



**2025**  
ANNUAL  
REPORT



**JINHUI SHIPPING  
AND TRANSPORTATION LIMITED**



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Ng Siu Fai, *Chairman*

Ng Kam Wah Thomas, *Managing Director and  
Deputy Chairman*

Ng Ki Hung Frankie

Ho Suk Lin Cathy

### Non-executive Directors

Tsui Che Yin Frank

William Yau

## AUDIT COMMITTEE

Tsui Che Yin Frank, *Chairman*

William Yau

## REMUNERATION COMMITTEE

Tsui Che Yin Frank, *Chairman*

William Yau

## COMPANY SECRETARY

Ho Suk Lin Cathy

## AUDITOR

Grant Thornton Hong Kong Limited

*Certified Public Accountants*

*Registered Public Interest Entity Auditor in accordance  
with the Accounting and Financial Reporting Council  
Ordinance*

## SHARE LISTING

The Company's shares are listed on the  
Oslo Stock Exchange (Euronext Oslo Børs)  
(stock code: JIN)

## SHARE REGISTRARS

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### Branch Register

Euronext Securities Oslo

### Transfer Agent

Nordea Bank Abp, Filial i Norge

Postboks 1166 Sentrum

0107 Oslo, Norway

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

## CORRESPONDENCE ADDRESS

26th Floor

Yardley Commercial Building

1-6 Connaught Road West

Hong Kong, PRC

## CONTACTS

Tel: (852) 2545 0951

Fax: (852) 2541 9794

E-mail: [info@jinhuiship.com](mailto:info@jinhuiship.com)

## WEBSITE

[www.jinhuiship.com](http://www.jinhuiship.com)



# Chairman's Statement

The Board is pleased to present the annual report of **Jinhui Shipping and Transportation Limited** for the financial year 2025.

Dry bulk freight rates in 2025 were marked by volatility but showed resilience, supported by strong commodity demand (iron ore, coal, grains) despite geopolitical disruptions, seasonal swings and impact of trade policy. Rates fluctuated sharply across vessel classes throughout the year. The Baltic Dry Index decreased by 4% year-on-year on average over the last year. In light of these market conditions, the Group operated the majority of its fleet's vessels under long term contracts while retaining exposure to the spot market.

The Group continues to implement its fleet renewal strategy, with a focus on enhancing operational efficiency and reducing environmental impact. Older vessels are being replaced with modern, fuel-efficient ships that align with global sustainability objectives. This proactive approach not only strengthens fleet performance but also underscores our commitment to environmentally responsible shipping. During the year, the Group completed the disposal and delivery of eight Supramaxes with average age of sixteen years. The Group entered into shipbuilding contracts with a reputable shipyard for the construction of four Ultramax newbuildings, scheduled for delivery in 2028. Together with two shipbuilding contracts signed in 2024, the Group has a total of six committed Ultramax newbuildings as at 31 December 2025.

The Group achieved a revenue of US\$157,489,000 for the year 2025, representing a slightly decrease of 0.9% compared to US\$158,900,000 for the year 2024. Overall, the revenue remained relatively stable. As part of the Group's ongoing fleet renewal and commitment to a low-carbon transition, eight aging Supramaxes, averaging sixteen years of age, were sold and delivered during the year. Average daily time charter equivalent rate earned by the Group's fleet was US\$14,182 for the year 2025 as compared to US\$14,741 for the year 2024.

The Group generated a consolidated operating profit before depreciation and amortization amounted to US\$79,095,000 for 2025 as compared to US\$74,286,000 for 2024. The Group reported a consolidated net profit of US\$12,544,000 in 2025, representing a decrease from US\$24,005,000 recorded in the prior year. The current year's results included a non recurring net loss of US\$9,209,000 arising from the disposal of eight Supramaxes. Basic earnings per share for the year 2025 was US\$0.115 as compared to basic earnings per share of US\$0.220 for last year 2024.

The Board recommended the payment of a final dividend of US\$0.018 per share for the year ended 31 December 2025, subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal of smaller and older vessels and replace with newer vessels with larger carrying capacity and longer asset lives or charter-in of vessels. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness. As of 31 December 2025, the Group operated twenty-three vessels, including eighteen owned vessels and five chartered-in vessels. Among the owned vessels were two that have been arranged under sale and leaseback agreements.



# Chairman's Statement

On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to all our seafarers as well as all customers and stakeholders for their ongoing support. Going forward, we will continue to operate with a conservative yet nimble mindset, and be ready to act in the best interest of our shareholders under all kinds of scenarios. We will continue to exercise our best efforts to be a trustworthy business partner. I would also like to take this opportunity to express my gratitude to my colleagues on the Board for their valuable contribution and to the employees for their hard work, commitment and dedication throughout the year.

**Ng Siu Fai**

*Chairman*

18 March 2026



# Strategies and Business Profile

Jinhui Shipping is a leading owner of dry bulk vessels offering high quality marine transportation services. It expands its modern and high quality fleet of dry bulk carriers through well-planned and timely acquisition and chartering of vessels.

Jinhui Shipping was incorporated with limited liability in Bermuda on 16 May 1994. Following a reorganization in June 1994, the Company became the immediate holding company of the shipping and investment group. Since 1994, Jinhui Shipping's shares have been trading under a full listing on the Oslo Stock Exchange (Euronext Oslo Børs) (stock code: JIN).

As at date of this annual report, the major shareholder of the Company is Jinhui Holdings Company Limited which holds approximately 55.69% interests in the Company.

## STRATEGIES

The Group operates a diverse fleet of dry bulk carriers, encompassing a wide range of sizes from Supramax to Capesize. The Group believes that operating a versatile and diverse fleet could bring significant economic benefits to the Group. The Group will focus on taking decisive actions when opportunities arise, while maintaining a strong financial position and moderate leverage, as well as adjusting our fleet profile and size in a flexible and responsive manner. We will focus further on prudence and stability as our core objectives going forward and seek to be a preferred vessel provider for customers.

On the commercial side, our strategy is to maintain a flexible chartering policy to achieve an optimal balance between longer term time charterparties which generate a robust cash inflow, and spot exposure which allows the Group to take advantage of any upside in future charter rates. We will also further boost up our risk management efforts with the objective to minimize potential counterparty risks.

The objectives of the Company are set out in its Memorandum of Association, which include the businesses of, inter alia:

- acting and performing all the functions of a holding company;
- acting as ship owners, managers, operators and agents; and
- acquiring, owning, selling, chartering, repairing or dealing in ships.



# Strategies and Business Profile

## SHIPPING BUSINESS

The Group's shipping activities began in the mid 1980's, principally in the form of chartering dry bulk carriers worldwide. The Group masterminds a meticulous and complex shipping operation linking suppliers with end users around the world. Its chief task is to identify the exact requirements of customers and use suitable vessels to carry bulk cargoes for specific voyages or periods of time.

The Group operates a modern fleet of dry bulk carriers which are either used for carrying cargoes or time chartered-out to other shipping operators whichever is expected to bring a higher economic benefit to the Group.

The key success factors in the ship chartering business are timing, performance and relationship. Ship charterers have to know their customers and suppliers well, building up mutual trust and respect. It is in this important area that the Group has always excelled, helping to cement contracts and maintain reasonable business flow even during difficult periods when the economy is weak.

It is the Group's policy to comply with all applicable environmental rules and regulations in its shipping operations as well as in its daily working environment to avoid the emission of noxious substances into the environment. The Group's owned vessels are well maintained and we place great emphasis on the operation in compliance with safety and environmental laws and regulations including but not limited to ISM Code, ISPS Code, MLC Code, MARPOL and other applicable rules regulated by IMO. We ensure all seafarers on board are trained and certificated in accordance with STCW Convention. Our owned vessels are also subject to the laws, regulations and rules of each country and port they visit. We have developed policies and procedures intended to ensure our compliance with these laws, regulations and rules. With the increasing attention towards environmental issues in the shipping industry, we are committed to operate our business in an environmentally and socially responsible manner, heading to the target of decarbonization.



# Strategies and Business Profile

## SHIPPING BUSINESS *(Continued)*

### Owned Vessels

As at 31 December 2025, the Group had eighteen owned vessels and 432 seafarers employed on board.

Name	Built	Builder	DWT(MT)
JIN CHENG	2012	Imabari	181,279
JIN MEI	2008	Shanghai Waigaoqiao	178,021
JIN LI	2019	Jiangsu Hantong	81,567
JIN HENG	2014	Jiangsu Hantong	63,518
JIN PING	2014	Jiangsu Hantong	63,485
JIN CHAO	2014	Jiangsu Hantong	63,469
JIN RUI	2014	Jiangsu Hantong	63,435
JIN QUAN	2017	Dalian Cosco KHI	61,441
JIN XIANG	2012	Oshima	61,414
JIN HONG	2011	Oshima	61,414
JIN YUE	2010	Shanghai Shipyard	56,934
JIN AO	2010	Shanghai Shipyard	56,920
JIN WAN	2009	Shanghai Shipyard	56,897
JIN BI*	2012	Jiangsu Hantong	56,361
JIN AN	2007	Kawasaki	55,866
JIN XING	2007	Oshima	55,496
JIN YI	2007	Oshima	55,496
JIN YUAN	2007	Oshima	55,496
			1,328,509

\* In December 2025, the Group entered into an agreement for the disposal of the vessel at a consideration of US\$14,400,000. The agreement was subsequently cancelled in January 2026 as one of the contractual clauses could not be fulfilled.

# Strategies and Business Profile

## SHIPPING BUSINESS *(Continued)*

### Ordered Vessels

As at 31 December 2025, the Group committed to acquire six newbuildings under construction.

Name	Builder	DWT(MT)	Expected delivery
JIN HAN	Jiangsu Hantong	63,500	2026
JIN MING	Jiangsu Hantong	63,500	2027
JIN FENG	Jiangmen Nanyang	64,500	2028
JIN FU	Jiangmen Nanyang	64,500	2028
JIN SHENG	Jiangmen Nanyang	64,500	2028
JIN YAO	Jiangmen Nanyang	64,500	2028
		385,000	

### Chartered-in Vessels

The Group had two long-term chartered-in vessels as at the date of this annual report.

Name	Built	DWT(MT)	Charter-in date
TAHO CIRCULAR	2022	84,484	Jun 2022
TRUE NEPTUNE	2017	207,672	Jan 2025
		292,156	



While the Group's expertise remains in Asia, by deploying a flexible and responsive sales strategy as well as an efficient fleet of vessels, the Group managed to serve a balancing portfolio of customers geographically during the year.

## Loading Ports Analysis

	2025	2024
<i>(Expressed as a percentage of revenue)</i>	%	%
Asia excluding China	27.4	47.7
China	23.9	24.1
Africa	23.7	5.9
South America	12.0	11.3
Australia	10.3	6.6
North America	2.2	3.4
Europe	0.5	1.0
	100.0	100.0

## Discharging Ports Analysis

	2025	2024
<i>(Expressed as a percentage of revenue)</i>	%	%
China	41.7	42.6
Asia excluding China	27.3	35.4
Africa	21.8	14.5
South America	4.7	1.3
North America	2.2	4.2
Australia	1.4	–
Europe	0.9	2.0
	100.0	100.0

## Types of Cargoes carried by the Group's Fleet

	2025		2024	
	Metric Tonnes <i>(in '000)</i>	%	Metric Tonnes <i>(in '000)</i>	%
Minerals	6,526	54.8	9,407	59.5
Coal	1,595	13.4	2,813	17.8
Steel products	925	7.8	1,738	11.0
Agricultural products	706	5.9	611	3.9
Cement	672	5.6	364	2.3
Fertilizer	249	2.1	234	1.4
Others	1,232	10.4	636	4.1
	11,905	100.0	15,803	100.0

# Highlights

## KEY PERFORMANCE INDICATORS FOR SHIPPING BUSINESS

	2025	2024
	US\$	US\$
Average daily time charter equivalent rate <sup>1</sup>	14,182	14,741
Daily vessel running cost <sup>2</sup>	5,895	5,606
Daily vessel depreciation <sup>3</sup>	3,194	3,343
	9,089	8,949
Average utilization rate <sup>4</sup>	98%	98%

As of 31 December 2025, the Group operated twenty-three vessels, including eighteen owned vessels and five chartered-in vessels. Among the owned vessels were two that have been arranged under sale and leaseback agreements in 2025. As of 31 December 2024, the Group operated a total of thirty-three vessels, consisting of twenty-five owned vessels and eight chartered-in vessels. The Group achieved a revenue of US\$157,489,000 for the year 2025, representing a slightly decrease of 0.9% compared to US\$158,900,000 for the year 2024. Average daily time charter equivalent rate earned by the Group's fleet was US\$14,182 for the year 2025 as compared to US\$14,741 for the year 2024. Daily vessel running cost of the Group's owned vessels increased from US\$5,606 for the year 2024 to US\$5,895 for the year 2025 due to higher crew cost and the expenditure on spare parts for vessels, driven by an increase in operational demands and the need for maintenance to ensure optimal performance. In response to these rising expenses, we are committed to implementing stringent cost-control measures and enhancing operational efficiency. Our goal is to maintain a highly competitive cost structure that aligns with industry standards and positions us favorably against other market participants. Daily vessel depreciation of the Group's owned vessels decreased from US\$3,343 for the year 2024 to US\$3,194 for the year 2025. The average fleet utilization rate of the Group's fleet is 98% for the years of 2025 and 2024. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

### Notes:

1. Average daily time charter equivalent rate is calculated as the time charter revenue, and voyage revenue less voyage expenses divided by the number of available days in the year.
2. Daily vessel running cost is calculated as the aggregate of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' miscellaneous expenses divided by ownership days in the year.
3. Daily vessel depreciation is calculated as the aggregate of vessels' depreciation charge divided by ownership days in the year.
4. Average utilization rate is calculated as the number of operating days divided by the number of available days in the year.



## FIVE-YEAR FINANCIAL SUMMARY

	2025	2024	2023	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Key Items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>					
Revenue	157,489	158,900	81,868	152,466	131,069
Operating profit (loss)	21,538	30,097	(48,822)	(3,655)	196,136
Finance costs	(8,994)	(6,092)	(6,234)	(3,438)	(1,749)
Profit (Loss) before taxation	12,544	24,005	(55,056)	(7,093)	194,387
Taxation	–	–	1	(20)	(190)
Net profit (loss) for the year	12,544	24,005	(55,055)	(7,113)	194,197
Other comprehensive income (loss)	(607)	(2,325)	(1,782)	(2,899)	1,996
Total comprehensive income (loss) for the year attributable to shareholders of the Company	11,937	21,680	(56,837)	(10,012)	196,193
Earnings (Loss) per share – Basic and diluted	US\$0.115	US\$0.220	US\$(0.504)	US\$(0.065)	US\$1.777
<b>Key Items in the Consolidated Statement of Financial Position</b>					
Non-current assets	405,192	461,569	389,035	450,708	434,131
Current assets	144,542	62,633	94,598	87,604	113,594
Total assets	549,734	524,202	483,633	538,312	547,725
Total equity	380,269	371,610	349,930	411,137	432,075
Non-current liabilities	124,054	103,400	79,748	73,724	39,943
Current liabilities	45,411	49,192	53,955	53,451	75,707
Total equity and liabilities	549,734	524,202	483,633	538,312	547,725
<b>Other Financial Information</b>					
Gearing ratio	1%	15%	7%	5%	4%



# Shareholders' Diary

Annual general meeting	27 May 2026
Ex dividend date for final dividend 2025	28 May 2026
Payment of final dividend 2025	On or about 23 June 2026
Announcement for the first quarter results 2026	29 May 2026*
Announcement for the second quarter results 2026	31 August 2026*
Announcement for the third quarter results 2026	30 November 2026*
Announcement for the fourth quarter results 2026	26 February 2027*

\* *Subject to change*



# Corporate Governance Report

Jinhui Shipping recognizes the importance of good corporate governance to the Company's value creation and has devoted considerable efforts to identify and formulate corporate governance practices appropriate to the Company in terms of practicality and suitability. The Board has the overall responsibility for the Company's corporate governance and ensures the Company implements sound corporate governance practice.

## SECTION 3-3B OF THE NORWEGIAN ACCOUNTING ACT

The following specifies the items or information that must be disclosed under Section 3-3b of the Norwegian Accounting Act:

### 1. A statement of the code of practice and regulatory framework for corporate governance

Pursuant to Section 4.4 of the Oslo Rule Book II – Issuer Rules, companies listed on the Oslo Stock Exchange (Euronext Oslo Børs) must publish a comprehensive report on the company's corporate governance in the directors' report or in a document that is referred to in the directors' report. The report must cover every section of the Norwegian Code of Practice for Corporate Governance (the "Norwegian Code of Practice") and must include the required report contents as set out in Section 3-3b of the Norwegian Accounting Act.

Jinhui Shipping has applied the principles as set out in the Norwegian Code of Practice as its corporate governance structure. The Company gives an annual review of the corporate governance report which covers every section for its compliance with the Norwegian Code of Practice, and explains the deviations with selected alternative approaches on pages 16 to 32 with the numbers refer to the section's numerical order of the Norwegian Code of Practice.

### 2. Information on where the code of practice and regulatory framework is publicly available

According to the latest version of the Norwegian Code of Practice, published on 25 August 2025, is available on the Norwegian Corporate Governance Board website ([www.nues.no](http://www.nues.no)). The Oslo Rule Book II – Issuer Rules is available on Euronext Oslo Børs website ([www.euronext.com/en/markets/oslo](http://www.euronext.com/en/markets/oslo)).

Jinhui Shipping adhered to the Norwegian Code of Practice throughout the year except for certain deviations. We report our conformance and provide explanation of the reasons for the deviations and what solution we have selected in below fifteen separate sections as described in the Norwegian Code of Practice.

# Corporate Governance Report

## SECTION 3-3B OF THE NORWEGIAN ACCOUNTING ACT *(Continued)*

### **3. Description of the main elements of the Group's internal control and risk management systems associated with the financial reporting process**

The Board is responsible for ensuring financial reporting process is subject to adequate control and has laid down instructions and guidelines on its own works as well as for the executive personnel on day-to-day operations and ongoing financial monitoring. The Board carries out a review of the Group's most significant risk areas in every six months and performs an annual review of its internal control systems. The Audit Committee assists the Board relating to the efficiencies of the Group's internal control over the financial reporting process; the effectiveness of the Group's risk management policies; and the qualifications and independence of the external auditor.

The Group adopts a uniform generally accepted accounting practice in the preparation of financial statements of the Company and its subsidiaries. The internal control systems identified in the financial reporting process are primarily designed to mitigate the risks including financial reporting risk, compliance-related risk, fraud risk, and risk on financial-accounting-related IT systems. The control procedures mainly include authorizations, segregation of duties, reconciliations, management review and IT controls over financial-accounting-related IT systems. To ensure adequate and effective internal control on financial reporting process is adopted and implemented, key control procedures are ongoing monitored by the executive personnel, regularly assessed by the Board and the Audit Committee and annually reviewed by the external professionals.

### **4. Provision in the Company's Memorandum of Association governing general meetings**

The Company's Memorandum of Association and Bye-Laws laid down the shareholders' right proceedings at general meetings, voting rights, proxies, transfer of shares, and also the rules governing the alteration or amendment to bye-laws and memorandum of association. Both do not extend or depart from the general rules laid down in Chapter 5 of the Norwegian Public Limited Liability Companies Act, which governs general meetings. The Company's Memorandum of Association and Bye-Laws have been publicly disclosed in the website of the Company.

### **5. Composition of the Board and the main elements in the prevailing board instructions and guidelines**

The Board adopted the Company's Bye-Laws 36 to 52 as its prevailing board instructions of procedures which laid down general powers, proceedings and administrative procedures of the directors of the Company.

The Board Committees, which include the Audit Committee and the Remuneration Committee, are appointed by the Board under respective terms of reference that specified their authorities, duties, reporting responsibilities and reporting procedures. The respective terms of reference of the Audit Committee and the Remuneration Committee have been publicly disclosed in the website of the Company. The composition of the Board and the board committee functions are further discussed below in Section 8 and Section 9 under the Norwegian Code of Practice.



# Corporate Governance Report

## SECTION 3-3B OF THE NORWEGIAN ACCOUNTING ACT *(Continued)*

### **6. Provision in the Company's Bye-Laws that regulates the appointment and replacement of members of the Board**

Pursuant to the Company's Bye-Law 36, the Directors shall be elected or appointed in the first place at the statutory meeting of members and thereafter in accordance with Bye-Law 38 and shall hold office until the next appointment of Directors or until their successors are elected or appointed.

Bye-Law 38 stipulates that notwithstanding any other provisions in the Company's Bye-Laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the Chairman and/or the Managing Director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

There are also provisions in Bye-Law 40 and Bye-Law 41 in relation to the removal of Directors and the disqualification of Directors.

### **7. Mandate that gives the Board the right to issue new shares and provision in the Company's Bye-Laws that gives the Board the right to decide on share repurchases**

There is an existing general mandate in place that gives the Board the power to issue, allot and dispose of shares of the Company not exceeding the aggregate of 30% of the issued share capital of the Company on the date of the resolution. This general mandate was granted to the Board in the Company's annual general meeting held on 28 May 2025 and is valid until the earlier of the date of the next annual general meeting or otherwise revoked or determined by shareholders at a general meeting of the Company. The provision in the Company's Bye-Law 2 giving the Board the right to issue new shares.

The provision in the Company's Bye-Law 3 giving the Board the right to purchase its shares as the Board shall think fit. In view of the increasingly volatile nature of today's financial markets, the Board shall make timely decision on the purchase of its shares according to the then prevailing market conditions to generate the most value for shareholders of the Company.

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE

The section numbers mentioned below refer to the fifteen sections under the Norwegian Code of Practice.

### Section 1 Implementation and reporting on corporate governance

Jinhui Shipping has applied and followed the principles as set out in the Norwegian Code of Practice. The corporate governance report of 2025 covered every section of Norwegian Code of Practice with the description of our conformance throughout the year and the explanation of the reasons for the deviations.

### Section 2 Business

The objectives of Jinhui Shipping are set out in its Memorandum of Association, which include the businesses of inter alia:

- acting and performing all the functions of a holding company;
- acting as ship owners, managers, operators and agents; and
- acquiring, owning, selling, chartering, repairing or dealing in ships.

The Group's main objectives, strategies and risk profiles for our businesses are discussed in "Strategies and Business Profile" on pages 5 to 8 and in the section of Risk Management in "Directors' Report" on pages 64 to 67.

