500,000	1.5%
Mr. He Gang (“Mr. He”) (Note 5)	Interest in a controlled corporation	3,750,000	0.75%

Notes:

1. All interests stated are long positions.

2. The entire share capital of Jin Qiu Holding Ltd. (“**Jin Qiu**”) is wholly-owned by Shining Friends Limited (“**Shining Friends**”), which is wholly-owned by Futu Trustee Limited (“**Futu Trustee Limited**”), the trustee of The J&Y Trust (“**The J&Y Trust**”), which was established by Mr. Guo (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in 247,500,000 Shares held by Jin Qiu pursuant to Part XV of the SFO.

Jin Chun Holding Ltd. (“**Jin Chun**”) and Jovial Alliance Limited (“**Jovial Alliance**”) are both 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the 11,250,000 Shares held by Jin Chun and the 30,000,000 Shares held by Jovial Alliance under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in all the Shares held by Jin Qiu, Jin Chun and Jovial Alliance.

Mr. Guo, an executive Director, is also the director of each of Jin Qiu, Jin Chun and Jovial Alliance.

3. The entire share capital of Kaimei Holding Ltd. (“**Kaimei Holding**”) is wholly-owned by Oceanic Flame Limited (“**Oceanic Flame**”), which is wholly-owned by Futu Trustee Limited, the trustee of The CZK Trust (“**The CZK Trust**”), which was established by Mr. Chen (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in 71,250,000 Shares held by Kaimei Holding pursuant to Part XV of the SFO.

CZK Holding Ltd. (“**CZK Holding**”) is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the 3,750,000 Shares held by CZK Holding under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in all the Shares held by Kaimei Holding and CZK Holding.

Mr. Chen, an executive Director, is also the director of each of Kaimei Holding and CZK Holding.

4. Ruigao Holding Ltd. (“**Ruigao Holding**”) is 100% beneficially owned by Mr. Zhao. Accordingly, Mr. Zhao is deemed to be interested in the 7,500,000 Shares held by Ruigao Holding under the SFO.

Mr. Zhao, an executive Director, is also the director of Ruigao Holding.

5. Passion Wealth Ltd. (“**Passion Wealth**”) is 100% beneficially owned by Mr. He. Accordingly, Mr. He is deemed to be interested in the 3,750,000 Shares held by Passion Wealth under the SFO.

Mr. He, an executive Director, is also the director of Passion Wealth.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have

under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code in the Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Interests in the Company

Name	Capacity/Nature of interest	Number of Shares held (Note 1)	Percentage of shareholding (Note 1)
Futu Trustee Limited (Note 2)	Trustee of trusts	318,750,000	63.75%
Shining Friends (Note 3)	Interest in a controlled corporation	247,500,000	49.5%
Jin Qiu (Note 3)	Beneficial owner	247,500,000	49.5%
Jovial Alliance (Note 3)	Beneficial owner	30,000,000	6.0%
Oceanic Flame (Note 4)	Interest in a controlled corporation	71,250,000	14.25%
Kaimei Holding (Note 4)	Beneficial owner	71,250,000	14.25%
Ms. Li Xuyue ("Ms. Li") (Note 5)	Interest of spouse	288,750,000	57.75%
Ms. Chen Meimei ("Ms. Chen") (Note 6)	Interest of spouse	75,000,000	15.0%

Notes:

1. All interests stated are long positions.
2. Futu Trustee Limited is the trustee of The J&Y Trust and The CZK Trust, two trusts in total.
3. The entire share capital of Jin Qiu is wholly-owned by Shining Friends, which is wholly-owned by Futu Trustee Limited, the trustee of The J&Y Trust, which was established by Mr. Guo (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in 247,500,000 Shares held by Jin Qiu pursuant to Part XV of the SFO.

Jin Chun and Jovial Alliance are both 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the 11,250,000 Shares held by Jin Chun and the 30,000,000 Shares held by Jovial Alliance under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in the 288,750,000 Shares held by Jin Qiu, Jin Chun and Jovial Alliance in aggregate.

4. The entire share capital of Kaimei Holding is wholly-owned by Oceanic Flame, which is wholly-owned by Futu Trustee Limited, the trustee of The CZK Trust, which was established by Mr. Chen (as the settlor and protector) as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in 71,250,000 Shares held by Kaimei Holding pursuant to Part XV of the SFO.

CZK Holding is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the 3,750,000 Shares held by CZK Holding under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in the 75,000,000 Shares held by Kaimei Holding and CZK Holding in aggregate.

5. Ms. Li is the spouse of Mr. Guo and is deemed, or taken to be, interested in all Shares in which Mr. Guo has interest in under the SFO.
6. Ms. Chen is the spouse of Mr. Chen and is deemed, or taken to be, interested in all Shares in which Mr. Chen has interest in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

6. MATERIAL CONTRACTS

As at the Latest Practicable Date, the Group had not entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within the two years preceding the date of this circular.

7. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

8. EXPERT'S QUALIFICATIONS AND CONSENT

The following are the qualifications of the experts who have given its opinions or advice which are included in this circular:

Name	Qualifications
PricewaterhouseCoopers	Certified public accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
KPMG	Certified public accountants

As at the Latest Practicable Date, the experts did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the experts had given and had not withdrawn its written consent to the issue of this circular, with the inclusion herein and the references to its name and/or its opinion or statements in the form and context in which they respectively appear.

As at the Latest Practicable Date, the experts did not have any direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2024, the date to which the latest published audited financial statements of the Group were made up.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Company (www.seacon.com) and the website of the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

- (a) the Transfer Agreement;
- (b) the Guarantee Agreement;
- (c) the Bareboat Charter Arrangements;
- (d) the Novation Agreements II;
- (e) the accountants' report of the Target Company from KPMG as set out in Appendix II to this circular;
- (f) the unaudited pro forma financial information of the Enlarged Group from PricewaterhouseCoopers as set out in Appendix III to this circular; and
- (g) the written consent referred to in the paragraph headed "8. EXPERT'S QUALIFICATIONS AND CONSENT" in this Appendix.

10. MISCELLANEOUS

- (a) The Company's principal share registrar, transfer office and registered office in the Cayman Islands are at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.
- (b) The headquarters and principal place of business of the Company in the PRC is at 23/F, Block B, Building 3, No. 20 Zhuzhou Road, Laoshan District, Qingdao City, Shandong Province, the PRC.
- (c) The principal place of business of the Company in Hong Kong is at Unit No. 3513, 35/F, The Center, 99 Queen's Road Central, Hong Kong.
- (d) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (e) The joint company secretaries of the Company are Ms. Sun Yufeng and Ms. Chan Sze Ting. Ms. Chan Sze Ting is a Chartered Secretary (CS), a Chartered Governance Professional (CGP) and an Associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom.
- (f) In case of any inconsistency between English and Chinese versions of this circular, the English version shall prevail.