The Company has promulgated a set of Company Code, which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. The Company Code also includes corporate social responsibility guidelines and ethical guidelines and is prepared and updated by referencing to the principles set out in the Norwegian Code of Practice and other applicable rules and regulations. In addition to formalizing existing corporate governance principles and practices, the Company Code also serves the purpose of assimilating existing practices with benchmarks prescribed by the Norwegian Code of Practice and ultimately ensuring high transparency and accountability to the Company's shareholders. The directors and employees of Jinhui Shipping are subject to a range of rules laid down by legislation and regulations, as well as the Company Code and rules and ethical values and guidelines described in the staff handbooks. Section 3-3c of the Norwegian Accounting Act is relevant for Norwegian companies and also for third country issuers that have taxable operations in Norway. The Company did not present social responsibility statement as required under Section 3-3c of the Norwegian Accounting Act as the Company is incorporated in Bermuda and does not have any taxable operations in Norway. Nevertheless, we include the Company's principles on material social responsibility matters related to external environment, working environment, and employees' right and equal treatment in the Directors' report. We also commit to conduct our business in a responsible, ethical and lawful manner and complied applicable rules and regulations in our business practices.

Jinhui Shipping shall maximize shareholders' values in a sustainable manner by increasing the Company's equity value and distributing dividends to shareholders and the Board evaluates the objectives, strategies and risk profiles annually.



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 3 Equity and dividends

#### Equity

Jinhui Shipping's capital adequacy is kept under constant review in relation to its objectives, strategies and risk profile. As at 31 December 2025, the Group's total equity was US\$380,269,000, accounting for 69% of its consolidated total assets. The Board considers the present equity structure to be satisfactory.

#### Dividend policy

The Company may declare and distribute dividends to the shareholders of the Company. Our policy aims to provide stable and consistent dividends with steady growth when supported by our earnings whilst ensuring that sufficient financial resources can be maintained to fund our business growth. In addition, the amount and timing of any dividend distributions in the future will depend, among other things, on our compliance with covenants in our credit facilities, earnings, financial condition, cash position, Bermuda law affecting the dividend distributions, restrictions in our financing agreements and other factors. As dry bulk shipping market is cyclic and volatile, it's particularly challenging to establish a clear and predictable dividend policy. There can be no assurance that a dividend will be proposed or declared in any given year.

The Board has resolved to recommend the payment of a final dividend of US\$0.018 per share for the year ended 31 December 2025 and such dividend, if approved by the shareholders at the forthcoming annual general meeting scheduled on 27 May 2026, will be paid to the beneficial owners of the shares of the Company whose names are registered in the Euronext Securities Oslo, the Norwegian Central Securities Depository, at the close of business on 29 May 2026. The Company's shares listed on the Oslo Stock Exchange will be traded including dividend up until and including 27 May 2026. The ex dividend date is 28 May 2026 and the dividend will be paid on or about 23 June 2026.

The dividend policy will be regularly assessed by the Board and will depend, among other things, on the Group's financial obligations, leverage, liquidity and capital resources, and the market conditions. There was no proposal for the Board to be given any mandate to approve the distribution of dividends.

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 3 Equity and dividends *(Continued)*

#### Increase in share capital

At the 2025 Annual General Meeting of the Company, a general mandate had been granted to the directors of the Company to increase not exceeding the aggregate of 30% of the issued share capital of the Company which would be valid until the earlier of the date of the next annual general meeting or otherwise revoked or determined by shareholders at a general meeting of the Company. No shares were being issued under this authorization in 2025.

**According to the Norwegian Code of Practice, the mandate granted to the board of directors to increase the company's share capital should be restricted to defined purposes.**

In view of the increasingly volatile nature of today's financial markets, the Board believes having a general mandate in place enables the Company to respond swiftly to the then prevailing market conditions should an equity fund raising exercise be determined to be the appropriate funding channel and proposes this general mandate at the forthcoming annual general meeting.

#### Purchase of own shares

The provision in the Company's Bye-Law 3 giving the Board the right to purchase its shares as the Board shall think fit. In view of the increasingly volatile nature of today's financial markets, the Board shall make timely decision on the purchase of its shares according to the then prevailing market conditions to generate the most value for shareholders of the Company.

### Section 4 Equal treatment of shareholders

#### Equal treatment of shareholders

Jinhui Shipping has one class of shares in issue. All shares have equal voting rights. There are provisions in the Company's Bye-Law 4 in relation to shareholder's voting rights.

#### Share issues

According to the Company's Bye-Law 4.3, the shareholders shall have the first and preferential right to subscribe for and be allotted any shares of the Company proposed to be issued in proportion to the number of shares held by them, unless the Company by special resolution otherwise decides to waive the shareholders' preferential rights in respect of a particular issue of shares or generally for any period not exceeding five years.

In the event of an increase in share capital where the Board resolves to carry out an increase in share capital on the basis of a mandate granted to the Board that waives the pre-emption rights of existing shareholders, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital. No shares were being issued in 2025.



# Corporate Governance Report

## **NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE** *(Continued)*

### **Section 4 Equal treatment of shareholders** *(Continued)*

#### **Transactions in its own shares**

Jinhui Shipping's shares are liquid. In the event the Company carries out transactions in its own shares, it would only carry out such transactions either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company's shares, the Company would consider other ways to ensure equal treatment of all shareholders. No transactions in shares were being carried out by the Company in 2025.

### **Section 5 Shares and negotiability**

Jinhui Shipping's shares are freely traded in the Oslo Stock Exchange (Euronext Oslo Børs). The Company's shares are registered shares with the Branch Register of the Company kept at the Euronext Securities Oslo, and Nordea Bank Abp is the transfer agent of the Company. Shareholders of the Company may transfer their shares by an instrument of transfer in the usual common form or in such form as decided by the Board.

In general, all shares are freely negotiable. However, the Board may deny the transfer of shares according to the Bye-Law 11 of the Company. The Board has the option to decline to register the transfer of any share if the registration of such transfer would be likely to result in 50% or more of the aggregate issued share capital and the votes of the Company being held or owned directly or indirectly by a person or persons resident for tax purposes in Norway.

The Board considers that it is appropriate to impose such restriction which protects the existing Norwegian shareholders from unexpected tax changes in Norway for the common interest of the Company and the shareholders. This type of restriction is common for Bermuda and other low-tax jurisdiction companies listed on the Oslo Stock Exchange (Euronext Oslo Børs).

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 6 General meetings

#### Attendance by shareholders

The Company provides detailed procedures and comprehensive information are distributed to shareholders to allow shareholders to form the view on all matters to be considered at the general meeting. Shareholders of the Company are entitled to attend shareholders' meeting in person or by proxy. Electronic meeting is not applicable as it would be contrary to the Bye-Laws of the Company. All shareholders who are registered in the Euronext Securities Oslo, the Norwegian Central Securities Depository, will receive notification of the general meeting. The notice of calling general meeting and the supporting information, including the procedures for representation at the meeting through a proxy, the deadline for registering the intention to attend the general meeting, the information for each resolution to be considered at the general meeting and for each of the candidates nominated for election, are published on the Company's website no later than 21 days prior to the date of the general meeting.

As a general rule, decisions which shareholders are entitled to make pursuant to Bermuda law may be made by a simple majority of votes cast at a general meeting. However, the Bye-Laws of the Company provides that any decision to, inter alia, amend Bye-Laws of the Company or alter the share capital of the Company requires the approval of at least two-thirds of votes cast by those members present in person or by proxy at a general meeting.

The annual general meeting approves the annual financial statements, the Directors' report and the Independent Auditor's report and any dividend proposed by the Board. The annual general meeting also approves the remuneration of members of the Board and consider the guideline for the remuneration of the executive personnel of the Company, as well as fix the remuneration of the auditor. The meeting agenda may also include authorization to purchase own shares, increase the share capital, or any other matters listed in the notice of the general meeting. Minutes from annual general meetings will be made available on Company's website immediately after the annual general meeting.



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 6 General meetings *(Continued)*

#### Participation by shareholders in absentia

Shareholders are given information on the procedures for representation at the general meeting through a proxy. As an alternative to vote in person in the general meetings, shareholders may appoint the chairman of the general meeting or to appoint another person as their proxies to attend and vote at the general meeting according to the procedures and instructions as shown in the notice of general meetings.

In order to be valid, the proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at Nordea Bank Abp, Filial i Norge, Nordea Issuer Services at Essendrops gate 7, 0368 Oslo or Postboks 1166 Sentrum, 0107 Oslo, Norway or by e-mail to [nis@nordea.com](mailto:nis@nordea.com), not less than 48 hours before the time appointed for holding the general meetings. Completion and submission of a proxy will not preclude you from attending and voting in person if you are subsequently able to be present.

The proxy form of the Company is drawn up with separate voting instructions for each matter to be considered by the meeting. At the meeting, votes shall be cast separately on each subject and for each office/candidate in the elections. For directors who are subject to retirement by rotation at the annual general meeting, shareholders are given the opportunity to vote separately for each candidate nominated for election or re-election as director of the Company.

#### Attendance by the board of directors and auditor

The Chairman attends and chairs the general meetings. Other members of the Board are entitled to attend the general meetings, and the external auditor is present at the annual general meeting. The 2026 Annual General Meeting is scheduled on 27 May 2026. Notice of 2026 Annual General Meeting will be published on the websites of the Company and the NewsWeb of the Oslo Stock Exchange (Euronext Oslo Børs) and will be dispatched to shareholders of the Company in late April 2026.

#### Chairman of the general meetings

According to Bye-Law 27 of the Company, every general meeting of the Company should be chaired by the president of the Company or the Chairman, or in his absence, another Director.

**This constitutes a deviation from the Norwegian Code of Practice which states that the general meeting should be chaired by an independent chairman.**

The Board considers that as the leader of the Group and having sufficient experience and knowledge, the Chairman is the most suitable person to chair a general meeting.

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 7 Nomination Committee

**The Company has not established a nomination committee and there is no provision for establishing such committee in its Bye-Laws. This constitutes a deviation from the Norwegian Code of Practice.**

The Board considers that it could monitor the need for any changes in the composition of its members and to maintain contacts with shareholders, board committee members and executive personnel. The Board believes that the current board composition is sufficient to represent the interests of all shareholders.

The Board will undertake adequate due diligence in respect of such individual and consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- (a) Reputation for integrity;
- (b) Accomplishment, business experience and reputation in the shipping industry and other relevant sectors;
- (c) Commitment in respect of sufficient time, interest and attention to the Company's business;
- (d) Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;
- (e) The ability to assist and support management and make significant contributions to the Company's success;  
and
- (f) Any other relevant factors as may be determined by the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Bye-Laws and other applicable rules and regulations. Shareholders are invited to propose candidates by submitting their recommendations through Company's website. Information on proposing candidates for directorships will be made available on the Company's website, [www.jinhuiship.com](http://www.jinhuiship.com) when there are vacancies on the Board.



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 8 Board of Directors: composition and independence

The Board has the ultimate responsibility for the management and administration of the affairs of the Company and for supervising day-to-day management and activities in general; it also has the overall responsibility for the Group's good corporate governance practices, internal control and risk management.

During the year, the Board comprised of four executive directors, including the Chairman and the Managing Director, and two non-executive directors. The Chairman is responsible for overseeing the functioning of the Board whilst the Managing Director, supported by the executive directors, is responsible for managing the Group's business, including the implementation of major strategies and initiatives adopted by the Board. All non-executive directors, who are shareholder-elected members and independent of executive personnel, material business contacts and main shareholders of the Company, serve the important function of advising the management on strategies development and ensure that the Group maintains high standards of financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole.

All directors of the Company are kept informed on a timely basis of major changes that may affect the Group's business, including relevant rules and regulations. The Board meets regularly and approves the Group's overall strategies, major acquisitions and disposals, annual and quarterly results and any other significant operational and financial matters. Members of the Board are encouraged to own shares in the Company. The directors will seek independent professional advice in performing their duties where appropriate. Executive personnel have the responsibility for implementation of the Group's strategic planning and decision made by the Board and monitoring day-to-day operation of the Company.

Bye-Law 38 stipulates that notwithstanding any other provisions in the Company's Bye-Laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the Chairman and/or the Managing Director shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. As at date of this annual report, directors who hold office of the Company are listed below:

#### **Executive Directors**

Ng Siu Fai <sup>1</sup>, *Chairman*

Ng Kam Wah Thomas <sup>1</sup>, *Managing Director and Deputy Chairman*

Ng Ki Hung Frankie <sup>1</sup>

Ho Suk Lin Cathy <sup>1</sup>

#### **Non-executive Directors**

Tsui Che Yin Frank <sup>2</sup>

William Yau <sup>2</sup>

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 8 Board of Directors: composition and independence *(Continued)*

Notes:

1. Mr. Ng Siu Fai, Mr. Ng Kam Wah Thomas, Mr. Ng Ki Hung Frankie and Ms. Ho Suk Lin Cathy are executive directors of Jinhui Holdings Company Limited, the Company's holding company.
2. Mr. Tsui Che Yin Frank and Mr. William Yau are independent non-executive directors of Jinhui Holdings Company Limited.

**There are departures from the Norwegian Code of Practice which states that general meeting should elect the chairman of the board of directors; the board of directors should not include executive personnel; and the term of office for members of the board of directors should not be longer than two years at a time.**

Dry bulk shipping is a highly specialized industry and requires executives with substantial amount of industry experience to fully comprehend and to monitor the performance of the Group. The Chairman and the Managing Director have extensive experience and knowledge in dry bulk shipping business and their duties for overseeing the functioning of the Board and all aspects of the Group's operations are clearly beneficial to the Group. Despite the executive directors being executive personnel of the Group and performing executive management function in day to-day operations, the leadership of the Chairman and the Managing Director is vital to the Group's business continuity and stability and the other two executive directors are with extensive experiences in shipping business and management. In addition, members of the Board are obliged to disqualify themselves from participation in handling of individual matters in which the board member, or its close associates, has a particular interest. The Company believes the current board composition is sufficient to represent the interests of all shareholders and this will not impair the balance of power and authority between the Board and the management of the Company. The directors, including the non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions. The biographical details of the directors of the Company are set out in "Board of Directors and Executive Personnel" on pages 33 and 34.

### Board meetings attendance

The Board meets at least quarterly and on other occasions when a Board decision is required on major issues. In 2025, the Board held seventeen meetings. The attendance record of each member of the Board is set out below:

Executive Directors	Attendance
Ng Siu Fai	16
Ng Kam Wah Thomas	17
Ng Ki Hung Frankie	17
Ho Suk Lin Cathy	17
<b>Non-executive Directors</b>	
Tsui Che Yin Frank	17
William Yau	17



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 9 The work of the Board of Directors

The Board deals with matters of strategic and major financial importance to the Company on a regular basis. At least one Board meeting per annum is set aside for discussion of the Group's strategies. During such meetings, the Board reviews the expectation of the Group's business outlook and financial forecast perspective and discusses the overall strategies going forward. In any material event that the Chairman has an active involvement, the Board meeting will be chaired by other members of the Board. In addition, the Company has established guidelines to make sure the directors of the Company and executive personnel would notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company and its subsidiaries and would pay particular attention to obtain independent valuations for any material transactions between the Group and its close associates. According to the Company Code, members of the Board are obliged to disqualify themselves from participation in handling of individual matters in which the board members, or its close associates, have a particular interest. These practices would ensure independence of matters to be considered by the Board. The Board has guidelines on its own works as well as for the executive personnel with clear internal allocation of responsibilities and duties and instruction in handling the agreements with related parties, if any.

### Transactions with close associates

Jinhui Shipping is a listed issuer on the Oslo Stock Exchange (Euronext Oslo Børs) and is a subsidiary of Jinhui Holdings Company Limited, whose shares are listed on the Hong Kong Stock Exchange. The directors of the Company and executive personnel have the obligations to follow rules, regulations and guidelines in relation to transactions with close associates as set out by the Financial Supervisory Authority of Norway, the Stock Exchange of Hong Kong Limited, the International Accounting Standards Board and the Hong Kong Institute of Certified Public Accountants.

### Board committees

The Board is assisted by two board committees which are Audit Committee and Remuneration Committee. Their existence does not reduce the responsibility of the Board as a whole. Board committee meetings are convened to prepare matters for consideration and final decision by the Board as a whole. Material information that comes to the attention of board committees are also communicated to other members of the Board.

As a general principle, the board committees have an advisory role to the Board and members of such committees are restricted to members of the Board who are independent of executive personnel. They assist the Board in specific areas and make recommendations to the Board. However, only the Board has the power to make final decisions.

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 9 The work of the Board of Directors *(Continued)*

#### Audit Committee

The Audit Committee was established on 17 March 2006. The members of Audit Committee comprised of two non-executive directors, namely Mr. Tsui Che Yin Frank (chairman of Audit Committee) and Mr. William Yau. The primary duties of the Audit Committee include review and monitor the Group's financial reporting, compliance with legal and regulatory requirements, the nature and scope of audit review as well as the effectiveness of the systems of risk management and internal control. The Audit Committee is also responsible for making recommendations in relation to the appointment, re-appointment, and removal of the auditor, and reviewing and monitoring the auditor's independence and objectivity. In addition, the Audit Committee discusses matters raised by the auditor, professionals and regulatory bodies to ensure that appropriate recommendations are implemented.

The Audit Committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the Company's half-yearly and annual reports before submission to the Board. The Group's annual consolidated financial statements for the year ended 31 December 2025 have been reviewed by the Audit Committee, which is of the opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

During the year, three meetings were held by the Audit Committee. Among these meetings, the annual consolidated financial statements for the year ended 31 December 2024, the half-yearly report for the period ended 30 June 2025 and the risk management and internal control systems have been reviewed.

#### Remuneration Committee

The Remuneration Committee was established on 17 March 2006. The members of Remuneration Committee comprised of two non-executive directors, namely Mr. Tsui Che Yin Frank (chairman of Remuneration Committee) and Mr. William Yau. The role and function of the Remuneration Committee include the determination of the specific remuneration packages of all executive directors and executive personnel, including salaries, bonuses, benefits in kind, pension rights and compensation payments, and make recommendations to the Board on the fees for the non-executive directors. The Remuneration Committee should consider factors such as the performance of executive directors and executive personnel, the profitability of the Group, salaries paid by comparable companies, time commitment and responsibilities of the executive directors and executive personnel, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee has to ensure that the Group is able to attract, retain and motivate a high-caliber team which is essential to the success of the Group.

As a matter of principle, no loans or advances are granted to any director. Presently, no share options are granted to any director by the Company.

The Remuneration Committee holds a meeting annually to review the remuneration to directors of the Company and executive personnel of the Group and makes recommendations to the Board.



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 10 Risk management and internal control

It is the Board's responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis, and management shall confirm to the Board on the effectiveness of these systems at least annually.

The Board, through the assistance of Audit Committee, has conducted an annual review of the effectiveness of the Group's risk management and internal control systems, covering all material financial, operational and compliance controls. In particular, the adequacy of resources, qualifications and experience of employees, training programs and budget of the Group's accounting and financial reporting functions are reviewed. The annual review also covered the Group's significant and emerging risks in shipping business; the quality of management's ongoing monitoring of risks and of the internal control systems; the extent and frequency of communication of monitoring results to the Audit Committee and the Board; whether there is any significant control failings or weaknesses identified and the effectiveness of the Group's processes for financial reporting and relevant legislation and regulations compliance. For the year 2025, the review of the effectiveness of the Group's risk management and internal control systems has been conducted and certain key internal control systems have been independently performed by PAL Advisory Limited and are reviewed by the Audit Committee on an ongoing basis so that the practical and effective systems are implemented. The review also includes identification weaknesses of the risk management and internal control systems and proposals for improvement. The findings are reported subsequently at Board meetings to enable the Board to assess the Group's risk management and internal control system and the Board is satisfied that such systems are effective and adequate and appropriate actions have been taken.

The risk management and internal control systems and accounting system of the Group are designed to identify and evaluate the Group's risk and formulate risk mitigation strategies, and to provide reasonable assurance that assets are safeguarded against unauthorized use or disposition, transactions are executed in accordance with management's authorization, and the accounting records are reliable for preparing financial information used within the business for publication, maintaining accountability for assets and liabilities and ensuring the business operations are in accordance with relevant legislation, regulations and internal guidelines, including guidelines for corporate social responsibility.

# Corporate Governance Report

## **NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE** *(Continued)*

### **Section 10 Risk management and internal control** *(Continued)*

The Group has a defined organizational structure with clearly defined lines of responsibility and authority. Each business unit/department is accountable for its daily operations and is required to report to executive directors on a regular basis. Policies and procedures are set for each business unit/department, which includes approvals, authorization, verification, recommendations, performance reviews, assets security and segregation of duties. The key control procedures include establishing and maintaining effective policies to ensure proper management of risks to which the Group are exposed and taking appropriate and timely action to manage such risks, establishing a structure with defined authorities and proper segregation of duties; monitoring the strategic plan and performance; designing an effective accounting and information system; controlling price sensitive information; and ensuring swift actions and timely communication with our stakeholders. At least twice a year, the management will report to the Audit Committee on the effectiveness of risk management and internal control systems. The Audit Committee review how management designs, implements and monitors risk management and internal control procedures, findings and recommendations and follow-up procedures on the annual assessment; and the Audit Committee will report on the overall effectiveness of the risk management and internal control systems to the Board annually. The Group's risk management and internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives. With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorized use of inside information and communicate to all employees in the staff handbook; the Board is aware of its obligations to announce any inside information in accordance with the relevant legislation and regulations. Based on the size and simple operating structure of the Group as well as the existing internal control processes, the Board has decided not to set up an internal audit department for the time being, when necessary, the Audit Committee under the Board would carry out the internal audit function and for reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group. Details of the Group's risk management policies are set out in "Directors' Report" on pages 64 to 67 and note 40 to the consolidated financial statements on pages 141 to 149.

### **Section 11 & 12 Remuneration of the Board of Directors and executive personnel**

Directors' fees represent remuneration to members for holding capacity as directors of the Company and are determined based on the responsibility and expertise of the members, time commitment and the complexity of the Company's activities and do not link to the Company's performance. Directors' other emoluments represent remuneration to executive directors for being executive personnel of the Group and performing executive management functions in day-to-day operations and their other emoluments are determined based on guideline for the remuneration of the executive personnel. The remuneration guideline contributes to the business strategy, long term interests and sustainability of the Company as well as promoting the alignment of interest between shareholders and executive personnel. The guideline is also included in the Company's upcoming Notice of 2026 Annual General Meeting for shareholders' consideration.



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 11 & 12 Remuneration of the Board of Directors and executive personnel *(Continued)*

The guideline for the remuneration of executive personnel, which is considered an advisory guideline (non-binding) is as follows:

#### (a) Fixed remuneration component

For fixed elements which include non-performance-based fixed base salary and allowances, and contributions to retirement benefits schemes, these are assessed and determined by the complexity and responsibility of the position, with a view to attract, retain and motivate high performing individuals and in line with the prevailing market conditions and local market practice. No individual should determine his or her own fixed remuneration. Fixed remuneration to individual executive directors and executive personnel are reviewed annually by the Remuneration Committee and subject to the Board's approval.

#### (b) Variable remuneration component

For variable elements which include performance-based discretionary bonus, these are assessed and determined by the overall performance of the individual and contribution to the business strategy and objectives, as well as shareholders' values of the Company. No individual should determine his or her own variable remuneration. Variable remuneration to individual executive directors and executive personnel are reviewed annually by the Remuneration Committee and subject to the Board's approval.

Since the dry bulk shipping industry is highly volatile and heavily influenced by external forces, it is inappropriate to link the performance-based variable remuneration solely to any financial measurable targets over a particular period or set an absolute limit to each remuneration component as it may generate meaningless results. The Board seeks to ensure appropriate balance amongst all performance factors in determination of variable remuneration component to executive personnel.

**This constitutes deviations from the Norwegian Code of Practice which states that members of the board of directors should not take on specific assignments for the company in addition to their appointment as a member of the board; remuneration of the board of directors should not be linked to the company's performance; and performance-based remuneration to executive personnel should be based upon measurable targets and quantifiable factors over which the employee in question can have influence and the performance related remuneration should be subject to an absolute limit.**

Currently, the Company has not adopted any share option scheme and no equity-based compensation arrangement is granted to any directors and executive personnel. For any special equity-based compensation arrangement that will be granted to eligible executive personnel in future, these compensation arrangements will be determined by the individual's contribution to the promotion of and enhancement of the long-term value of the Company. This equity-based remuneration will be considered by the Board and be included as a separate binding resolution in the general meeting subject to the shareholders' approval.

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 11 & 12 Remuneration of the Board of Directors and executive personnel *(Continued)*

#### (b) Variable remuneration component *(Continued)*

As mentioned in section 8, executive directors are performing executive personnel function, they received remuneration for additional duties as member of the Board. The Remuneration Committee has been established to assist the Board in developing and administering a fair procedure for determining on the specific remuneration packages of all executive directors and executive personnel of the Company. At the meeting held on 27 February 2026, the Remuneration Committee reviewed and made recommendations to the Board on the fees of the executive directors, other emoluments of the individual executive directors and executive personnel for the year 2025, and made recommendations to the Board on the remuneration packages of the individual executive directors and executive personnel for the year 2026 as well as fees for non-executive directors. Each component of remuneration to members of the Board are disclosed to the full board and approved by the Remuneration Committee and the Board. Details of the fees and other emoluments of the directors of the Company for the year 2025 are set out in note 12 to the consolidated financial statements.

### Section 13 Information and communications

Jinhui Shipping strives to promote efficient and non-discriminatory communication of information to market participants. In order to further promote effective communication, the Company maintains a website to disseminate information electronically on a timely basis.

#### Financial reporting

The Board is responsible for the accounts and the presentation of the financial results to shareholders in general meetings. The Board reviews the Group's financial position and exposure in the Board meetings with the management every quarter. In such Board meetings, the management presents the Group's financial performance and the market situation to the Board where key profitability and financial ratios and any changes to the Group's strategies in response to changing market situation are discussed.

The quarterly results announcements are released by the Company for each quarter of a financial year within two months subsequent to each quarter end. Annual report together with audited consolidated financial statements are usually adopted by the Board within four months subsequent to each financial year end and are distributed to shareholders of the Company no later than 21 days prior to the annual general meeting.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board, and Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The Company emphasizes the production of accounts and financial reporting in which shareholders and other investors alike can have confidence. Details of the Group's material accounting policies are set out in note 4 to the consolidated financial statements.



# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 13 Information and communications *(Continued)*

#### Other market information

Jinhui Shipping is listed on the Oslo Stock Exchange (Euronext Oslo Børs) which complies with applicable rules and regulations relating to the disclosure and handling of information. Jinhui Shipping maintains the company's website to disseminate information electronically on a timely basis and has established guidelines for open communication of market information to market participants other than through general meeting. The Company also publishes major events such as annual general meeting, annual and quarterly reports, financial calendar, public conference call, dividend payment and other material transactions through websites of the Company at [www.jinhuiship.com](http://www.jinhuiship.com) and the NewsWeb of the Oslo Stock Exchange (Euronext Oslo Børs) at [www.newsweb.no](http://www.newsweb.no).

The Company holds open quarterly presentations in connection with the reporting of financial performance by conference call.

In addition, only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

### Section 14 Take-overs

**According to the Norwegian Code of Practice, the board of directors should establish guiding principles for how the Company will act in the event of a take-over bid. However, there is no provision in the Bye-Laws of the Company regulating the Board's competence in the event of a take-over bid.**

Nevertheless, the Board will adopt the provisions in the Norwegian Code of Practice as the guiding principles for how the Company will act in the event of a take-over bid and will not attempt to influence, hinder or obstruct take-over bids for the Company's activities or shares.

In potential take-over situations, the Board will evaluate any offers that are commercially and financially beneficial to all shareholders of the Company, consider and arrange an independent valuation where the bidder is a major shareholder, and commit to act with extensive concern regarding representing the interest of all shareholders. The Board will follow the relevant rules and regulations as set out in the Norwegian Code of Practice in due course.

# Corporate Governance Report

## NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE *(Continued)*

### Section 15 Auditor

The Board strives to have close and open cooperation with Grant Thornton Hong Kong Limited, the auditor of the Company. The Audit Committee obtains annual confirmation that the auditor satisfies the independence and objectivity requirements. The auditor submits an annual audit plan and presents the main features and scope of the planned work to the Audit Committee before commencement of annual audit. The Board particularly assesses whether the auditor exercises an adequate control function and the performance of the auditor has been reviewed.

The auditor participates in meetings of the Board that deal with the annual accounts. At these meetings, the Audit Committee presents any material changes in the Group's accounting principles and policies, identifies the significant risks and exposures of the Group with the auditor. The auditor attends the annual general meeting, Audit Committee meetings and other meetings on request of the Company. The auditor reports material matters in which there have been disagreements between the auditor and management, if any.

The Board has issued guidelines that regulate management's access to use the auditor of the Company for various services as follows:

Audit services – include audit services provided in connection with the audit of the financial statements.

Other services – include services that would normally be provided by auditor other than audit services, for example, audit of the Group's provident funds, tax compliance, due diligence and accounting advice related to merge and acquisition and issuance of special audit reports for tax or other non-assurance purposes. The auditor is invited to undertake those services that it must or is best place to undertake in capacity as auditor.

Other specific services – include reviews of third parties to assess compliance with contracts, risk management diagnostics and assessments, and non-financial systems consultations. The auditor is also permitted to assist management with internal investigations and fact-finding into alleged improprieties, where appropriate and necessary. These services are subject to specific approval by the Audit Committee.

In the forthcoming general meeting, the Board will report the remuneration paid to auditor including the details of the fee paid for audit services and any fees paid for other specific assignments. In 2025, the remuneration paid and payable to the auditor of the Company for the provision of the Group's audit services and other services were US\$221,000 and US\$6,000 respectively. Fees paid for other services included fees for tax compliance services of US\$6,000. The auditor's remuneration excluded VAT as the external auditor performed its services in Hong Kong, where no VAT being imposed.



# Board of Directors and Executive Personnel

## BOARD OF DIRECTORS

### **Mr. Ng Siu Fai, Chairman**

Aged 69. Appointed as a Director of the Company since 1994. As one of the two founders of the Group in 1987, Mr. Ng was appointed as the chairman of Jinhui Holdings, the Company's holding company, in 1991. His responsibility is to formulate strategic planning for the Group as well as overseeing all aspects of the Group's operations. Mr. Ng has extensive knowledge and working experience in the shipping industry as well as business management and China trade.

Mr. Ng is a brother of Messrs. Ng Kam Wah Thomas and Ng Ki Hung Frankie, both are directors of the Company (as disclosed hereinafter).

### **Mr. Ng Kam Wah Thomas, Managing Director and Deputy Chairman**

Aged 63. Appointed as a Director of the Company since 1994. Mr. Ng is the other founder of the Group in 1987 and was appointed as a director of Jinhui Holdings since 1991. He is responsible for the Group's shipping activities. Mr. Ng has extensive knowledge and working experience in the shipping industry and business management. Mr. Ng holds a Bachelor's Degree in Arts from the University of Guelph in Canada and a Diploma in Management Studies, specializing in shipping, from the Plymouth Polytechnic in the United Kingdom.

### **Mr. Ng Ki Hung Frankie, Executive Director**

Aged 72. Appointed as a Director of the Company since 1994 and a director of Jinhui Holdings since 1991. Mr. Ng is responsible for the Group's investments and business management. Mr. Ng has extensive working experience in the shipping industry as well as business management and China trade.

### **Ms. Ho Suk Lin Cathy, Executive Director**

Aged 62. Appointed as a Director and the Company Secretary of the Company since 1994 and a director of Jinhui Holdings since 1993. Ms. Ho is responsible for the Group's financial controls and secretarial matters. Ms. Ho has extensive working experience in finance and management. Prior to joining the Group in 1991, she worked in an international accounting firm. Ms. Ho is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

# Board of Directors and Executive Personnel

## BOARD OF DIRECTORS *(Continued)*

### **Mr. Tsui Che Yin Frank**, *Non-executive Director*

Aged 68. Appointed as a Non-executive Director of the Company since 2006 and an independent non-executive director of Jinhui Holdings since 1994. Mr. Tsui has extensive experience in investment and banking industries and held senior management positions at various international financial institutions. Mr. Tsui is an independent non-executive director of Melco International Development Limited listed in Hong Kong. Mr. Tsui graduated with a Bachelor's and a Master's Degree in Business Administration from the Chinese University of Hong Kong and with a Law Degree from the University of London. He holds a Doctoral Degree in Business Administration from The University of Newcastle, Australia.

### **Mr. William Yau**, *Non-executive Director*

Aged 58. Appointed as a Non-executive Director of the Company since 2006 and an independent non-executive director of Jinhui Holdings since 2004. Mr. Yau has extensive experience gained from his senior management positions in various industries. He is at present a director of American Phil Textiles Limited and Forum Restaurant (1977) Limited, and a supervisor of Fujian Shishi Rural Commercial Bank Co., Ltd. Mr. Yau is a member of the Gansu Provincial Committee of the Chinese People's Political Consultative Conference. Mr. Yau graduated with a Bachelor Degree of Computer Systems Engineering from the Carleton University in Canada.

## EXECUTIVE PERSONNEL

### **Mr. Ching Wei Man Raymond**, *Vice President*

Aged 51. Joined the Group in 2004 as Vice President, and is responsible for overseeing various activities for the Group, with particular focus in shipping related investments, corporate finance matters, investor relations, and new business development. Mr. Ching has extensive experience in shipping investments and in finance. Prior to joining the Group, he worked for a number of years in the investment banking division for a major US bank. Mr. Ching holds a Master of Engineering and a Master of Science (Finance), both from the Imperial College of Science, Technology and Medicine in London.

### **Mr. Shum Yee Hong**, *Head of Management and Operation Department*

Aged 73. Joined the Group in 1992 as Head of Management and Operation Department, responsible for the ship operation activities of the Group. Mr. Shum has over 30 years of working experience in the shipping industry. Before joining the Group, Mr. Shum was a marine superintendent for an international shipping company.



The Directors present their report and the audited consolidated financial statements of Jinhui Shipping and its subsidiaries for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are ship chartering and ship owning which are carried out internationally. There were no significant changes in the nature of the Group's principal activities during the year.

## REGISTERED OFFICE

The Company is an exempted company registered in Bermuda and its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

## RESULTS AND APPROPRIATIONS

The results of the Group for the year 2025 are set out in the "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 79.

The Board has resolved to recommend the payment of a final dividend of US\$0.018 per share for the year ended 31 December 2025 and such dividend, if approved by the shareholders at the forthcoming annual general meeting scheduled on 27 May 2026, will be paid to the beneficial owners of the shares of the Company whose names are registered in the Euronext Securities Oslo, the Norwegian Central Securities Depository, at the close of business on 29 May 2026. The Company's shares listed on the Oslo Stock Exchange will be traded including dividend up until and including 27 May 2026. The ex dividend date is 28 May 2026 and the dividend will be paid on or about 23 June 2026.

As there was no interim dividend payable during the year, the proposed final dividend as mentioned above, if approved, will bring the total dividend for 2025 to US\$0.018 per share.

## ALLOCATION OF NET PROFIT

The Board has proposed the net profit of the Group for the year 2025 amounting to US\$12,544,000 to be allocated as an addition to retained profits.

## RESERVES

Details of movements in reserves of the Group during the year are set out in the "Consolidated Statement of Changes in Equity" on page 82.

# Directors' Report

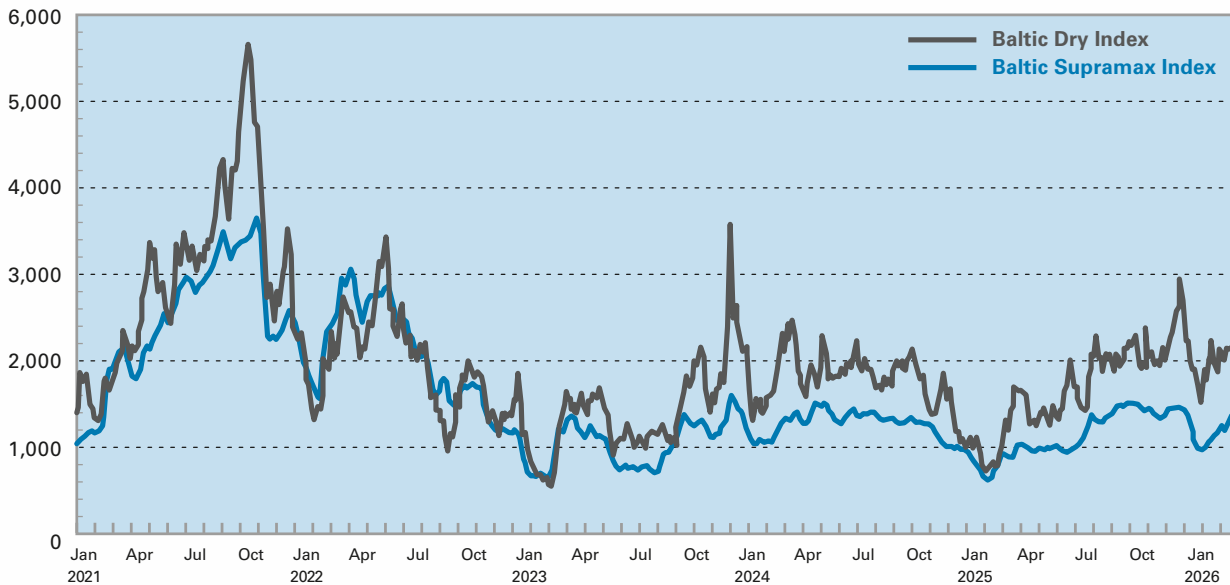
## DIVIDEND POLICY

The Company may declare and distribute dividends to the shareholders of the Company. Our policy aims to provide stable and consistent dividends with steady growth when supported by our earnings whilst ensuring that sufficient financial resources can be maintained to fund our business growth. In addition, the amount and timing of any dividend distributions in the future will depend, among other things, on our compliance with covenants in our credit facilities, earnings, financial condition, cash position, Bermuda law affecting the dividend distributions, restrictions in our financing agreements and other factors. As dry bulk shipping market is cyclic and volatile, it's particularly challenging to establish a clear and predictable dividend policy. There can be no assurance that a dividend will be proposed or declared in any given year.

## BUSINESS REVIEW

In 2025, the dry bulk shipping sector continued to evolve, driven by shifting global demand patterns, environmental regulations, and advancements in technology. Our strategic initiatives have positioned us to capitalize on these trends, allowing us to enhance operational efficiency, improve fleet performance, and adopt innovative practices. Baltic Dry Index commenced in the year 2025 at 997 points in January, then fell to a low of 715 points by the end of January. Following this initial downturn, the Baltic Dry Index demonstrated a general upward trend throughout the remainder of the year, ultimately reaching a peak level of 2,845 points in December. The index closed the year at 1,877 points. The average Baltic Dry Index for the year 2025 was 1,681 points, which compares to 1,755 points in 2024.

**Baltic Dry Index & Baltic Supramax Index**



Source: Bloomberg



## BUSINESS REVIEW *(Continued)*

Average daily time charter equivalent rates	2025	2024
	US\$	US\$
Capesize fleet	21,025	24,298
Panamax fleet	14,910	15,528
Ultramax / Supramax fleet	13,246	14,466
In average	14,182	14,741

As at 31 December 2025, the Group operated eighteen owned vessels and five chartered-in vessels. The Group's revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels. Hire income under time charter is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract.

For the year 2025, the Group's revenue reached US\$157,489,000, representing a slightly decrease of 0.9% compared to US\$158,900,000 for the year 2024. The Group generated a consolidated operating profit before depreciation and amortization amounted to US\$79,095,000 for 2025 as compared to US\$74,286,000 for 2024. The Group reported a consolidated net profit of US\$12,544,000 in 2025, representing a decrease from US\$24,005,000 recorded in the prior year. The current year's results included a non recurring net loss of US\$9,209,000 arising from the disposal of eight Supramaxes. Basic earnings per share for the year 2025 was US\$0.115 as compared to US\$0.220 for last year 2024. The average daily time charter equivalent rate for the Group's fleet declined 3.8% to US\$14,182 for the year 2025 as compared to US\$14,741 for the year 2024.

Revenue of US\$23,797,000 and US\$11,562,000 were derived from two charterers that contributed 15% and 7% respectively to the Group's revenue for the year 2025. Management has a credit policy in place for approving the credit limits to charterers and the exposures to credit risk are monitored such that any outstanding trade receivables are reviewed and followed up on an ongoing basis. For trade receivables from customers, credit evaluations including assessing the customer's creditworthiness and financial standing are performed on customers requiring a credit over certain amount. The management consider that the credit risks inherent in the Group's outstanding trade receivables within one year past due was immaterial.

# Directors' Report

## BUSINESS REVIEW *(Continued)*

<b>Key Performance Indicators for Shipping Business</b>	<b>2025</b>	<b>2024</b>
	<b>US\$</b>	<b>US\$</b>
Average daily time charter equivalent rate	<b>14,182</b>	14,741
Daily vessel running cost	<b>5,895</b>	5,606
Daily vessel depreciation	<b>3,194</b>	3,343
	<b>9,089</b>	8,949
Average utilization rate	<b>98%</b>	98%

Daily vessel running cost of the Group's owned vessels rose to US\$5,895 in 2025 from US\$5,606 in 2024. The increase was primarily due to higher crew cost and the expenditure on spare parts for vessels, driven by an increase in operational demands and the need for maintenance to ensure optimal performance. In response to these rising expenses, we are committed to implementing stringent cost control measures and enhancing operational efficiency. Our goal is to maintain a highly competitive cost structure that aligns with industry standards and positions us favorably against other market participants. Daily vessel depreciation of the Group's owned vessels decreased from US\$3,343 for the year 2024 to US\$3,194 for the year 2025. The average fleet utilization rate of the Group's fleet is 98% for the years 2025 and 2024. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.



## FLEET OVERVIEW

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Capesize, Panamax, Ultramax and Supramax bulk carriers. To stay competitive in the market, the Group focused on enhancing the quality of our fleet and adjusting our fleet profile, particularly in terms of seeking to lower the overall age profile of our fleet. As at 31 December 2025, the Group operated a fleet of twenty-three vessels, of which eighteen are owned vessels (including the one which has been disposed of and reclassified under assets held for sale) and five chartered-in vessels, with total deadweight carrying capacity of approximately 1,825,000 metric tonnes. Among the owned vessels were two that have been arranged under sale and leaseback agreements. As at 31 December 2025, the carrying amount of the motor vessels and capitalized drydocking costs was US\$298,367,000 (2024: US\$393,320,000).

	Number of vessels		Total
	Owned*	Chartered-in	
Capesize fleet	2	1	3
Panamax fleet	1	2	3
Ultramax / Supramax fleet	15	2	17
<b>Total number of vessels</b>	<b>18</b>	<b>5</b>	<b>23</b>

\* Included two vessels which have been arranged under sale and leaseback agreements, as well as one reclassified as assets held for sale.

During the year 2025, the Group optimizing its fleet through strategic acquisitions, disposals and chartering activities with a view to maintaining high financial flexibility and maximizing operational competitiveness at a lower level of capital investment. The Group entered into nine agreements for the disposal of Supramaxes and four shipbuilding contracts for the acquisition of Ultramax.

# Directors' Report

## FLEET OVERVIEW *(Continued)*

### Disposal of vessels

- In March 2025, a Supramax built in 2007 with a deadweight of 53,350 metric tonnes was sold for US\$8,260,000. The vessel was delivered to the purchaser in May 2025.
- In May 2025, a Supramax built in 2008 with a deadweight of 56,952 metric tonnes was sold for US\$10,225,000. The vessel was delivered to the purchaser in July 2025.
- In July 2025, two Supramaxes, each built in 2009, were disposed of. The first, with a deadweight of 56,927 metric tonnes, was sold for US\$10,800,000. The second, with a deadweight of 56,913 metric tonnes, was sold for US\$11,000,000. Both vessels were delivered in July 2025.
- In August 2025, a Supramax built in 2009 with a deadweight of 56,887 metric tonnes was sold for US\$10,500,000. Delivery to the purchaser took place in December 2025.
- In September 2025, a Supramax built in 2008 with a deadweight of 58,729 metric tonnes was sold for US\$11,930,000, with delivery completed in the same month.
- In October 2025, a Supramax built in 2012 with a deadweight of 56,469 metric tonnes was sold for US\$13,200,000. Delivery to the purchaser took place in November 2025.
- In November 2025, a Supramax built in 2008 with a deadweight of 56,968 metric tonnes was sold for US\$10,300,000, with delivery completed in December 2025.
- In December 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,361 metric tonnes, built in year 2012, at a consideration of US\$14,400,000. For financial reporting purposes, the vessel was reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" at the reporting date. The agreement was subsequently cancelled in January 2026 as one of the contractual clauses could not be fulfilled.

### Shipbuilding contracts

- During the year 2025, the Group entered into four shipbuilding contracts for the construction of four Ultramax newbuildings, each with a deadweight capacity of 64,500 metric tonnes, at a consideration of US\$33 million per vessel. The vessels are scheduled for delivery in 2028.
- Subsequent to reporting date, in February 2026, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each with a deadweight of 64,100 metric tonnes, at a consideration of US\$34 million per vessel, scheduled for delivery in May 2029 and July 2029 respectively.

As at date of this annual report, the Group had eight committed Ultramax newbuildings, comprising six as mentioned above and the two contracted in 2024, at a consideration of US\$34 million each, scheduled for delivery in 2026 and 2027.



## **FLEET OVERVIEW** *(Continued)*

### **Shipbuilding contracts** *(Continued)*

The acquisition of above eight newbuildings is consistent with the Group's ongoing strategy to renew the fleet with modern, larger and high-quality vessels, by gradually phasing out its older vessels and replacing them with newer and younger vessels. In addition, the eight newbuildings are more fuel-efficient and of higher operational efficiency than the other bulk carriers of the Group currently in operation, which meets the latest environmental regulations and prevailing requirements in the shipping industry.

### **Lease of vessels**

The Group endeavoured further enhance and improve our fleet profile while limiting the capital expenditure on acquisition of vessels and maximizing flexibility. As at the reporting date, the Group maintained certain number of time charter engagements, two of them were long-term time charters with remaining lease terms for more than twelve months. The right-of-use assets which are calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities were recognized in the consolidated statement of financial position upon their deliveries of the vessels in accordance with IFRS 16 and HKFRS 16 Leases. As at 31 December 2025, the carrying amounts of the right-of-use assets and the lease liabilities were US\$32,773,000 (2024: US\$30,022,000) and US\$36,062,000 (2024: US\$32,385,000) respectively.

In early 2025, the Group took delivery of a long term chartered-in Capesize, with deadweight 207,672 metric tonnes, built in year 2017, for a minimum term of thirty-three months.

### **Sale and leaseback arrangements**

During the year, the Group entered into two memoranda and charter agreements with the purchasers for the sale and leaseback arrangements of two vessels, at consideration of CNH79,750,000 and CNH123,250,000. The vessels were sold and chartered back on seven-year bareboat charters which include purchase options from the third year until the end of the bareboat period.

We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal of smaller and older vessels and replace with newer vessels with larger carrying capacity and longer asset lives or charter-in of vessels. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.

# Directors' Report

## FINANCIAL REVIEW

**Revenue and operating profit.** The Group achieved a revenue of US\$157,489,000 for the year 2025, representing a slightly decrease of 0.9% compared to US\$158,900,000 for the year 2024. The modest decrease was primarily driven by the disposal of eight aging vessels, alongside weaker dry bulk market conditions that lowered the average daily time charter equivalent rates of Group's fleet by 3.8% to US\$14,182. The average daily time charter equivalent rates for Capesize fleet and Panamax fleet were US\$21,025 and US\$14,910 respectively, while the Ultramax / Supramax fleet recorded US\$13,246 for the year.

The Group generated a consolidated operating profit before depreciation and amortization amounted to US\$79,095,000 for 2025 as compared to that for 2024 of US\$74,286,000. The Group recorded a consolidated net profit of US\$12,544,000 for the year 2025. This compared to a consolidated net profit of US\$24,005,000 for the year 2024. Basic earnings per share for the year was US\$0.115, compared to US\$0.220 for the year 2024.

**Other operating income.** Other operating income increased from US\$16,991,000 in 2024 to US\$34,703,000 in the current year. The increase was primarily due to the receipt of settlement income from a legal dispute over the non-performance of a charterparty. Settlement income amounted to US\$20,223,000 was received in the current year while US\$3,500,000 was received in 2024. Additionally, there was a recognition of net gain of US\$3,832,000 on financial assets / financial liabilities at fair value through profit or loss, comprised of a realized gain of US\$1,144,000 upon disposal of certain financial assets and an unrealized fair value gain of US\$2,688,000 on financial assets / financial liabilities at fair value through profit or loss for the current year. For 2024, a net gain of US\$4,867,000 on financial assets at fair value through profit or loss was recorded.

**Shipping related expenses.** Shipping related expenses mainly comprised of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' expenses. There was a modest decline in our shipping related expenses from US\$84,404,000 in 2024 to US\$84,158,000 in the current year. The reduction is primarily attributable to a decrease in the number of vessels owned by the Group which lowered the aggregated shipping operational costs. Throughout the year, the Group entered into a reduced number of inward time charters arrangements compared with 2024, resulting in hire payment of approximately US\$12 million for these short-term leases, as against US\$22 million in last year. The overall savings were partially offset by higher bunker costs, driven by fuel usage for vessel repositioning between charters and during voyage charter activities.

Daily vessel running cost of the Group's owned vessels rose to US\$5,895 in 2025 from US\$5,606 in 2024. The increase was primarily due to higher crew cost and the expenditure on spare parts for vessels, driven by an increase in operational demands and the need for maintenance to ensure optimal performance. In response to these rising expenses, we are committed to implementing stringent cost-control measures and enhancing operational efficiency. Our goal is to maintain a highly competitive cost structure that aligns with industry standards and positions us favorably against other market participants.



## FINANCIAL REVIEW *(Continued)*

**Other operating expenses.** Other operating expenses declined from US\$9,861,000 in 2024 to US\$7,414,000 in the current year, primarily due to a lower recognition of fair value loss of US\$1,338,000 on investment properties, as compared to US\$4,386,000 recorded in the prior year. Other operating expenses for the year 2025 also included directors' fee of US\$777,000, impairment loss on trade and other receivables of US\$539,000, professional fee of US\$309,000, auditor's remuneration related to audit services of US\$221,000 and remaining are various office administrative expenses.

**Depreciation and amortization.** Depreciation and amortization increased from US\$44,189,000 for the year 2024 to US\$57,557,000 for the year 2025. The increase was attributable to the recognition of depreciation of US\$28,817,000 on right-of-use assets for long-term chartered-in vessels for the current year whereas US\$15,019,000 was recorded in last corresponding year. The Group's daily vessel depreciation for owned vessels decreased to US\$3,194 for the year 2025 as compared to US\$3,343 for the year 2024.

**Finance costs.** Finance costs increased from US\$6,092,000 for the year 2024 to US\$8,994,000 for the year 2025. This rise was mainly attributable to the loan drawdown for the financing of vessels upon their deliveries during first half of 2025, other borrowings on sale and leaseback arrangements on two vessels as well as the increase in recognition of interest expenses on lease liabilities, which amounted to US\$3,265,000 in 2025 compared to US\$1,317,000 in 2024.

**Financial assets / financial liabilities at fair value through profit or loss.** As at 31 December 2025, the Group's portfolio of investment in financial assets at fair value through profit or loss was US\$24,850,000 (2024: US\$20,605,000), in which US\$21,526,000 (2024: US\$17,903,000) was investment in listed equity securities and US\$3,324,000 (2024: US\$2,702,000) was investment in investment funds. Financial liabilities at fair value through profit or loss was US\$294,000 (2024: nil) as of 31 December 2025 and represented investment in interest rate swap.

During the year, the Group's net gain on financial assets / financial liabilities at fair value through profit or loss was US\$3,832,000 (2024: US\$4,867,000), comprised of a realized gain of US\$1,144,000 (2024: US\$2,409,000) upon disposal of certain financial assets during the year, and an unrealized fair value gain of US\$2,688,000 (2024: US\$2,458,000) on financial assets / financial liabilities at fair value through profit or loss for the year. The aggregate interest income and dividend income from financial assets was US\$3,933,000 (2024: US\$2,007,000).

**Investment properties.** As at 31 December 2025, the Group's investment properties were stated at fair value of US\$19,535,000 (2024: US\$20,873,000) and comprised of premises and car parks held under operating leases to earn rentals or held for capital appreciation, or both. These premises and car parks are held under long term leases.

# Directors' Report

## FINANCIAL REVIEW *(Continued)*

**Right-of-use assets and lease liabilities.** As at the reporting date, the Group operated five long-term chartered-in vessels, two of them were long-term time charters with remaining lease term for more than twelve months. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was also recognized in the consolidated statement of financial position upon their deliveries of the vessels.

As at 31 December 2025, the carrying amounts of the right-of-use assets and the lease liabilities were US\$32,773,000 (2024: US\$30,022,000) and US\$36,062,000 (2024: US\$32,385,000) respectively.

In 2025, the Group took delivery of a long term chartered-in Capesize, with deadweight 207,672 metric tonnes, built in year 2017, for a minimum term of thirty-three months.

During the year, the total cash outflow for the lease was US\$42,833,000 (2024: US\$39,232,000).

**Loan receivables.** As at reporting date, the Group's total loan receivables amounted to US\$12,077,000 (2024: US\$1,577,000), comprising US\$10,500,000 (2024: nil) arising from receivables in respect of the disposal of two vessels and US\$1,577,000 (2024: US\$1,577,000) arising from Co-investment.

During the year, the Group entered into two agreements to dispose of two vessels, with the outstanding consideration of US\$6 million and US\$5 million respectively, each to be settled over a three year period. To secure the purchasers' performance and observance of and compliance with the covenants, the purchasers provided first priority ship mortgage on each vessel in favour of the Group.

The loan receivables from Co-investment are unsecured, denominated in United States Dollars, and have no fixed repayment terms.

At the reporting date, the loan receivables have been reviewed by management to assess impairment allowances which are based on the evaluation of current creditworthiness, collection statistics, reference to market value of vessels and the net asset value of the Co-investment and considered as not impaired. The carrying amount of the loan receivables is considered to be a reasonable approximation of its fair value.

**Trade and other payables.** As at 31 December 2025, the Group's trade and other payables was US\$17,985,000 (2024: US\$22,030,000), including trade payables of US\$330,000 (2024: US\$820,000), accrued charges of US\$3,000,000 (2024: US\$4,756,000) and other payables of US\$14,655,000 (2024: US\$16,454,000). Other payables mainly included payables related to vessel running cost and ship operating expenses of US\$10,850,000 (2024: US\$11,526,000), hire receipt in advance of US\$1,340,000 (2024: US\$2,733,000) from charterers, loan interest payables of US\$83,000 (2024: US\$71,000) and accrued employee benefits payables of US\$2,177,000 (2024: US\$1,952,000).



## FINANCIAL REVIEW *(Continued)*

**Liquidity, financial resources and capital structure.** As at 31 December 2025, the Group maintained strong working capital position and had cash and cash equivalents of US\$53,508,000 (2024: US\$23,005,000). Net cash generated from operating activities after working capital changes was US\$79,596,000 (2024: US\$75,733,000), of which US\$1,535,000 (2024: US\$12,303,000) related to changes in working capital.

For the year 2025, the Group reported net cash used in investing activities amounted to US\$31,239,000, compared to US\$85,409,000 in the corresponding year of 2024. This included a balance payment of US\$38,396,000 for vessel deliveries and capitalized drydocking expenditures, and installments payment of US\$25,009,000 for vessels under construction, scheduled for delivery between 2026 and 2028. The Group also realized proceeds of US\$74,596,000 from the disposal of eight Supramaxes during the year.

Net cash used in financing activities amounted to US\$17,854,000 in 2025, compared to US\$7,569,000 in 2024. During the year, the Group had drawn new bank loans totaling US\$15,000,000 (2024: US\$65,338,000) upon the delivery of vessels and repaid bank loans amounting to US\$25,590,000 (2024: US\$55,511,000). In addition, the Group obtained other borrowings of US\$28,328,000 (2024: nil) pursuant to sale and leaseback arrangements entered into for two of its owned vessels. Repayment of these other borrowings during the year amounted to US\$1,416,000 (2024: nil). Furthermore, a repayment of US\$31,156,000 (2024: US\$17,426,000) on lease liabilities was incurred.

The Group's total secured borrowings increased from US\$97,994,000 as at 31 December 2024 to US\$114,913,000 as at 31 December 2025, of which 9%, 62%, 17% and 12% are repayable respectively within one year, in the second year, in the third to fifth year and after the fifth year. The increase in total secured borrowings was primarily due to the sale and leaseback arrangements entered into for two of its owned vessels during the year. The secured borrowings were denominated in Hong Kong Dollars and Renminbi (offshore). All secured borrowings were committed on floating rate basis.

As at 31 December 2025, the total of the Group's equity securities, bank balances and cash increased to US\$110,924,000 (2024: US\$40,908,000).

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, was 1% (2024: 15%) as at 31 December 2025. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 31 December 2025, the Group is able to service its debt obligations, including principal and interest payments.

**Cash flows.** The Company's consolidated statement of cash flows had been prepared in accordance with IAS 7 and HKAS 7. It provided information that enables users to evaluate the changes in the Group's inflows and outflows of cash and cash equivalents during the year.

# Directors' Report

## FINANCIAL REVIEW *(Continued)*

The consolidated statement of cash flows was classified by operating, investing and financing activities and had been prepared under the indirect method, whereby operating profit or loss was adjusted for the effects of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

**Operating activities** – Cash flows arising from operating activities are primarily derived from the principal revenue producing activities of the Group. The Group's net cash from operating activities for the year was US\$79,596,000 (2024: US\$75,733,000). Net cash from operating activities was determined by adjusting non-cash items such as depreciation and amortization, provisions and impairment losses; change in fair value of non-financial assets; changes in operating assets and liabilities consist of inventories, receivables and payables, and financial assets / financial liabilities at fair value through profit or loss; and all other items for which the cash effects were included in investing or financing activities, such as net gain or loss on disposal of property, plant and equipment, dividend income and interest income; and including interest expenses paid during the year.

**Investing activities** – Cash flows arising from investing activities are primarily derived from cash proceeds or cash expenditures that result in a change in recognized assets in the consolidated statement of financial position which are not included in cash and cash equivalents. The Group's net cash used in investing activities for the year was US\$31,239,000 (2024: US\$85,409,000). This mainly included a balance payment of US\$38,396,000 for vessels deliveries and capitalized drydocking expenditures, and installments payment of US\$25,009,000 for vessels under construction, scheduled for delivery between 2026 and 2028. The Group also realized proceeds of US\$74,596,000 from the disposal of eight Supramaxes during the year.

**Financing activities** – Cash flows arising from financing activities are primarily derived from cash proceeds or cash expenditures that result in changes in equity and subordinated liabilities. The Group's net cash used in financing activities for the year was US\$17,854,000 (2024: US\$7,569,000). During the year, the Group had drawn new bank loans totaling US\$15,000,000 (2024: US\$65,338,000) upon the delivery of vessels and repaid bank loans amounting to US\$25,590,000 (2024: US\$55,511,000). In addition, the Group obtained other borrowings of US\$28,328,000 (2024: nil) pursuant to sale and leaseback arrangements entered into for two of its owned vessels. Repayment of these other borrowings during the year amounted to US\$1,416,000 (2024: nil). Furthermore, a repayment of US\$31,156,000 (2024: US\$17,426,000) on lease liabilities was incurred.

**Cash and cash equivalents** – Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. At the reporting date, the Group's cash and cash equivalents was US\$53,508,000 (2024: US\$23,005,000).

**Pledge of assets.** As at 31 December 2025, the Group's property, plant and equipment with an aggregate net book value of US\$246,377,000 (2024: US\$252,113,000), investment properties with an aggregate carrying amount of US\$16,329,000 (2024: US\$17,301,000), financial assets at fair value through profit or loss of US\$6,626,000 (2024: US\$6,994,000) and deposits of US\$71,000 (2024: US\$329,000) placed with banks were pledged together with the assignment of fourteen (2024: fifteen) subsidiaries' income to secure credit facilities utilized by the Group. In addition, shares of two (2024: nil) ship owning subsidiaries were pledged in respect of other borrowings.



## FINANCIAL REVIEW *(Continued)*

### **Capital expenditures and commitments.**

#### Capital expenditures

During the year, the Group reported capital expenditure of US\$38,396,000, primarily for the balance payment on vessel deliveries and capitalized drydocking costs. Additionally, US\$25,009,000 was paid as installments for vessels under construction, US\$9,056,000 for leasehold land and buildings and US\$150,000 was spent on other property, plant and equipment.

For the year 2024, capital expenditure of US\$95,095,000 was incurred, including US\$94,698,000 on additions of motor vessels and capitalized drydocking costs and US\$397,000 on other property, plant and equipment.

#### Capital commitments

During the year, the Group entered into four shipbuilding contracts for the construction of four Ultramax newbuildings, each at a consideration of US\$33 million. The vessels are scheduled for delivery in 2028. As at the reporting date, installments amounting to US\$18,209,000 had been paid in respect of vessels under construction, and the capital expenditure commitments contracted by the Group but not provided for, net of installment paid, was approximately US\$111,830,000.

For the year 2024, the Group entered into two shipbuilding contracts for the construction of two Ultramax, each at a consideration of US\$34 million, to be delivered in 2026 and 2027 respectively. As at the reporting date, installments of US\$6,800,000 for the vessels under construction were paid, and the capital expenditure commitments contracted by the Group but not provided for, net of installments paid, was approximately US\$61,200,000 (2024: US\$68,000,000).

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (2024: US\$372,000).

As at 31 December 2025, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of installment paid, was US\$173,402,000.

As of 31 December 2024, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$117,080,000. In addition to the aforementioned commitments, the amount also included right-of-use assets of approximately US\$26,640,000 for the long term charter of a Capesize, which was delivered in January 2025, as well as a capital expenditure commitment of US\$22,068,000 for the acquisition of an Ultramax, which was acquired at the end of 2024 and delivered to the Group in January 2025.

Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.



# Directors' Report

## SIGNIFICANT LITIGATION UPDATE

Galsworthy Limited ("Galsworthy"), a wholly owned subsidiary of the Company, was the disponent owner of the vessel "CANTON TRADER" which was later renamed "JIN KANG". On 17 June 2008, Galsworthy entered into a time charter with Parakou Shipping Pte Limited ("Parakou Shipping") for a period of approximately five years, with delivery not due until March 2009. On or about 13 March 2009, Parakou Shipping wrongfully refused to take delivery of the vessel and Galsworthy accepted their conduct as a repudiation of the charter, bringing it to an end.

The dispute was the subject of various proceedings, but principally in London arbitration. By Arbitration Awards dated 31 August 2010 and 13 May 2011, the London arbitrators upheld Galsworthy's claims and awarded damages of approximately US\$41.25 million plus interest and costs.

Parakou Shipping went into liquidation in 2011. Galsworthy has submitted a proof of debt in the liquidation in respect of its claim under the arbitration awards. Galsworthy has also been trying inter alia to enforce the arbitration awards against Parakou Shipping and its former directors and obtain compensation for its substantial losses. The outstanding amount is in excess of US\$60 million.

In one action Galsworthy has been funding Singapore proceedings commenced by the liquidator of Parakou Shipping against four of Parakou Shipping's former directors and related corporate entities (the "Defendants"), seeking to claw back assets into Parakou Shipping for distribution amongst the creditors. Judgment was obtained in February 2017 in a sum of SGD17 million against the Defendants, but the Defendants have now appealed the same. The Liquidator cross appealed to increase the judgment amount.

On 17 January 2018, the Singapore Court of Appeal substantially dismissed the Defendants' appeal and found in the Liquidator's favour. Amongst other things, the Singapore Court of Appeal upheld the Liquidator's argument that the London arbitration, and a litigation subsequently filed in the Hong Kong courts seeking indemnity against any liability in the arbitration, were commenced and pursued by the directors in breach of their fiduciary duties. The Court considered that evidence had been disregarded which showed that the directors' key concern was to avoid a statutory clawback period. The Court also agreed that certain asset sales that had taken place in late 2008 were done while Parakou Shipping was insolvent and were not part of a restructuring, as claimed by the former directors of Parakou Shipping. The Court found that a company resolution advanced as evidence of a restructuring plan by the Defendants was in fact an "an afterthought" produced later than its date under "suspicious circumstances". The Liquidator is entitled to seek either damages or an account of profits arising from the relevant breaches.



## **SIGNIFICANT LITIGATION UPDATE** *(Continued)*

Legal actions also took place in South Africa over the arrest of the vessel "PRETTY SCENE", as well as in Hong Kong against three of the former directors of Parakou Shipping for unlawful means conspiracy. An injunction order, freezing assets belonging to the directors of Parakou Shipping, was obtained.

This multi jurisdiction legal saga dragged on for an extensive period of time. In April 2024, Galsworthy and Parakou Shipping had reached agreement to settle the Hong Kong legal action for a settlement income of US\$3.5 million, paving the way to bring the global actions to an end.

The termination of the Hong Kong legal action allowed Galsworthy to formally bring the ongoing legal dispute to an end and effect the application to the Singapore High Court for the receipt of the settlement sum of the Singapore January 2018 judgment. In January 2025, Galsworthy received a sum of SGD27.6 million, a total of approximately US\$20.2 million, which was recorded as other operating income in 2025.

## **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

## **SUBSIDIARIES**

Details of the Company's principal subsidiaries are set out in note 43 to the consolidated financial statements.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

## **RELATED PARTY TRANSACTIONS**

Details of the Group's related party transactions are set out in note 38 to the consolidated financial statements.

# Directors' Report

## EVENTS AFTER THE REPORTING DATE

In December 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,361 metric tonnes, built in year 2012, at a consideration of US\$14,400,000. For financial reporting purposes, the vessel was reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" at the reporting date. The agreement was subsequently cancelled in January 2026 as one of the contractual clauses could not be fulfilled.

In February 2026, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each with a deadweight of 64,100 metric tonnes, at a consideration of US\$34 million per vessel, scheduled for delivery in May 2029 and July 2029 respectively.

In March 2026, the Group entered into an agreement for the disposal of a vessel of deadweight 63,485 metric tonnes, built in year 2014, at a consideration of US\$23,455,000. The vessel will be delivered to the purchaser on or before 15 July 2026.

Save as disclosed above, there was no other significant event occurred after the reporting date and up to the date of this report.

## GOING CONCERN

We confirm that the consolidated financial statements have been prepared under the assumption of going concern. This assumption is based on sound financial positions backed by cash generated from operation before changes in working capital, cash and marketable equity and debt securities, existing and available credit facilities and the Group's long term strategic and income forecasts. There exists good basis for the continued operations of the Group.

## AUDITOR

The consolidated financial statements for the year ended 31 December 2025 had been audited by Grant Thornton Hong Kong Limited. A resolution for the re-appointment of Grant Thornton Hong Kong Limited as the Company's auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

## EMPLOYEES

The employees are the Group's most important resource and are crucial to the Group's success in achieving its targets for long term value creation. The Group provides various resources for staff training and development. The Group remunerates its employees, including the Executive Directors, in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. As far as the Group is aware, it complies with all relevant applicable regulations concerning employment, social benefits and labour safety.



## **EMPLOYEES** *(Continued)*

The Group pursues a policy of gender equality. Workload and working hours depend on positions while promotion and recruitment depend on performance and experience. At 31 December 2025, the Group had 68 (2024: 74) full-time employees, of whom 34 (2024: 41) were male and 34 (2024: 33) were female. As at 31 December 2025, the Board consists of six members, of whom five members are male and one member is female.

**Employment and labour standards.** To promote a high-quality and diverse workforce, the Group provided equal opportunities to its employees in respect of recruitment, training and development, job advancement, and remuneration and benefits. The Group's staff handbook is designed to communicate important laws and work ethics surrounding employment, handling price-sensitive information, benefits and welfare, training and development, occupational health and safety, and code of conduct guidelines. It is an essential tool in helping to define the expectations of both the management and the employees, and to protect employees from unfair or inconsistent treatment and discrimination at work.

Procedures regarding recruitment, promotion and salary review are carefully reviewed with due consideration to avoid gender discrimination. The Group aims to ensure equal opportunities and rights in workplace. In addition to basic salary, the Group offers various performance bonus, employee allowances, overtime payment to compensate and reward performing employees. The Group maintains a good relationship with its employees and seafarers and has not experienced any disruption of its operation as a result of industrial disputes.

The Group does not tolerate any use of child or forced labour. During recruitment, human resources department will verify the personal information of candidates according to the requirements of the Company's policies and procedures and check their identity cards to verify their age in order to avoid child labour. Prior to commencement of employment, employees are provided with key information, such as job duties and working hours of the position concerned, and the employment conditions are in line with the terms in the employment contract to prevent any forced labour. Furthermore, our employees undergoing unfair treatment can report through our whistleblowing policy.

We provide fringe benefits and welfare to our people including but not limited to medical and life insurance, pension schemes, paid leave for various purposes, travel or meals for business-related work, and other benefits to improve employees' well-being.

All employment of the Group is complied with particular local labour legislations and there was no reported incident of non-compliance or grievances in relation to human rights or labour practices standards and regulations that would have a material or significant impact on the Group during the reporting period.

# Directors' Report

## RESEARCH AND DEVELOPMENT

Given the nature of the Group's principal activities being ship chartering and ship owning which are carried out internationally, the Group had no research expenditure or development costs being expensed or capitalized during the year.

## WORKING ENVIRONMENT

In order to attract and retain the best people for the sustainable growth of the Company, we place emphasis on a healthy and safe workplace on board in our vessels and ashore at our office and support all kinds of community activities that contribute to our community.

We put safety as our top priority in business operation. Accident preventions and efforts for improvement in working environment are given high priority in the business management, conventions and all parts of operations. We strive to comply with applicable safety and environmental laws and regulations to which seafarers of all ranks must be trained and certificated in order to be able to carry out their respective duties on board in our vessels. We ensure all seafarers on board are trained and certificated in accordance with STCW Convention.

**Health and safety.** In order to foster the environmentally friendly practices in our vessels, we follow an internal safety management manual, which defines our objectives and commitments in complying with all applicable national and international rules and regulations, code and guidelines and standards recommended by IMO, flag states and other maritime industry organizations. These codes and guidelines and standards, together with our safety manual have been kept ashore and on our fleet and strictly followed by our team.

For the purpose to attract and retain the best people for the sustainable growth of the Company, we place emphasis on a healthy and safe workplace on board in our vessels and ashore at our office. The Group is committed to preventing any work-related injury to its employees, and has complied with relevant laws and regulations to provide a safe working environment and protecting employees from occupational hazards. During the years 2025 and 2024, there were no work-related fatalities.

During the year, absence due to sickness was 2.2% (2024: 1.4%) of the total hours worked by employees. Work-related injuries or accidents was 1.4% (2024: 0.8%) of employees of the Group. During the year, the Group was not aware of any non-compliance to health and safety related rules and regulations.



## WORKING ENVIRONMENT *(Continued)*

**Development and training.** The Group recognizes the importance of skilled and professionally trained employees to its business growth and future success. Hence, it is firmly believed that it is necessary to improve employees' professional standards continuously through training. We encourage and support all employees taking training courses and workshops that are relevant to job duties to enrich their knowledge and perspective in discharging their duties.

Management and senior staff had access to a variety of training activities, including attending seminars, workshops and conferences and receiving regulatory updates relevant to their business and duties, anti-corruption practices as well as their directors' duties and responsibilities when acting as directors. They received sufficient internal and external training to better equip themselves to fulfil their roles in supporting the Group.

We ensure all seafarers on board are trained and certificated in accordance with STCW Convention. Our owned vessels are also subject to the laws, regulations and rules of each country and port they visit. We have developed policies and procedures intended to ensure our compliance with these laws, regulations and rules. In order to reduce the number of incidents that may happen or minimize the level of accidents on vessels, we arrange emergency drills for seafarers to deal with unexpected situations. We also hold emergency personnel training. Anti-piracy drills are also performed periodically for our seafarers for the proper procedures when there is a pirate attack.

## EXTERNAL ENVIRONMENT ISSUES

The Board has overall responsibility for the long term sustainability and environmental, social and governance strategies which support growth and enhance value for the business and its stakeholders, as well as contribution to the environment and the community growing.

We are committed to operate our business in an environmentally and socially responsible manner. When setting the standards, we consider the needs and requirements of the business, our stakeholders and relevant guidelines. We discuss and review the risks and opportunities, performance, progress, goals and targets regularly to monitor our environmental, social and governance performance, related issues and potential risks.

The Group's businesses and functional departments also help to formulate relevant strategies in their respective areas and monitor the effectiveness of the implementation in accordance with the sustainable development strategies and objectives suggested by the Board. Reviews are also arranged regularly to evaluate the effectiveness of current policies and procedures and develop appropriate solutions to improve the overall performance of environmental, social and governance policies.

The possible environment impact may include air pollutants emissions, ballast water discharges and oil pollution in environmental disasters. By maintaining operational safety and providing quality training of our seafarers in compliance with applicable environmental laws and regulations, we believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations. To achieve this, we strive to comply with all applicable rules and regulations with our best efforts in shipping operation as well as in our daily working environment to minimize any adverse impact to the environment.

# Directors' Report

## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### CO<sub>2</sub> and GHG emissions

***Target 70% Reduction On Carbon Intensity Emission***

***Target 50% Reduction On GHG Emission***

***Both By 2050 Compared 2008***

The International Maritime Organization (“IMO”) adopted an Initial Strategy on the reduction of emissions, both CO<sub>2</sub> emission and GHG emission from ships. The strategy represents a framework for the industry, setting out a vision for international shipping, the levels of ambitions to reduce emissions and guiding principles.

IMO adopted a revised 2023 IMO GHG Strategy on reducing emissions, identifying levels of ambitions for the sector including the reduction of CO<sub>2</sub> emissions per transport work, as an average across the industry, by at least 40% by 2030, compared to 2008. The 2023 IMO GHG Strategy also includes a new level of ambition relating to the uptake of zero or near-zero GHG emission technologies, fuels or energy sources which represent at least 5% to 10% of the energy used by international shipping by 2030. The strategy also identifies the reduction of the total annual GHG emissions from international shipping by at least 20% to 30% by 2030, and by at least 70% to 80% by 2040, compared to 2008.

We support the IMO’s targets as our short term and long term targets of decarbonization.

Starting from 2024, the European Union’s (“EU”) Emissions Trading System (“ETS”) extended to cover CO<sub>2</sub> emissions from maritime transport entering EU ports. Shipping companies have to purchase and use EU ETS emission allowances for each tonne of reported CO<sub>2</sub> emissions. We believe ETS inclusion of maritime transport will drive a faster reduction of emissions among the industry. The Group will strive as much as possible to reduce emissions to enjoy the lowest carbon price.

Acting as a participant in the marine market, the Group always concerns the issue of increasing GHG and consumption of fossil fuels. The Group continues to implement its fleet renewal strategy, with a focus on enhancing operational efficiency and reducing environmental impact. Older vessels are being replaced with modern, fuel-efficient ships that align with global sustainability objectives. This proactive approach not only strengthens fleet performance but also underscores our commitment to environmentally responsible shipping. As at 31 December 2025, the Group had eighteen owned vessels. We ensure our owned fleet be equipped with proven green and energy efficient equipment and technologies to minimize the emission of toxic pollutants.

### Energy efficiency operational indicator (“EEOI”)

***Target Minimum 2% Reduction On EEOI***

***Compared With Previous Year***

2025: the average EEOI of the fleet is about 7.52 grammes CO<sub>2</sub>/ MT.Mile

2024: the average EEOI of the fleet is about 9.48 grammes CO<sub>2</sub>/ MT.Mile

Our fleet’s carbon intensity, EEOI of 2025 decreased by about 1.96 grammes from the EEOI of 2024, representing a decrease of 20.7% as compared to 2024. The decrease was mainly due to fewer ballast voyages and longer laden voyages arranged in 2025 as compared to the year 2024, along with improved efficiency in maximizing load capacity for each voyage.



## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### Energy efficiency operational indicator ("EEOI") *(Continued)*

Sulphur oxides (SOx) and nitrogen oxides (NOx) are air pollutants produced when vessel engines burn fossil fuel. SOx comes mainly from sulfur in the fuel and can lead to acid rain and contribute to tiny airborne particles that harm people's lungs. To limit SOx, international rules cap sulphur in marine fuel – broadly at 0.50% and as low as 0.10% in Emission Control Areas. NOx emissions are controlled by engine standards that depend on when a vessel was built and where it operates. Newer vessels must meet stricter NOx limits, especially when sailing in special NOx control areas; vessels engines can meet these limits using technologies such as selective catalytic reduction or exhaust gas recirculation. Our company ensures compliance by sourcing compliant fuel, maintaining appropriate engine certifications and technical files, and following established operation and maintenance practices. These measures protect the environment and public health while supporting safe, regulatory-compliant operations across our fleet.

The fuel oil consumption and the corresponding CO<sub>2</sub> emission, calculated under IMO's standard, of the fleet are as follows:

#### Fuel oil consumption:

2025: Fuel oil consumption – 111,892 metric tonnes

2024: Fuel oil consumption – 117,068 metric tonnes

#### Corresponding CO<sub>2</sub> emission:

2025: CO<sub>2</sub> emission – 348,810 metric tonnes

2024: CO<sub>2</sub> emission – 364,884 metric tonnes

## ACHIEVE DECARBONIZATION

In order to meet the short term and long term target of decarbonization, a mix of design, technical, operational measures and innovative measures are through below (i) to (v):

(i) Calculation and verification energy efficiency existing ship index ("EEXI")

(ii) Compliance of energy efficiency design index for newbuilding ship energy efficiency ("EEDI")

*Target All Vessels Comply EEXI*

*Target New Join Vessels Comply EEDI*

We have implemented the Engine Power Limitation for those vessels which have not met the EEXI requirement. We believe that it is the first step and the fastest way to lower the emissions. We try to make our vessels more efficient by reducing the amount of energy needed to propel them through the water. Propeller boss cap fins and propeller duct have been installed on our vessels. We also switch to using silicon anti-fouling paints and deploying de-rated main engines to our vessels in order to maintain the speeds of our vessels but with less fuel consumption.

Implementing operational performance techniques brings significant advantages to our fleet by combining tiny improvements. Propeller polishing and hull cleaning are scheduled periodically for our vessels for a smoother propel in the water. We optimize our fleet engine by implementing weather routing, optimization of ballast and trim, optimized voyage planning, usage of fuel oil additives, and optimum settings of fuel oil purifiers. We believe small improvements can add up to substantial fuel savings.

Four newbuildings with modern eco-design and complied EEDI were ordered in 2025, which to be delivered in 2028.

## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### (iii) Carbon intensity indicator ("CII")

***Target Rated C Or Above For All Vessels***

CII gives vessels an annual rating on scale of A to E, with A being the least carbon intensive. The rating measures how efficiently a vessel transports goods and is given in grams of CO<sub>2</sub> emitted per cargo-carrying capacity and nautical mile. A vessel rated D for three consecutive years, or rated E for a particular year, will need to develop a work plan of corrective actions.

It became mandatory for all vessels to calculate their CII rating to measure the annual operational emissions in 2023. Our fleet has joined the Data Collection and Reporting System since 2019 which enables data to be analyzed and verified by RINA Services S.p.A. ("RINA"). The official evaluation results of our fleet were yet to be released, however, under our estimation, a number of our vessels will be getting rated D or below on CII. These vessels have been put through a series of planned works as mentioned to improve the CII rating. We have consistently delivered additional features to support CII monitoring, aiming to achieve a rating of C or above for all of our vessels on CII.

### (iv) Ship energy efficiency management plan ("SEEMP")

The vessels' SEEMP plans are approved by RINA and certified in compliance with IMO Resolutions.

CO<sub>2</sub> emission reduction – since February 2013, the Group has adopted the SEEMP, a plan that individual vessel can follow and improve each vessel's energy efficiency and reduction in fuel consumption through a series of procedures and efforts.

Our vessels adopted IMO Data Collection System on fuel consumption to allow us monitor and improve fuel efficiency and mitigate emissions. The Group implemented of initial SEEMP in 2013, adopted SEEMP Part II in 2021 and SEEMP Part III in 2022. SEEMP Part III also complies with the latest requirement to provide information for assessing the operation of the CII of the vessels. SEEMP Part II and III have also been updated in 2025 according to IMO requirements. For SEEMP Part II, the data collection requirements have been refined. For SEEMP Part III, the long term decarbonization targets have been established.

(v) For newbuilding projects, we may choose the most energy efficient design and will include the possibility of using dual fuel engines.

SEEMP improves each vessel's energy efficiency through a series of procedures and efforts. We take below steps:

- (1) Planning
- (2) Implementation
- (3) Monitoring
- (4) Self-evaluation and Improvement



## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### Low sulphur oil

Since 2020 our vessels have operated on heavy fuel oil with a maximum sulphur content of 0.50% in line with the IMO 2020 Sulphur Cap. In designated regional emission control areas, including China Emission Control Areas, we switch to ultra-low sulphur fuel oil with a maximum sulphur content of 0.10% to meet local requirements and minimize harmful emissions while optimizing fuel use.

### Fuel oil consumption:

2025: 0.5% low sulphur content heavy fuel oil consumption – 108,112 metric tonnes

2024: 0.5% low sulphur content heavy fuel oil consumption – 114,125 metric tonnes

2025: 0.1% ultra-low sulphur content fuel oil consumption – 3,780 metric tonnes

2024: 0.1% ultra-low sulphur content fuel oil consumption – 2,943 metric tonnes

### Hazardous and non-hazardous waste produced

### *Target Zero Hazardous & Non-Hazardous Waste Discharge*

Waste from our vessels mainly included garbage and food waste which are trivial and not hazardous. These wastes are disposed of by incineration, shore collection and other means according to The International Convention for the Prevention of Pollution from ships ("MARPOL") Annex V and local requirements.

We were committed to operate our vessels in compliance with MARPOL regulations pertaining to hazardous ozone depleting substances; and there was no material marine waste discharge or environment pollution incidents happened in 2025 and 2024.

### Garbage and waste management plan

The Group implements garbage and waste management plan for all vessels. All vessels are equipped with colored recycle bins for garbage sorting. It is aimed to dispose garbage and waste in a diversified way ashore. The purpose is not only to reduce the level of waste but also have economic benefits to the Group. The less garbage disposed; the less wastage charged by each local port when the ship reaches that port when discharge.

### Energy consumption

### *Target Minimum 2% Reduction on Energy Consumption*

### *Compared With Previous Year*

The Group's main energy consumption comes from direct energy consumption of fuel used by owned vessels and indirect energy consumption from purchased electricity.

# Directors' Report

## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### Energy consumption *(Continued)*

The performance of energy consumption by the Group is as follows:

Indicator	2025 MWh
Direct energy consumption	105,613.92
Indirect energy consumption	121.80
Total energy consumption	105,735.72
Average energy consumption per operating day	12.10

### Water consumption

**Target <3 metric tonnes Per Vessel Per Day by 2030**

Fresh water consumption represents the water consumed onboard, mainly for the use of boiler, machinery cooling and deck and hold cleaning is produced from the vessel's own desalination plants on board and running on waste heat of engines. This reduces the need to source fresh water from ashore and the consumption of natural water. Potable water is consumed for drinking, cooking and other domestic purposes.

Water consumption remained approximately 6 metric tonnes per vessel per day in both 2025 and 2024.

2025: Total fresh water consumption – 52,560 metric tonnes

2024: Total fresh water consumption – 54,750 metric tonnes

In order to reduce the use of water resources, we keep good maintenance on boilers and other equipment that use fresh water and also ensure that there is no leakage of water. Water log has been used for recording the usage of daily fresh water and locating leakage when abnormal consumption was found. On the other hand, we also educate seafarers to use water in a frugal way. We encourage seafarers to efficiently use washing machines. We use appliances, shower heads and equipment that conserve water. In the future, vacuum toilet systems will be considered when planning to acquire the newbuild vessels. The group has not encountered any issues in sourcing water that is fit for purpose.

### Ballast water management

**Target All Vessels Installed BWTS**

**Target Zero Failure In The Ballast Water Record Book**

Ballast water is essential for safe and efficient modern shipping operations, but it may pose serious ecological, economic and health problems due to the multitude of marine species carried in ships' ballast water. These include bacteria, microbes, small invertebrates, eggs, cysts and larvae of various species. The transferred species may survive to establish a reproductive population in the host environment, becoming invasive, out-competing native species and multiplying into pest proportions.



## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### **Ballast water management *(Continued)***

Investment project that installing the Ballast Water Treatment System (“BWTS”) in our fleet completed in 2024. We implemented ballast water management with clearly stated instructions for dealing with ballast water in different situations and ensure the ballast water management plans are carried out to the standards set out by IMO. We prohibit unnecessary discharge of ballast water. Vessels need to replace the ballast water at least 50 nautical miles from the nearest shore and at least 200 meters deep when facing abnormal or special situations. Ballast Water Record Book must be kept on each vessel to record the discharge. In 2025, we have met the target of zero failure in the Ballast Water Record Book.

### **Climate change**

The Group understands climate change affects our business and operations; hence it is crucial for the Group to react to prevent the risks associated with the climate change.

To enable a comprehensive review of the climate risks and opportunities, the Group conducted a climate risk assessment and scenario analysis and combine them with our business development. The climate-related risks that are likely to have corresponding business and financial impacts on the Group are discussed as below.

### **Physical risks**

**Acute risk – medium to long term** The increased frequency and severity of extreme weather such as typhoons, floods, sea level rise and tropical cyclones can disrupt the Group’s operations by damaging the fleet, ports and communication infrastructures, causing power failure and injuring employees during their work, leading to reduced capacity and decrease in productivity, or expose the Group to risks associated with non-performance and delayed performance. These risks affect the operational ability of the organization resulting in reputational damage, direct loss of revenue and increase operating cost.

### **Transition risks**

**Laws and regulation risk – short to medium term** The Group anticipates that there will be more stringent climate legislations and regulations to support the global vision of carbon neutrality. From a listed company’s perspective, the Group acknowledges the increasing requirements of climate-related information disclosures.

The Group commits to environmental protection and strives to comply with disclosure requirements, however, this may increase the risk of higher operating costs and maintenance costs.

**Market and reputational risk – short to medium term** The shipping market is constantly changing, and the increasing attention by the public towards environmental protection led to the change in customer behavior and preference. This change in market pattern led to a change in the demand of the shipping industry – increased demand for green transportation represents an increase in demand for low-sulphur oil with constant performance thus resulting a higher running cost.

## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

We continue to assess the climate change phenomena and consider that there is no material and immediate threat to our operating business in short term. In medium and long term, we will monitor main climate change hazards, extreme weathers at seas, weather-related disruption to port and cargo loading activities across the global seaborne hubs and route. With flexible chartering policy and experienced captains and seafarers, we will swiftly respond to the climate change challenge by operating our vessels in geographical regions that are safe and practical. We will also reinvest, equip and modify our fleet to enable maximum environmental performance and compliance to climate change and maritime regulations.

In response to policy and legal risk as well as market and reputational risk, the Group will closely monitor any change in environmental regulations and policies, and respond in a timely manner.

### **Supply chain management**

The Group realizes the importance of the role of suppliers to our operations and prosperity. We pay great attention to the supplier relationship, particularly actively and regularly listening to them in order to improve, innovate and co-construct.

Standard procedures were developed for purchase management and vendor management by the Group. The procedures define the responsibilities and activities of procurement to ensure that goods and services are purchased from suppliers of approved reputation and capability, regulate the process for evaluation, selection and monitoring of suppliers under certain criteria and control the purchase and verification.

We believe our selection of suppliers affects the performance of the Group. We carefully choose our suppliers that align with our requirements, thus enabling us to maintain our quality. We assess potential suppliers carefully before confirming any engagement. The procedures give guidelines for selecting suppliers according to their ability to provide quality goods and services, their conformity to all relevant legislation and their ability to deliver on time and at the right price. The Group sets up guidelines on the assessment to ensure the suppliers are committed to the environment, social and human rights and good ethical practices, including those dealing with human rights, environmental protection, sustainable development, corruption and child protection.

Identified potential suppliers will be included in an approved suppliers list which is maintained within the Group's purchasing system. Key suppliers are monitored based on historical and current performance and records are updated accordingly.



## EXTERNAL ENVIRONMENT ISSUES *(Continued)*

### Supply chain management *(Continued)*

For the year ended 31 December 2025, number of suppliers by geographical region as below:

Geographical region	Number of suppliers
Africa	16
Asia excluding China	90
China	212
Europe	36
North America	19
South America	5
<b>Total</b>	<b>378</b>

## DIRECTORS

The Directors who held office of the Company during the year and up to the date of this report were:

*Executive Directors:*

- Mr. Ng Siu Fai
- Mr. Ng Kam Wah Thomas
- Mr. Ng Ki Hung Frankie
- Ms. Ho Suk Lin Cathy

*Non-executive Directors:*

- Mr. Tsui Che Yin Frank
- Mr. William Yau

In accordance with the Company's Bye-Laws, Ms. Ho Suk Lin Cathy will retire from office at the forthcoming annual general meeting and, being eligible, will offer herself for re-election.

Brief biographical details of the Directors and executive personnel are set out in "Board of Directors and Executive Personnel" on pages 33 and 34.

## DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

# Directors' Report

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance to which the Company, or any of the Company's holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company or a connected entity of the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## DIRECTORS' INTERESTS IN SHARES AND RIGHTS TO ACQUIRE SHARES

(i) As at 31 December 2025, directors' interests in shares of the Company were as follows:

Name	Number of shares in the Company held and capacity			Total
	Beneficial owner	Interest of spouse	Interest in corporation	
Ng Siu Fai	4,141,830	1,252,990	409,099 <i>Note 1</i>	5,803,919
Ng Kam Wah Thomas	864,900	–	260,000 <i>Note 2</i>	1,124,900

*Notes:*

1. Mr. Ng Siu Fai is deemed to be interested in 409,099 shares of the Company through his 51% interests in Fairline Consultants Limited.

In addition, Mr. Ng Chi Lam Michael, another beneficial owner of 49% interests in Fairline Consultants Limited, being a close associate of Mr. Ng Siu Fai, is also the beneficial owner of 1,752,380 shares of the Company as at 31 December 2025.

2. Mr. Ng Kam Wah Thomas is deemed to be interested in 260,000 shares of the Company through his wholly owned company, Timberfield Limited.



## DIRECTORS' INTERESTS IN SHARES AND RIGHTS TO ACQUIRE SHARES *(Continued)*

### (ii) Directors' interests in shares of Jinhui Holdings

Jinhui Holdings, the controlling shareholder of the Company, held 60,841,240 shares of the Company representing approximately 55.69% of the Company's issued shares as at 31 December 2025.

Name	Number of shares in Jinhui Holdings held and capacity			Total
	Beneficial owner	Interest of spouse	Interest in corporation	
Ng Siu Fai	25,203,000	15,140,000	205,325,568 <i>Note 1</i>	245,668,568
Ng Kam Wah Thomas	5,909,000	–	136,883,712 <i>Note 2</i>	142,792,712
Ng Ki Hung Frankie	3,000,000	–	–	3,000,000
Ho Suk Lin Cathy	3,850,000	–	–	3,850,000
Tsui Che Yin Frank	1,000,000	–	–	1,000,000
William Yau	441,000	–	–	441,000

#### Notes:

1. Mr. Ng Siu Fai is deemed to be interested in 205,325,568 shares of Jinhui Holdings held by his 51% owned company, Fairline Consultants Limited. Mr. Ng Siu Fai is the director of Fairline Consultants Limited.
2. Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of Jinhui Holdings held by his wholly owned company, Timberfield Limited. Mr. Ng Kam Wah Thomas is the director of Timberfield Limited.
3. The number of issued shares of Jinhui Holdings as at 31 December 2025 was 530,289,480 shares.

Save as disclosed herein, none of the Directors or their associates had any interest either beneficially or non-beneficially in any shares of the Company, its holding company or any of its subsidiaries and associated corporations at the reporting date.

# Directors' Report

## CORPORATE GOVERNANCE

Jinhui Shipping recognizes the importance of good corporate governance to the Company's value creation. The corporate governance report of 2025 was set out in "Corporate Governance Report" on pages 13 to 32, which covered every section of Norwegian Code of Practice with the description of our conformance throughout the year and provided explanation of the reasons for the deviations. It also included the required report contents as set out in Section 3-3b of the Norwegian Accounting Act.

**Restrictions in the Bye-Laws of the Company that may limit the rights to freely trade the shares.** Jinhui Shipping's shares are freely traded in the Oslo Stock Exchange (Euronext Oslo Børs). The Company's shares are registered shares with its shareholders register located at Bermuda. Shareholders of the Company may transfer their shares by an instrument of transfer in the usual common form or in such form as decided by the Board. In general, all shares are freely negotiable. However, the Board may deny the transfer of shares according to the Bye-Law 11 of the Company. The Board has the option to decline to register the transfer of any share if the registration of such transfer would be likely to result in 50% or more of the aggregate issued share capital and the votes of the Company being held or owned directly or indirectly by a person or persons resident for tax purposes in Norway. This type of restriction is common for Bermuda and other low-tax jurisdiction companies listed on the Oslo Stock Exchange (Euronext Oslo Børs).

## RISK MANAGEMENT

The Group is principally exposed to various risks and uses appropriate measures to manage risks related to its business and operations.

**Business and operational risks.** The Group is exposed to the business and operational risks to the extent that certain changes may have a negative effect on the Group's cash flows and operations. These changes include the fluctuations in charter rates of the shipping market; the changes in demand and supply in the dry bulk market; the drop in vessel values which results in impairment loss of the Group's assets; the changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs; and the maintenance expenses which include costs of spare parts. The dry bulk market is highly volatile and market freight rates may fluctuate significantly within a short period of time. We will continue to adopt a flexible chartering policy and manage different business risk exposures by diversification of counterparties, sourcing reliable charterers from a wider range of ship brokers, and maintaining a good balance of geographical positioning of our fleet.

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Capesize, Panamax, Ultramax and Supramax bulk carriers. To stay competitive in the market, the Group focused on enhancing the quality of our fleet and adjusting our fleet profile, in particularly in terms of seeking to lower the overall age profile of our fleet. During the year, the Group entered into agreements to acquire and disposal of vessels with a view to maintaining high financial flexibility and also maximize operational competitiveness at a lower level of capital investment.



## **RISK MANAGEMENT** *(Continued)*

During the year 2025, the Group entered into nine agreements for the disposal of Supramaxes and four shipbuilding contracts for the acquisition of Ultramax.

### Disposal of vessels

- In March 2025, a Supramax built in 2007 with a deadweight of 53,350 metric tonnes was sold for US\$8,260,000. The vessel was delivered to the purchaser in May 2025.
- In May 2025, a Supramax built in 2008 with a deadweight of 56,952 metric tonnes was sold for US\$10,225,000. The vessel was delivered to the purchaser in July 2025.
- In July 2025, two Supramaxes, each built in 2009, were disposed of. The first, with a deadweight of 56,927 metric tonnes, was sold for US\$10,800,000. The second, with a deadweight of 56,913 metric tonnes, was sold for US\$11,000,000. Both vessels were delivered in July 2025.
- In August 2025, a Supramax built in 2009 with a deadweight of 56,887 metric tonnes was sold for US\$10,500,000. Delivery to the purchaser took place in December 2025.
- In September 2025, a Supramax built in 2008 with a deadweight of 58,729 metric tonnes was sold for US\$11,930,000, with delivery completed in the same month.
- In October 2025, a Supramax built in 2012 with a deadweight of 56,469 metric tonnes was sold for US\$13,200,000. Delivery to the purchaser took place in November 2025.
- In November 2025, a Supramax built in 2008 with a deadweight of 56,968 metric tonnes was sold for US\$10,300,000, with delivery completed in December 2025.
- In December 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,361 metric tonnes, built in year 2012, at a consideration of US\$14,400,000. The agreement was subsequently cancelled in January 2026 as one of the contractual clauses could not be fulfilled.

# Directors' Report

## RISK MANAGEMENT *(Continued)*

### Shipbuilding contracts

- During the year 2025, the Group entered into four shipbuilding contracts for the construction of four Ultramax newbuildings, each with a deadweight capacity of 64,500 metric tonnes, at a consideration of US\$33 million per vessel. The vessels are scheduled for delivery in 2028.
- Subsequent to reporting date, in February 2026, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each with a deadweight of 64,100 metric tonnes, at a consideration of US\$34 million per vessel, scheduled for delivery in May 2029 and July 2029 respectively.

As at date of this annual report, the Group had eight committed Ultramax newbuildings, comprising six as mentioned above and the two contracted in 2024, at a consideration of US\$34 million each, scheduled for delivery in 2026 and 2027.

The acquisition of above eight newbuildings is consistent with the Group's ongoing strategy to renew the fleet with modern, larger and high-quality vessels, by gradually phasing out its older vessels and replacing them with newer and younger vessels. In addition, the eight newbuildings are more fuel efficient and of higher operational efficiency than the other bulk carriers of the Group currently in operation, which meets the latest environmental regulations and prevailing requirements in the shipping industry.

We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal of smaller and older vessels and replace with newer vessels with larger carrying capacity and longer asset lives or charter-in of vessels. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.



## RISK MANAGEMENT *(Continued)*

**Market risk.** Market risk is the risk of operational loss or financial loss due to adverse changes in the market exposure. It also includes the adverse change of value of a financial instrument or portfolio of financial instruments when there are changes in market factors such as underlying interest rates, exchange rates, equity securities prices, debt securities prices or in the volatility of these factors. The Group's major market risk exposures on financial instruments mainly arise from bank borrowings committed on floating rate basis, and investments in equity and debt securities. In the ordinary course of business, the Group identifies these risks and mitigates their financial impact through the use of appropriate financial instruments in accordance with the Group's risk management policies. Additional information regarding the Group's use of financial instruments is disclosed in the "Financial Risk Management and Policies" in note 40 to the consolidated financial statements.

**Credit risk.** Credit risk is the risk of financial loss to the Group if the counterparty fails to discharge its contractual obligations under the terms of the financial instrument. The Group's exposures to credit risk principally arising from the trade receivables from charterers, loan receivables to third parties and deposits or other financial assets placed with financial institutions. The potential loss is generally limited to the carrying amount of receivables and liquid assets as shown in the Group's consolidated statement of financial position. As at 31 December 2025, the Group recorded aggregate outstanding loan receivables of approximately US\$11 million in respect of the disposal of two vessels during the year. Each purchaser has granted a first priority ship mortgage over the respective vessel in favour of the Group. Having considered the security arrangements, management is of the view that the credit risk associated with these loan receivables is low. Credit risk also includes concentration risk of large exposures or concentrations to certain counterparties. The Group will, wherever possible, maintain a diversified customer portfolio or only enter into financial instruments with creditworthy counterparties. The Group regularly monitors the potential exposures to each significant counterparty and performs ongoing credit quality assessment and does not expect to incur material credit losses on managing the financial instruments.

**Liquidity risk.** Liquidity risk is the risk that the Group fails to meet its obligations associated with its financial liabilities. The Group takes conservative treasury policies to maintain sufficient cash reserves, readily realizable marketable equity and debt securities and obtain credit facilities from well-known financial institutions. The management actively involves in treasury management to ensure adequate cash flows to meet the expected liquidity requirements, working capital and capital expenditures needs. With the dry bulk market being extremely challenging, preserving optimal liquidity is of pinnacle importance. The Group will be working closely with lenders to devise ways to maximize liquidity position in case of the challenging freight environment will continue for longer than expected.

We will continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate and make adjustments to its capital structure in the light of changes in economic conditions, recent market values of the Group's assets as well as the risk characteristics of the underlying assets.



# Directors' Report

## RISK FACTORS

This report may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or targets.

Key risk factors that could cause actual results to differ materially from those discussed in this report will include but not limited to the way world economies, currencies and interest rate environment may evolve going forward, general market conditions including fluctuations in charter rates and vessel values, financial market conditions including fluctuations in marketable securities value, counterparty risk, changes in demand in the dry bulk market, changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs, availability of financing and refinancing, inability to obtain restructuring or rescheduling of indebtedness from lenders in liquidity trough, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, piracy or political events, and other important factors described from time to time in the reports filed by the Company.



## OUTLOOK

2025 has been a volatile year, but as we step into 2026 markets have firmed up with robust demand in dry commodity transportation, especially with minor bulks. Inefficiency in the global seaborne trade due to geopolitical turbulence, port congestion, increasing protectionist activity, as well as slow steaming of global fleet due to emission control means the global fleet has become less productive, giving the chartering market additional support.

Recent influx of newbuilding deliveries was absorbed by the market without too much downside pressure to freight rates, which was a result of a robust chartering market as well as overall aging profile of the global fleet. With a relatively resilient chartering market, well maintained older vessels have been well received in the second hand market. There remains strong interest for prompt delivery second hand tonnages to secure carrying capacity, where we have continued to take the opportunity to dispose of our older vessels and redeploy capital by ordering newer, and more modern vessels from reputable shipyards. We will continue our strategy to maintain a young fleet going forward should opportunities arise.

As of the date of this annual report, we have successfully covered 54% of our Capesize and 92% of Panamax vessel days for the first nine months of 2026, with an average rate of US\$22,000 and US\$17,000 per day respectively. For Ultramax / Supramax, 53% of vessel days was covered at average rate of US\$14,000 per day for the first nine months of 2026.

Looking ahead, should global economic activity regain further confidence, our fleet will be well positioned to benefit from these supportive industry specific fundamentals.

We will remain alert to any economic, geopolitical, or other unforeseen surprises that will disrupt our business operations. We will continue to focus on taking sensible and decisive actions to achieve growth without sacrificing the maintenance of a strong financial position.

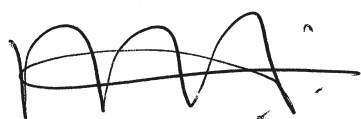
On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to our seafarers who have continued to remain professional under an extremely challenging environment, as well as all customers and stakeholders for their ongoing support.

# Directors' Report

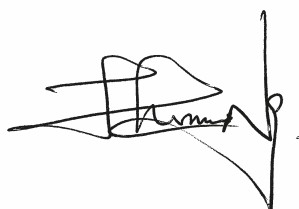
## PUBLICATION OF FINANCIAL INFORMATION

This report is available on the website of the Company at [www.jinhuiship.com](http://www.jinhuiship.com) and the NewsWeb of the Oslo Stock Exchange (Euronext Oslo Børs) at [www.newsweb.no](http://www.newsweb.no).

18 March 2026



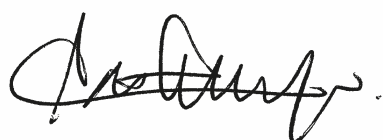
**Ng Siu Fai**  
*Chairman*



**Ng Kam Wah Thomas**  
*Managing Director and  
Deputy Chairman*



**Ng Ki Hung Frankie**  
*Executive Director*



**Ho Suk Lin Cathy**  
*Executive Director*



**Tsui Che Yin Frank**  
*Non-executive Director*



**William Yau**  
*Non-executive Director*



# Responsibility Statement

We confirm, to the best of our knowledge, that the audited consolidated financial statements for the year from 1 January to 31 December 2025 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Group and the Company, and that the Directors' Report includes a true and fair review of the development and performance of the business and the position of the Group and the Company together with a description of the key principal risks and uncertainty factors that the Group and the Company face.

18 March 2026

**Ng Siu Fai**  
*Chairman*

**Ng Kam Wah Thomas**  
*Managing Director and  
Deputy Chairman*

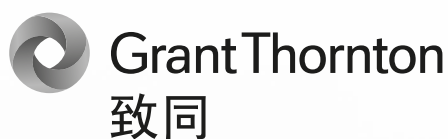
**Ng Ki Hung Frankie**  
*Executive Director*

**Ho Suk Lin Cathy**  
*Executive Director*

**Tsui Che Yin Frank**  
*Non-executive Director*

**William Yau**  
*Non-executive Director*

# Independent Auditor's Report



**To the members of**  
**Jinhui Shipping and Transportation Limited**  
*(incorporated in Bermuda with limited liability)*

## **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **OPINION**

We have audited the consolidated financial statements of Jinhui Shipping and Transportation Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 79 to 157, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### **BASIS FOR OPINION**

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



# Independent Auditor's Report

## KEY AUDIT MATTERS

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

### Carrying value of owned vessels and leased vessels (right-of-use assets)

The Key Audit Matters	How the matter was addressed in our audit
Refer to notes 4.10, 5, 18 and 19(a) to the consolidated financial statements.	Our audit procedures included:
The Group's carrying amount of motor vessels and capitalized drydocking costs included in property, plant and equipment and leased vessels included in right-of-use asset amounted to US\$298,367,000 and US\$32,748,000 respectively as at 31 December 2025 and no impairment or reversal of impairment loss was recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the year.	<ul style="list-style-type: none"><li>evaluating the process of identifying indicators of potential impairment or reversal of impairment on owned and leased vessels;</li><li>evaluating VIU calculation prepared by the management's expert including the methodology and assumptions adopted;</li></ul>
The Group assesses at each reporting date (i) whether there are indicators of impairment and if there are such indicators, an estimate is made of the recoverable amount of owned and leased vessels concerned; and (ii) whether there are indications that an impairment loss recognised in prior periods for owned vessels and leased vessels may no longer exist or may have decreased. Management has exercised judgement in assessing whether there is any objective evidence of impairment and reversal of impairment loss of such owned and leased vessels.	<ul style="list-style-type: none"><li>assessing the independence, competence, objectivity and capabilities of the management's expert;</li><li>testing, on a sample basis, the mathematical accuracy of the VIU calculation;</li><li>assessing the reasonableness of the key assumptions including discount rate, hire rates, growth rate and utilization rate by comparing the current year actual performance and prior year projections and by reference to the market and industry information;</li></ul>

# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

### Carrying value of owned vessels and leased vessels (right-of-use assets) *(Continued)*

The Key Audit Matters	How the matter was addressed in our audit
<p>The recoverable amounts of owned vessels were determined based on higher of fair value less costs of disposal reference to market transactions, or the value in use ("VIU") calculation which is estimated based on the estimated future cash flows projections from the continuous use of such vessels and the recoverable amounts of leased vessel was also determined based on the VIU calculation. Independent qualified appraisal firms were engaged by management to appraise the fair value of owned vessels and VIU calculation which involves significant judgements and estimates about the future performance, key assumptions including discount rate, useful life, hire rates and utilisation rate of the owned and leased vessels.</p> <p>We focused on this area considering the significance of judgements and estimates and the financial impacts of the impairment assessment in respect of the Group's owned and leased vessels.</p>	<ul style="list-style-type: none"><li>evaluating the fair values estimated by the management's expert including the methodology and assumptions adopted;</li><li>involving our valuation specialist in assessing the appropriateness of discount rate and hire rates and the reasonableness of fair values estimated; and</li><li>testing, on a sample basis, the mathematical accuracy of the impairment assessment with reference to the estimated recoverable amounts based on VIU calculation or fair value less costs of disposal.</li></ul> <p>We obtained supportive evidence for the significant judgements and estimates in respect of VIU calculation and key assumptions applied in the estimated future cash flows projections and the estimation of fair value less cost of disposal.</p>



# Independent Auditor's Report

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2025 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

## RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

# Independent Auditor's Report

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

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

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



# Independent Auditor's Report

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

*(Continued)*

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

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Report on Compliance with Requirement on European Single Electronic Format (ESEF)**

### **OPINION**

As part of the audit of the consolidated financial statements of Jinhui Shipping and Transportation Limited, we have performed an assurance engagement to obtain reasonable assurance about whether the consolidated financial statements included in the annual report, with the file name jinhui-2025-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the "ESEF Regulation") and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the consolidated financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as the directors determine is necessary.

# Independent Auditor's Report

## AUDITORS' RESPONSIBILITIES

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the consolidated financial statements included in the annual report have been prepared in compliance with the ESEF Regulation. We conducted our work in accordance with the Hong Kong Standard on Assurance Engagements (HKSAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information" as issued by the HKICPA. The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the consolidated financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the consolidated financial statements in accordance with the ESEF Regulation. We examine whether the consolidated financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess directors' use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited consolidated financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

11th Floor

Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

18 March 2026

Shaw Chi Kit

Practising Certificate No.: P04834



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>Revenue</b>	7	<b>157,489</b>	158,900
Net loss on disposal of owned vessels	8	(9,209)	–
Other operating income	9	34,703	16,991
Interest income	10	2,683	834
Reversal of impairment loss on owned vessels and right-of-use assets		–	6,533
Shipping related expenses		(84,158)	(84,404)
Staff costs	11	(14,999)	(14,707)
Other operating expenses	13	(7,414)	(9,861)
<b>Operating profit before depreciation and amortization</b>		<b>79,095</b>	74,286
Depreciation and amortization		(57,557)	(44,189)
<b>Operating profit</b>		<b>21,538</b>	30,097
Finance costs		(8,994)	(6,092)
<b>Profit before taxation</b>		<b>12,544</b>	24,005
Taxation	15	–	–
<b>Net profit for the year</b>		<b>12,544</b>	24,005
<b>Other comprehensive income (loss)</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Change in fair value of financial assets at fair value through OCI (non-recycling)		(627)	(2,311)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Change in fair value of financial assets at fair value through OCI (recycling)		20	(14)
<b>Total comprehensive income for the year attributable to shareholders of the Company</b>		<b>11,937</b>	21,680
<b>Earnings per share</b>			
– Basic and diluted	16	US\$0.115	US\$0.220

# Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18	339,688	401,279
Right-of-use assets	19(a)	32,773	30,022
Investment properties	20	19,535	20,873
Financial assets at fair value through OCI	21	4,759	5,366
Loan receivables	23	8,437	1,577
Deposit paid for the acquisition of owned vessels and other property, plant and equipment		–	2,452
		<b>405,192</b>	<b>461,569</b>
<b>Current assets</b>			
Inventories		3,039	2,709
Loan receivables	23	3,640	–
Trade and other receivables	24	10,437	15,985
Financial assets at fair value through profit or loss	25(a)	24,850	20,605
Pledged deposits	36(c)	71	329
Bank balances and cash	26	89,398	23,005
		<b>131,435</b>	<b>62,633</b>
Assets held for sale		13,107	–
		<b>144,542</b>	<b>62,633</b>
<b>Total assets</b>		<b>549,734</b>	<b>524,202</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital	28	5,463	5,463
Reserves		374,806	366,147
<b>Total equity</b>		<b>380,269</b>	<b>371,610</b>



# Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>Non-current liabilities</b>			
Borrowings, secured	30	104,456	89,707
Lease liabilities	19(b)	19,598	13,693
		<b>124,054</b>	<b>103,400</b>
<b>Current liabilities</b>			
Trade and other payables	31	17,985	22,030
Amount due to holding company		211	183
Financial liabilities at fair value through profit or loss	25(b)	294	–
Borrowings, secured	30	10,457	8,287
Lease liabilities	19(b)	16,464	18,692
		<b>45,411</b>	<b>49,192</b>
<b>Total equity and liabilities</b>		<b>549,734</b>	<b>524,202</b>

Approved and authorized for issue on 18 March 2026

**Ng Siu Fai**  
Chairman

**Ng Kam Wah Thomas**  
Managing Director and  
Deputy Chairman

**Ng Ki Hung Frankie**  
Executive Director

**Ho Suk Lin Cathy**  
Executive Director

**Tsui Che Yin Frank**  
Non-executive Director

**William Yau**  
Non-executive Director

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Issued capital <i>US\$'000</i>	Share premium <i>US\$'000</i>	Capital redemption reserve <i>US\$'000</i>	Contributed surplus <i>US\$'000</i>	Revaluation reserve <i>US\$'000</i>	Reserve for financial assets at fair value through OCI <i>US\$'000</i>	Retained profits <i>US\$'000</i>	Total equity <i>US\$'000</i>
At 1 January 2024	5,463	95,585	719	16,297	843	(2,294)	233,317	349,930
<b>Comprehensive income</b>								
Net profit for the year	-	-	-	-	-	-	24,005	24,005
<b>Other comprehensive loss</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(2,325)	-	(2,325)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(2,325)	24,005	21,680
At 31 December 2024	5,463	95,585	719	16,297	843	(4,619)	257,322	371,610
At 1 January 2025	5,463	95,585	719	16,297	843	(4,619)	257,322	371,610
<b>Comprehensive income</b>								
Net profit for the year	-	-	-	-	-	-	12,544	12,544
<b>Other comprehensive loss</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(607)	-	(607)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(607)	12,544	11,937
2024 final dividend paid	-	-	-	-	-	-	(3,278)	(3,278)
<b>At 31 December 2025</b>	<b>5,463</b>	<b>95,585</b>	<b>719</b>	<b>16,297</b>	<b>843</b>	<b>(5,226)</b>	<b>266,588</b>	<b>380,269</b>



# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations	32	85,313	80,582
Interest paid		(5,717)	(4,870)
Hong Kong Profits Tax refunded		-	21
<b>Net cash from operating activities</b>		<b>79,596</b>	<b>75,733</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of owned vessels and other property, plant and equipment, net		74,596	15
Purchase of owned vessels and other property, plant and equipment		(47,602)	(95,095)
Installments paid for vessels under construction		(25,009)	-
Deposit paid for the acquisition of owned vessels and other property, plant and equipment		-	(2,452)
Proceeds from disposal of assets held for sale, net		-	10,414
Increase in bank deposits with more than three months to maturity when placed		(35,890)	-
Interest received		1,416	536
Dividend income received		1,250	1,173
<b>Net cash used in investing activities</b>		<b>(31,239)</b>	<b>(85,409)</b>
<b>FINANCING ACTIVITIES</b>			
New bank loans		15,000	65,338
New other borrowings		28,328	-
Repayment of bank loans		(25,590)	(55,511)
Repayment of other borrowings		(1,416)	-
Decrease in pledged deposits		258	30
Payment of lease liabilities		(27,891)	(16,109)
Interest paid on lease liabilities		(3,265)	(1,317)
Dividends paid to shareholders of the Company		(3,278)	-
<b>Net cash used in financing activities</b>		<b>(17,854)</b>	<b>(7,569)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>30,503</b>	<b>(17,245)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>23,005</b>	<b>40,250</b>
<b>Cash and cash equivalents at 31 December</b>	26	<b>53,508</b>	<b>23,005</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 1. GENERAL INFORMATION

Jinhui Shipping and Transportation Limited was incorporated on 16 May 1994 and registered as an exempted company with limited liability in Bermuda. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's shares are listed on the Oslo Stock Exchange Euronext (Oslo Børs).

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the businesses of ship chartering and ship owning which are carried out internationally.

The Group is controlled by Jinhui Holdings Company Limited, a company incorporated in Hong Kong which holds approximately 55.69% of the Company's shares at the reporting date. The registered office of Jinhui Holdings, where its consolidated accounts can be obtained, locates at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong, PRC.

The consolidated financial statements for the year ended 31 December 2025 were approved for issue by the Board on 18 March 2026.

## 2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations ("IFRS Accounting Standards"), and Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants, which collective term includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards and Interpretations ("HKFRS Accounting Standards").

## 3. ADOPTION OF NEW AND AMENDED IFRS ACCOUNTING STANDARDS AND HKFRS ACCOUNTING STANDARDS

In current year, the Group has applied for the first time, the Amendments to IAS 21 and HKAS 21 "Lack of Exchangeability" as issued by the IASB and the HKICPA respectively, which are relevant to and effective for the Group's consolidated financial statements for the accounting period beginning on 1 January 2025.

The adoption of the Amendments to IAS 21 and HKAS 21 do not have material impact on the Group's financial performance and financial position for the current and prior periods have been prepared and presented.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

### 3. ADOPTION OF NEW AND AMENDED IFRS ACCOUNTING STANDARDS AND HKFRS ACCOUNTING STANDARDS *(Continued)*

At the date of authorization of these consolidated financial statements, certain new and amendments to IFRS Accounting Standards and HKFRS Accounting Standards have been published but are not yet effective, and have not been early adopted by the Group. The management anticipated that all pronouncements will be adopted in the Group's accounting policy for the first accounting period beginning after the effective dates of the pronouncements. Information on these new pronouncements that are expected to be relevant to the Group's consolidated financial statements is provided below.

IFRS 18 and HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
IFRS 19 and HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments <sup>2</sup>
Amendments to IFRS 9 and HKFRS 9, IFRS 7 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to IFRS 9 and HKFRS 9, IFRS 7 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to IFRS and HKFRS Accounting Standards	Annual Improvements to IFRS and HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to IFRS 10 and HKFRS 10, and IAS 28 and HKAS 28	Sales or Contributions of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 21 and HKAS 21	Translation of a Hyperinflationary Presentation Currency <sup>2</sup>

*Notes:*

1. Effective for annual periods beginning on or after 1 January 2026
2. Effective for annual periods beginning on or after 1 January 2027
3. Effective date not yet determined

The management is currently assessing the possible impact of these new and amendments to standards and interpretations on the Group's results and financial position in the first year of application.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 4.1 Basis of preparation

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for: investment properties, financial assets or financial liabilities at fair value through profit or loss and financial assets at fair value through OCI that are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the consolidated financial statements, are disclosed in note 5.

### 4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

### 4.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.4 Foreign currency translation

The consolidated financial statements are presented in United States Dollars which is the functional and presentation currency of the Company. The functional and presentation currencies of the Company's subsidiaries are either in United States Dollars or Hong Kong Dollars.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates ruling at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognized in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into United States Dollars. Assets and liabilities have been translated into United States Dollars at the closing rates at the reporting date. Income and expenses have been converted into United States Dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any significant differences arising from this translation procedure are recognized in other comprehensive income and accumulated separately in the translation reserve in equity.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.5 Revenue recognition

Revenue mainly arises from the operations of ship chartering or owning business comprises chartering freight and hire income.

To determine whether to recognize revenue, the Group follows a five-step process:

- (a) Identify contracts with customers
- (b) Identify the separate performance obligations in the contract
- (c) Determine the transaction price of the contract
- (d) Allocate the transaction price to each of the separate performance obligation in the contract
- (e) Recognize the revenue as each performance obligation is satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers. Further details of the Group's revenue recognition policies are as follows:

- (a) Hire income under time charter is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract. Crewing service income classified as non-lease component is included in hire income and recognized over the period of each time charter contract.
- (b) Freight income under voyage charter is accrued over the period from the date of loading of charterer's cargo to the date of discharging the cargo and is recognized on percentage of completion basis measured by time proportion of each voyage charter contract. The existing practice reflects the performance obligation to provide transportation services which is satisfied over time from when transport of the goods begins from loading port through delivery to discharging port and freight income is recognized over the period of performance.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.6 Borrowing costs

Borrowing costs incurred for the acquisition or construction of any qualifying asset are capitalized during the period of time that is required to complete or prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed as incurred.

The capitalization of borrowing costs as part of the qualifying assets commences when borrowing costs are being incurred and the activities that are necessary to prepare the asset for its intended use are in progress. Capitalization of borrowing costs is suspended or ceased when substantially all activities necessary to prepare the qualifying assets for its intended use are interrupted or completed.

### 4.7 Income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and / or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. It is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset is realized, provided these tax rates have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and tax losses available to be carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

For investment properties measured using the fair value model in accordance with the accounting policy below, the measurement of the related deferred tax asset or liability reflects the tax consequences of recovering the carrying amount of the investment properties entirely through sale, unless the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets or liabilities are not recognized if the temporary differences arise from goodwill or from initial recognition (other than in a business combination) of assets or liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.7 Income tax *(Continued)*

Changes in deferred tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary difference will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognized amounts; and
- (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.8 Property, plant and equipment

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Improvements are capitalized only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditures incurred in restoring assets to their normal working conditions and other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Motor vessels are stated at cost less accumulated depreciation and impairment loss.

Drydocking and special survey costs are capitalized and depreciated over the drydocking cycle of two to three years on a straight-line basis. Upon disposal of vessels, any relevant carrying amounts not yet written off are transferred to profit or loss. Vessel repairs and survey costs are expensed during the financial period in which they are incurred.

Vessels under construction are stated at cost less necessary impairment loss. All direct costs relating to the acquisition of motor vessels which are under construction, including finance costs on related borrowing funds during the construction period are capitalized as vessels under construction. When the assets concerned are available for use, the costs are transferred to motor vessels and depreciated in accordance with the policy as stated below.

Leasehold land and buildings (where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease) are stated at cost less accumulated depreciation and impairment loss.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment loss.

Depreciation is provided to write-off the cost of motor vessels over their estimated useful lives, after taking into account their estimated residual values, using the straight-line method of 25 years from the date of the initial delivery from the shipyards.

Depreciation is provided to write-off the cost of other property, plant and equipment as specified below over their estimated useful lives, after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold land and buildings	over the shorter of unexpired term of lease or 3% per annum
Leasehold improvement	20% – 30% per annum
Utility vessels, furniture and equipment	6% – 25% per annum

No depreciation is provided in respect of vessels under construction until it is completed.

Accounting policy for depreciation of right-of-use assets is set out in note 4.19.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.8 Property, plant and equipment *(Continued)*

Estimated residual value is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset was already of the age and in the conditions expected at the end of its useful life. The Group estimates the residual values of motor vessels based on the light-weight tonnes of each vessel multiply by market demolition metal price per ton. Estimate of residual value and useful life are reviewed and adjusted if appropriate, at each reporting date.

The gain or loss arising on retirement or disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

### 4.9 Investment properties

Investment properties are land and / or buildings which are owned or held under a leasehold interest to earn rental income and / or for capital appreciation.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value which is determined by external professional valuers with sufficient experience with respect to both the location and category of the investment property and it reflects the prevailing market conditions at the reporting date.

Gain or loss arising from either change in the fair value or the sale of an investment property is recognized in profit or loss in the period in which they arise.

The change in fair value arisen from reclassification from leasehold land and buildings to investment properties will be credited to revaluation reserve. Upon disposal of such properties, the amount previously recognized in revaluation reserve will be transferred to retained profits.

### 4.10 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and the Company's interests in subsidiaries are subject to impairment testing whenever there are indications that the assets' carrying amounts may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions, less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.10 Impairment of non-financial assets *(Continued)*

For the purpose of assessing impairment, where an asset does not generate cash inflows that are largely independent of the cash flows from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash generating unit). As a result, some assets are tested individually for impairment and some are tested at cash generating unit level.

Impairment loss recognized for cash generating unit is allocated to reduce the carrying amounts of the assets in the cash generating unit on pro rata basis. In allocating the impairment loss, the carrying amount of an asset will not be reduced below its fair value less costs of disposal, value in use or zero.

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior years.

### 4.11 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, and is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

### 4.12 Financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to receive the cash flows from the financial assets expire, or when the financial asset and substantially all of its risks and rewards of ownership are transferred.

#### ***Classification and initial measurement of financial assets***

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 and HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss, plus transaction costs that are directly attributable to the acquisition of the financial asset.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.12 Financial assets *(Continued)*

#### ***Classification and initial measurement of financial assets (Continued)***

Financial assets are classified into the following categories:

- amortized cost;
- fair value through profit or loss; or
- fair value through OCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within other operating income, interest income, other operating expenses and finance costs, except for ECL of trade receivables which is presented in other operating expenses.

#### ***Subsequent measurement of financial assets***

##### *Debt investments*

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as fair value through profit or loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Interest income from these financial assets is included in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's bank balances and cash, pledged deposits, loan receivables and trade and other receivables fall into this category of financial instruments.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.12 Financial assets *(Continued)*

#### **Subsequent measurement of financial assets *(Continued)***

##### *Financial assets at fair value through OCI – recycling*

If the contractual cash flows 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, changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

##### *Financial assets at fair value through profit or loss*

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorized at fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss.

##### *Equity investments*

An investment in equity securities is classified as fair value through profit or loss unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at fair value through OCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income and accumulated in “Reserve for financial assets at fair value through OCI” in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer’s perspective.

The equity instruments at fair value through OCI are not subject to impairment assessment. The cumulative gain or loss in “Reserve for financial assets at fair value through OCI” will not be reclassified to profit or loss upon disposal of the equity investments.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established. Dividend income are included in “other operating income” in profit or loss.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.12 Financial assets *(Continued)*

#### **Impairment of financial assets**

IFRS 9 and HKFRS 9's impairment requirements use more forward-looking information to recognize ECL – the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortized cost or fair value through OCI and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

Stage 1: financial instruments that have not deteriorated significantly in credit quality since their initial recognition or that have low credit risk.

Stage 2: financial instruments that have deteriorated significantly in credit quality since their initial recognition and whose credit risk is not low.

Stage 3: financial instruments that have objective evidence of impairment at the reporting date.

For Stage 1 category, loss allowance is recognized at the present value of expected credit losses that will result if a default occurs in the 12 months after the reporting date (“12-month ECL”). For Stage 2 and Stage 3 category, loss allowance is recognized at the present value of expected credit shortfalls over their remaining life (“lifetime ECL”).

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For trade receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.12 Financial assets *(Continued)*

#### **Impairment of financial assets *(Continued)***

For loan receivables, the Group measures the loss allowance for these financial assets equal to 12-month ECL with taking those collaterals into accounts (which is recognized at Stage 1), unless when there has been a significant increase in credit risk since initial recognition or classified as credit-impaired, the Group recognizes lifetime ECL (which is recognized at Stage 2). The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition or classified as credit-impaired. The loan receivables are reviewed at the reporting date to assess impairment allowance which are based on the evaluation of current creditworthiness, collection statistic and market values of the collaterals which were appraised by independent qualified appraisal firms or referenced to recent market transactions or the net asset value of the co-investment.

For other financial assets measured at amortized cost and fair value through OCI, the Group measures the loss allowance for these financial assets equal to 12-month ECL (which is recognized at Stage 1), unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL (which is recognized at the Stage 2). The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment of debtor that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.12 Financial assets *(Continued)*

#### *Impairment of financial assets (Continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Group considers the default has occurred when: (1) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); (2) a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group writes off trade and other receivables in whole or in part, when it has exhausted all practical recovery efforts and concluded there is no reasonable expectation of recovery.

Detailed analysis of the ECL assessment of trade receivables, other financial assets measured at amortized cost and debt investments at fair value through OCI are set out in note 40(e).

### 4.13 Assets held for sale

Non-current assets are classified as held for sale when:

- (a) they are available for immediate sale;
- (b) management is committed to a plan to sell;
- (c) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- (d) an active programme to locate a buyer has been initiated;
- (e) the asset is being marketed at a reasonable price in relation to its fair value; and
- (f) a sale is expected to complete within 12 months from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount immediately prior to being classified as held for sale and fair value less costs of disposal. Following their classification as held for sale, the assets are not depreciated. An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount prior to being classified as held for sale exceeds its fair value less costs of disposal. The gain or loss of assets being disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income up to the date of disposal.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.14 Financial liabilities

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

The Group classifies its financial liabilities into the following categories:

#### ***Trade and other payables***

Trade and other payables are recognized initially at fair values and subsequently measured at amortized costs, using the effective interest method.

#### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include derivatives financial instruments which are initially recognized at fair value on the date a derivative contract is entered into.

Subsequent to initial recognition, the derivative financial instruments are recognized at fair value at the end of each reporting period with gain or loss on remeasurement to fair value recognized immediately in profit or loss, except where the derivatives qualify for hedged accounting under IFRS 9 and HKFRS 9.

#### ***Borrowings***

Borrowings are recognized initially at fair values, net of transaction costs incurred. Borrowings are subsequently stated at amortized costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liabilities for at least twelve months after the reporting date.

### 4.15 Fair value measurement

For financial reporting purposes, fair value measurement is categorized into Level 1, 2 and 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13. 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: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair values measured using valuation techniques in which all significant inputs other than quoted prices included within Level 1 are directly or indirectly based on observable market data.
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.16 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits with banks and short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. For the purpose of consolidated statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### 4.17 Share capital

Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium to the extent they are incremental costs directly attributable to the equity transaction.

### 4.18 Employee benefits

#### *Retirement benefits schemes*

The Group operates a defined contribution provident fund scheme and a mandatory provident fund scheme. The assets of the schemes are held separately from those of the Group in their respective schemes managed by an independent trustee. The contributions to retirement benefits schemes charged to profit or loss represent contributions payable to the funds by the Group at the rates specific in the rules of the schemes.

The contributions to the defined contribution provident fund scheme vest in employees according to the vesting percentage set out in the scheme. When employees leave the defined contribution provident fund scheme prior to being vested fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. On the other hand, the contributions to the mandatory provident fund scheme vest immediately and fully in employees once the contributions are payable by the Group. There is no forfeited contribution when employees leave the mandatory provident fund scheme.

In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to LSP if the eligibility criteria are met. The LSP are defined benefits plans.

#### *Defined benefit plans*

The amount of long service benefit that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary. The legal obligations for any benefits remain with the Group.

Management estimates the LSP obligations annually and the LSP obligations are measured at the present value at the end of each reporting period. This is based on the discount rate, the salary growth rate, turnover rate and the expected investment return on offsettable MPF accrued benefits. Discount factors are determined close to the end of each annual reporting period.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.18 Employee benefits *(Continued)*

#### **Short term employee benefits**

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognized until the time of leave.

### 4.19 Leases

A lease is defined as a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

#### **(a) Group as a lessee**

At the lease commencement date, the Group recognizes the right-of-use asset and the lease liability on the consolidated statement of financial position, except for short-term leases that have a lease term of 12 months or less ("short-term lease") and leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.19 Leases *(Continued)*

#### (a) Group as a lessee *(Continued)*

##### *Right-of-use assets*

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists, as for owned vessels in accordance with the Group's accounting policies.

##### *Lease liabilities*

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to the commencement date, the Company measures the lease liability by: (i) increasing the carrying amount to reflect the accretion of interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

For lease remeasurement that the lease payments change due to changes in market rental rates following a market rent review / expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

When the lease is remeasured, the corresponding adjustment is reflected in the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.19 Leases *(Continued)*

#### *(b) Group as a lessor (Assets leased out under operating leases)*

As a lessor, the Group classifies its leases as operating leases. Where the Group as a lessor leases out assets under operating leases, such assets are measured and presented according to the nature of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-leases as two separate contracts. The sub-leases are classified as a finance or operating lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If the head lease is a short-term lease to which the Group applies the short-term lease exemption, then the Group classifies the sub-lease as an operating lease.

The Group sub-leases some of its charter-in vessels and the sub-lease contracts are classified as operating leases.

Rental income receivable from operating leases is recognized in profit or loss on a straight-line basis over the lease terms.

Hire income applicable to operating leases in respect of time charters are recognized as revenue on time basis over the period of each lease.

Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net income receivable from the lease.

#### *(c) Sale and leaseback transactions*

For a transfer that does not satisfy requirements as a sale in accordance with IFRS 15 and HKFRS 15, the transaction is in substance a financing arrangement under IFRS 9 and HKFRS 9. Therefore, the Group as a seller-lessee accounts recognizes the proceeds received as "other borrowings" within the scope of IFRS 9 and HKFRS 9.

### 4.20 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are not recognized but are disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow of economic benefits occurs, and an outflow is probable, it will then be recognized as a provision.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

### 4.21 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the 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 venture of the same third entity.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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.

### 4.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

The Group has regarded the business of ship chartering and ship owning as the only dominant reportable operating segment to be reported to the chief operating decision maker. Thus, no analysis of segment revenue, segment results, segment assets and segment liabilities are presented in the consolidated financial statements for the years 2025 and 2024.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The significant estimates and judgements made in the process of applying the Group's accounting policies are discussed below.

### **Impairment assessment on owned vessels and right-of-use assets**

Dry bulk freight rates demonstrated steady improvement throughout 2025, although it continued to face pressure due to ongoing weak market confidence amid global economic, impact of trade policy and financial instability. In light of these market conditions, the Group reviewed the dry bulk shipping market environment, the overall macro environment and the market value of dry bulk vessels at the reporting date.

The management considered that impairment indication of the Group's fleet existed at the end of 2025 and performed the impairment assessment on 31 December 2025. The Group made estimations and assumptions in the area of impairment test on owned vessels and right-of-use assets.

The recoverable amounts of owned vessels and right-of-use assets have been determined based on higher of the fair value less costs of disposal and the value in use, which based on the estimated future cash flows projections from the continuous use of such vessels. Key assumptions applied in value in use calculation mainly included discount rate (pre-tax) and hire rates earned by the vessels as the value in use is most sensitive to the changes in these two factors. Other assumptions applied in the estimated future cash flows projections included growth rate, utilization rate and vessels are expected to have useful life of 25 years from the date of the initial delivery from the shipyards. The net cash flow also reflected the estimated drydocking costs and vessels operating expense. Recoverable amount of certain owned vessels are estimated based on fair value less cost of disposal under market comparison approach. The valuation was performed by independent valuer and the key assumptions mainly included quoted recent market transactions of similar vessels. Other assumptions included estimated cost of disposal which are based on the Group's historical acquisition and disposal transactions of its fleet.

Right-of-use assets' recoverable amounts have been determined based on the value in use by using discounted cash flow method. Key assumptions are the discount rates, hire rate, growth rate and utilization rate during the lease term of the charterparty.

Based on the management's assumptions employed in the impairment assessment, the Group concluded that the recoverable amount approximated to the carrying value of the owned vessels and right-of-use assets as at 31 December 2025 and the impairment assessment of owned vessels and right-of-use assets are in compliance with IAS 36 and HKAS 36 Impairment of Assets after the reassessment of indicators of impairment or reversal of impairment. Hence, the Group did not recognize any impairment loss or reversal of impairment loss on owned vessels and right-of-use assets during the year ended 31 December 2025. As at 31 December 2025, the carrying amount of the owned vessels (note 18) and right-of-use assets on leased vessels (note 19) was US\$298,367,000 (2024: US\$393,320,000) and US\$32,748,000 (2024: US\$29,967,000) respectively.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

### **Valuation of investment properties**

As at 31 December 2025, the Group's investment properties were stated at fair value of US\$19,535,000 (2024: US\$20,873,000). Change in fair value loss of investment properties of US\$1,338,000 (2024: US\$4,386,000) was recognized in profit or loss during the year. The fair values of the Group's investment properties were determined by an independent qualified professional valuer. The valuations are dependent on certain unobservable inputs, including market unit sale rate per square feet / carpark which are determined based on comparable transactions after applying adjusting factors such as the age, location, size, view, floor level and quality of buildings and carparks to reflect the conditions and locations of the subject properties. Details of the valuation methodologies and significant unobservable inputs used in the valuations are disclosed in note 20.

### **Fair values of financial assets at fair value through OCI**

Fair values of financial assets at fair value through OCI that are not traded in an active market is determined by using valuation techniques. The Group determines the fair values primarily based on the recent transaction prices, net asset value (representing the fair value of the equity instruments reported by the investment manager of the investees) and take into account of its financial results and other factors. The fair values of financial assets at fair value through OCI that are not traded in active market are determined by using valuation techniques as disclosed in note 21.

### **Impairment of trade receivables and other financial assets**

As at 31 December 2025, the carrying amount of the trade receivables (note 24) was US\$1,752,000 (2024: US\$1,093,000). For trade receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

For other financial assets measured at amortized cost or fair value through OCI (note 40(a)), the Group measures the loss allowance for these financial assets equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition. In assessing whether the credit risk for other financial assets has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

### **Impairment of trade receivables and other financial assets *(Continued)***

For loan receivables (note 23) which arise from co-investment, the Group measures the loss allowance for these financial assets equal to 12-month ECL with taking the net asset value of the co-investment into accounts unless when there has been a significant increase in credit risk since initial recognition or classified as credit impaired, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition or classified as credit impaired. The loan receivables are reviewed by the management at the reporting date to assess impairment allowance which are based on the evaluation of current creditworthiness, collection statistic and the net asset value of the co-investment.

For loan receivables (note 23) which arise from asset-based financing and secured by collaterals provided by borrowers, the Group measures the loss allowance for these financial assets equal to 12-month ECL with taking those collaterals into accounts unless when there has been a significant increase in credit risk since initial recognition or classified as credit-impaired, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition or classified as credit-impaired. The loan receivables are reviewed by the management at the reporting date to assess impairment allowance which are based on the evaluation of current creditworthiness, collection statistic and the market values of the vessels or similar vessels which were appraised by independent qualified appraisal firms or recent market transactions.

## 6. SEGMENT INFORMATION

The Group is principally engaged in the business of ship chartering and ship owning and the management has regarded this business as the only dominant reportable operating segment to be reported to the chief operating decision maker.

While the Group's revenue was mainly attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, analysis of revenue from chartering freight and hire business by geographical split of revenue by charterers' location is presented in note 7.

The Group's non-current assets mainly consist of property, plant and equipment, right-of-use assets and investment properties. Property, plant and equipment and right-of-use assets mainly comprised of the Group's owned vessels and chartered-in vessels respectively. As the Group's motor vessels are operated across different geographical regions, it is meaningless to identify the specific geographical locations of the motor vessels at the reporting date. The Group's investment properties comprised of premises and car parks and all are located in Hong Kong. While majority of the Group's non-current assets other than financial instruments cannot be attributable to any particular geographical location, no analysis of non-current assets other than financial instruments by geographical area is presented in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 7. REVENUE

Revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels. Revenue recognized during the year is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Chartering freight and hire income:		
Hire income under time charters <sup>1</sup>	<b>149,695</b>	158,900
Freight income under voyage charters <sup>2</sup>	<b>7,794</b>	–
	<b>157,489</b>	158,900

### Notes:

1. Hire income under time charters is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract. During the year, hire income included a non-lease component in relation to crewing service of US\$29,389,000 (2024: US\$27,688,000).
2. Freight income under voyage charters is accrued over the period from the date of loading of charterer's cargo to the date of discharging the cargo and is recognized on percentage of completion basis measured by time proportion of each voyage charter contract.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 7. REVENUE (Continued)

### Information about major charterers

Revenue of US\$23,797,000 and US\$11,562,000 (2024: US\$22,847,000 and US\$16,560,000) were derived from two charterers that contributed 15% and 7% (2024: 14% and 10%) respectively to the Group's revenue for the year 2025.

### Information about geographical distribution

Revenue from external customers (charterers) is as follows:

	2025 US\$'000	2024 US\$'000
<i>Geographical split of revenue by charterers' location:</i>		
China	100,637	94,776
Singapore	33,686	43,159
Japan	–	4,312
Norway	3,688	2,914
United Arab Emirates	3,277	2,449
Denmark	2,947	–
South Korea	2,488	2,330
Switzerland	1,854	788
Germany	1,714	–
Other countries	7,198	8,172
	<b>157,489</b>	<b>158,900</b>

## 8. NET LOSS ON DISPOSAL OF OWNED VESSELS

During the year, the Group completed the disposal of eight Supramaxes for an aggregate consideration of US\$86,215,000, resulting in a total net loss of US\$9,209,000.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 9. OTHER OPERATING INCOME

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
Settlement income <sup>1</sup>	20,223	3,500
Other shipping operating income	8,732	4,746
Net gain on financial assets / financial liabilities at fair value through profit or loss	3,832	4,867
Dividend income	1,250	1,173
Gross rental income from operating leases on investment properties	391	556
Sundry income	275	301
Reversal of impairment loss on trade and other receivables, net	-	1,848
	<b>34,703</b>	<b>16,991</b>

Note:

1. The settlement income represents amounts received from legal proceedings involving the subsidiaries of the Company and Parakou Shipping Pte Limited in London and Hong Kong in relation to the non-performance of a charterparty. In 2024, Galsworthy Limited, a wholly owned subsidiary of the Company, and Parakou Shipping Pte Limited reached a settlement agreement to resolve the legal action. As a result, the Group received settlement income of US\$3.5 million in April 2024 and US\$20.2 million in January 2025, which have been recognized.

## 10. INTEREST INCOME

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
Interest income in respect of:		
Deposits with banks and other financial institutions	1,823	453
Loan receivables	812	321
Financial assets at fair value through profit or loss	48	25
Others	-	35
	<b>2,683</b>	<b>834</b>



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 11. STAFF COSTS

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
Directors' emoluments (excluding directors' fees):		
Salaries and other benefits	<b>8,733</b>	8,673
Contributions to retirement benefits schemes	<b>435</b>	435
Other staff costs:		
Salaries and other benefits	<b>5,602</b>	5,385
Contributions to retirement benefits schemes	<b>229</b>	214
	<b>14,999</b>	14,707

At the reporting date, the Group has 68 (2024: 74) full-time employees.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 12. DIRECTORS' EMOLUMENTS

	Directors' fees <sup>1</sup>	Salaries and allowances <sup>2</sup>	Discretionary bonus <sup>2</sup>	Contributions to retirement benefits schemes <sup>2</sup>	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2025</b>					
<b>Executive Directors</b>					
Ng Siu Fai	248	3,846	891	231	5,216
Ng Kam Wah Thomas	248	3,077	577	185	4,087
Ng Ki Hung Frankie	170	123	–	7	300
Ho Suk Lin Cathy	60	206	13	12	291
<b>Non-executive Directors</b>					
Tsui Che Yin Frank	28	–	–	–	28
William Yau	23	–	–	–	23
	<b>777</b>	<b>7,252</b>	<b>1,481</b>	<b>435</b>	<b>9,945</b>
<b>2024</b>					
<b>Executive Directors</b>					
Ng Siu Fai	248	3,846	833	231	5,158
Ng Kam Wah Thomas	248	3,077	577	185	4,087
Ng Ki Hung Frankie	170	123	–	7	300
Ho Suk Lin Cathy	60	204	13	12	289
<b>Non-executive Directors</b>					
Tsui Che Yin Frank	28	–	–	–	28
William Yau	23	–	–	–	23
	<b>777</b>	<b>7,250</b>	<b>1,423</b>	<b>435</b>	<b>9,885</b>

**Notes:**

1. The directors' fees were provided by the Company. None of the Directors received directors' fees from its subsidiaries.
2. Directors' other emoluments, which included salaries and allowances, discretionary bonus and contributions to retirement benefits schemes, were provided by a subsidiary.



# Notes to the Consolidated Financial Statements

*Year ended 31 December 2025*

## **13. OTHER OPERATING EXPENSES**

Other operating expenses for the year 2025 mainly included change in fair value of investment properties of US\$1,338,000, directors' fee of US\$777,000, impairment loss on trade and other receivables of US\$539,000, professional fee of US\$309,000, auditor's remuneration related to audit services of US\$221,000 and remaining are various office administrative expenses.

Other operating expenses for the year 2024 mainly included change in fair value of investment properties of US\$4,386,000, directors' fee of US\$777,000, professional fee of US\$547,000, auditor's remuneration related to audit services of US\$217,000 and remaining are various office administrative expenses.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION

This is stated after charging / (crediting):

	2025 US\$'000	2024 US\$'000
Auditor's remuneration <sup>1</sup> :		
Audit services	221	217
Other services	6	5
Charter hire payments for time charters <sup>2</sup>	11,656	21,784
Hire income arising from chartered-in vessels classified as right-of-use assets	(28,513)	(20,249)
Net gain on financial assets / financial liabilities at fair value through profit or loss		
Realized gain on financial assets at fair value through profit or loss	(1,144)	(2,409)
Unrealized gain on financial assets / financial liabilities at fair value through profit or loss	(2,688)	(2,458)
Interest income in respect of:		
Deposits with banks and other financial institutions	(1,823)	(453)
Loan receivables	(812)	(321)
Financial assets at fair value through profit or loss	(48)	(25)
Others	–	(35)
Dividend income	(1,250)	(1,173)
Net loss on disposal of owned vessels	9,209	–
Change in fair value of investment properties	1,338	4,386
Loss on write-off of property, plant and equipment	2	1
Impairment loss (Reversal of impairment loss) on trade and other receivables, net	539	(1,848)
Bad debts written off in respect of trade and other receivables	1	–
Gross rental income from operating leases on investment properties	(391)	(556)
Outgoings in respect of investment properties	29	31
Rent and rates payments in respect of premises	116	101
Net exchange loss	13	94
Reversal of impairment loss on owned vessels and right-of-use assets	–	(6,533)
Gain on disposal of property, plant and equipment, other than owned vessels	–	(15)

Notes:

1. The auditor's remuneration disclosed above excluded VAT and fees paid for other services mainly included fees for tax compliance services of US\$6,000 (2024: US\$5,000).
2. Represents short term leases with a term of twelve months or less.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 15. TAXATION

Taxation has not been provided as the Group has no assessable profit for the year (2024: nil).

There was no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company for the years.

The Company has received from the Minister of Finance of Bermuda under The Exempted Undertakings Tax Protection Act 1966, as amended, an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset gain or appreciation or any tax in the nature of estate duty or inheritance tax, the imposition of such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations, or to the shares, debentures or other obligations of the Company.

Reconciliation between taxation charge and accounting profit at the applicable tax rates:

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
Profit before taxation	<b>12,544</b>	24,005
Income tax at the applicable tax rates in the tax jurisdictions concerned	<b>(2,529)</b>	(3,041)
Non-deductible expenses	<b>455</b>	932
Tax exempted revenue	<b>(747)</b>	(554)
Unrecognized tax losses	<b>3,332</b>	3,196
Unrecognized temporary differences	<b>(12)</b>	(44)
Utilization of previously unrecognized tax losses	<b>(499)</b>	(489)
Taxation charge for the year	-	-

The applicable tax rates are the weighted average of current rates of taxation ruling in the relevant jurisdictions.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 16. EARNINGS PER SHARE

	2025	2024
Weighted average number of ordinary shares in issue	<b>109,258,943</b>	109,258,943
Net profit attributable to shareholders of the Company (US\$'000)	<b>12,544</b>	24,005
Basic and diluted earnings per share	<b>US\$0.115</b>	US\$0.220

Diluted earnings per share for the years 2025 and 2024 were the same as basic earnings per share as there was no potentially dilutive ordinary shares in existence for the years 2025 and 2024.

## 17. DIVIDENDS

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
2024 final dividend of US\$0.03 per share	–	3,278
2025 final dividend, proposed of US\$0.018 per share	<b>1,967</b>	–
	<b>1,967</b>	3,278

The final dividend for the year 2024 was approved by the Company's shareholders at the annual general meeting held on 28 May 2025. Such dividend was paid to the shareholders of the Company on 25 June 2025.

The proposed final dividend for the year 2025 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting scheduled on 27 May 2026.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 18. PROPERTY, PLANT AND EQUIPMENT

	Motor vessels <sup>1</sup> and capitalized drydocking costs <i>US\$'000</i>	Vessels under construction <i>US\$'000</i>	Leasehold land and buildings <i>US\$'000</i>	Others <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Cost</b>					
At 1 January 2024	695,936	–	25,835	7,051	728,822
Additions	94,698	–	–	397	95,095
Disposals / Write-off	(3,485)	–	–	(227)	(3,712)
At 31 December 2024	787,149	–	25,835	7,221	820,205
Reclassification to assets held for sale <sup>2</sup>	(18,674)	–	–	(3)	(18,677)
Additions	40,848	25,009	9,056	150	75,063
Disposals / Write-off	(282,920)	–	–	(105)	(283,025)
<b>At 31 December 2025</b>	<b>526,403</b>	<b>25,009</b>	<b>34,891</b>	<b>7,263</b>	<b>593,566</b>
<b>Accumulated depreciation and impairment loss</b>					
At 1 January 2024	370,989	–	18,227	6,193	395,409
Reversal of impairment loss, net	(1,942)	–	–	–	(1,942)
Charge for the year	28,267	–	699	204	29,170
Eliminated on disposals / write-off	(3,485)	–	–	(226)	(3,711)
At 31 December 2024	393,829	–	18,926	6,171	418,926
Reclassification to assets held for sale <sup>2</sup>	(5,568)	–	–	(2)	(5,570)
Charge for the year	27,890	–	591	259	28,740
Eliminated on disposals / write-off	(188,115)	–	–	(103)	(188,218)
<b>At 31 December 2025</b>	<b>228,036</b>	<b>–</b>	<b>19,517</b>	<b>6,325</b>	<b>253,878</b>
<b>Net book value</b>					
<b>At 31 December 2025</b>	<b>298,367</b>	<b>25,009</b>	<b>15,374</b>	<b>938</b>	<b>339,688</b>
At 31 December 2024	393,320	–	6,909	1,050	401,279

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 18. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

1. All motor vessels are held for use under operating leases.
2. Reclassification to assets held for sale:  
In December 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,361 metric tonnes, built in year 2012, at a consideration of US\$14,400,000. For financial reporting purposes, the vessel was reclassified to "Assets held for sale" in accordance with IFRS 5 and HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" at the reporting date. The agreement was subsequently cancelled in January 2026 as one of the contractual clauses could not be fulfilled.

## 19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### (a) Right-of-use assets

	2025 US\$'000	2024 US\$'000
At 1 January	30,022	21,095
Additions	27,711	27,881
Lease remeasurement	3,857	(8,526)
Depreciation	(28,817)	(15,019)
Reversal of impairment loss	–	4,591
At 31 December	<u>32,773</u>	<u>30,022</u>



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

### (b) Lease liabilities

	2025 US\$'000	2024 US\$'000
At 1 January	32,385	29,139
Additions	27,711	27,881
Lease remeasurement	3,857	(8,526)
Interest expense (included in finance costs)	3,265	1,317
Repayments of lease liabilities	(31,156)	(17,426)
At 31 December	36,062	32,385

The lease liabilities were repayable as follows:

	2025 US\$'000	2024 US\$'000
Within one year	16,464	18,692
After one year but within two years	13,064	5,028
After two years but within five years	6,534	8,665
	19,598	13,693
	36,062	32,385

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

During the year, the total cash outflow for the lease was US\$42,833,000 (2024: US\$39,232,000).

At the reporting date, the Group operated five long-term chartered-in vessels, two of them were with remaining lease terms of more than twelve months. In 2025, the Group took delivery of a long-term chartered-in Capesize, with deadweight 207,672 metric tonnes, built in year 2017, for a minimum term of thirty-three months.

In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was also recognized in the consolidated statement of financial position upon their deliveries of the vessels.

At the reporting date, the carrying amount of right-of-use assets mainly comprised of leased vessels of US\$32,748,000 (2024: US\$29,967,000).

At 31 December 2024, a reversal of impairment assessment of right-of-use assets was performed and a reversal of impairment loss of US\$4,591,000 was recognized as at 31 December 2024. The reversal of impairment loss on right-of-use assets is non-cash in nature and does not have impact on the operating cash flows of the Group.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 20. INVESTMENT PROPERTIES

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
At 1 January	<b>20,873</b>	25,259
Change in fair value	<b>(1,338)</b>	(4,386)
At 31 December	<b>19,535</b>	20,873

The Group's investment properties were stated at fair value and comprised of premises and car parks held under operating leases to earn rentals or held for capital appreciation, or both. These premises and car parks are held under long term leases.

At the reporting date, the fair values of the Group's investment properties were determined by Centaline Surveyors Limited, an independent qualified professional valuer, on direct comparison approach on annually basis with reference to comparable transactions available in the relevant locality. In estimating the fair value of investment properties, the highest and best use of the properties is their current use.

The fair value measurement of these investment properties was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the year.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 20. INVESTMENT PROPERTIES (Continued)

Details of the Group's investment properties and information about the determination of the fair values of these investment properties, in particular the valuation techniques, significant unobservable inputs and category of the fair value hierarchy are disclosed as below:

Properties	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Range of unobservable inputs		Relationship of significant unobservable inputs to fair value
				2025	2024	
Premises	Level 3	Direct comparison method	Market unit sale rate per square feet, after taking into account the age, location and individual factors such as size, view, floor level and quality of building	US\$1,600 – US\$3,100 per square feet	US\$1,800 – US\$3,100 per square feet	An increase in percentage of market unit sale rate per square feet would result in an increase in fair value measurement of the premises by the same percentage increase, and vice versa
Car parks	Level 3	Direct comparison method	Market unit sale rate per car park	US\$519,000 – US\$577,000 per car park	US\$369,000 – US\$487,000 per car park	An increase in percentage of market unit sale rate per car park would result in an increase in fair value measurement of the car parks by the same percentage increase, and vice versa



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
Unlisted equity investments		
Co-investment in a property project		
At 1 January	4,948	7,259
Change in fair value <sup>1</sup>	(627)	(2,311)
	<b>4,321</b>	4,948
Unlisted club membership		
At 1 January	418	432
Change in fair value <sup>2</sup>	20	(14)
	<b>438</b>	418
	<b>4,759</b>	5,366

*Notes:*

1. Items that will not be reclassified to profit or loss.
2. Items that may be reclassified subsequently to profit or loss.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI *(Continued)*

### **Unlisted equity investments**

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Co-investment"), pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000. Dual Bliss Limited is one of the investors of the Co-investment.

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported a loss of US\$627,000 (2024: US\$2,311,000) on the fair value of equity instruments for the year ended 31 December 2025, mainly arising from the financing costs incurred for the shareholder loans. The reported loss on the Co-investment was recognized by the Group as a change in fair value of financial assets at fair value through OCI and was included in other comprehensive loss in the consolidated statement of profit or loss and other comprehensive income. As at the reporting date, the carrying amount of the unlisted equity investments was US\$4,321,000 (2024: US\$4,948,000) whereas the loan receivable arise from the Co-investment (note 23), together with the interest accrued thereon was US\$3,141,000 (2024: US\$2,459,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

There is no quoted market price in active market for unlisted equity investments. Transactions in such investments do not occur on a regular basis. The Group uses its net asset value (representing the fair value of the equity instruments reported by Phoenix Property Investors Limited, the Investment Manager) to determine its fair value as the Group determined that this is the fair price at which shareholders subscribe and redeem the investments or determined its fair value with generally accepted pricing models.

The fair value measurement of unlisted equity investments was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the year.

### **Unlisted club membership**

The investment in club membership is stated at fair values which is determined directly by reference to published price quotations in active markets and were categorized as Level 1 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the year.

## 22. INVENTORIES

Inventories consisted of bunker stock and ship stores on the Group's vessels. At the reporting date, these inventories were carried at cost.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 23. LOAN RECEIVABLES

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
At 1 January	1,577	1,577
Gross new loan originated	11,000	–
Repayment	(500)	–
Provision of individual impairment	–	–
Loan receivables, net of provision	12,077	1,577
Less: Amount receivable within one year	(3,640)	–
Amount receivable after one year	8,437	1,577

During the year, the Group entered into two agreements to dispose of two vessels, with the outstanding consideration of US\$6 million and US\$5 million respectively, each to be settled over a three-year period at interest rate of 7.5% per annum. To secure the purchasers' performance and observance of and compliance with the covenants, the purchasers provided first priority ship mortgage on each vessel in favour of the Group.

A wholly owned subsidiary of the Company (the "Co-Investor") together with other co-investors signed an unsecured subordinated shareholder loan agreement with Triple Smart Limited, a special purpose vehicle invested by Dual Bliss Limited, for the purposes of funding the operating expenditure of the Co-investment in 2021. A maximum amount of US\$1,577,000 (2024: US\$1,577,000) was agreed and provided as at the reporting date. The loan receivables are unsecured and denominated in United States Dollars and has no repayment terms.

At the reporting date, the loan receivables have been reviewed by management to assess impairment allowances which are based on the evaluation of current creditworthiness, collection statistics, reference to market value of vessels and the net asset value of the Co-investment, and considered as not impaired. The carrying amount of the loan receivables is considered to be a reasonable approximation of its fair value.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 24. TRADE AND OTHER RECEIVABLES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade receivables	1,752	1,093
Prepayments	3,158	6,740
Rental and other deposits	74	66
Other receivables	5,453	8,086
	<b>8,685</b>	<b>14,892</b>
	<b>10,437</b>	<b>15,985</b>

Management has a credit policy in place for approving the credit limits to charterers and the exposures to credit risk are monitored such that any outstanding trade receivables are reviewed and followed up on an ongoing basis. Credit evaluations including assessing the customer's creditworthiness and financial standing are performed on customers requiring a credit over certain amount.

The credit terms given to charterers vary from 15 to 60 days according to the types of vessels' employment.

The carrying amounts of trade and other receivables are considered to be a reasonable approximation of their fair values due to their short term maturities.

The aging analysis of trade receivables (net of impairment loss) that are past due at the reporting date but not individually considered to be impaired is included in the following analysis:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Neither past due nor impaired	552	216
Past due but not impaired		
Within three months past due	433	698
Over three months but within six months past due	574	147
Over six months but within twelve months past due	193	32
	<b>1,200</b>	<b>877</b>
	<b>1,752</b>	<b>1,093</b>



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 24. TRADE AND OTHER RECEIVABLES (Continued)

The movement for impairment loss on trade and other receivables is as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
At 1 January	163	4,362
Impairment loss recognized	539	–
Reversal of impairment loss	–	(1,848)
Written off as uncollectible	–	(2,351)
	<hr/>	<hr/>
At 31 December	702	163

For trade receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at each reporting date. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, the Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition.

At the reporting date, the Group had determined trade receivables of US\$702,000 (2024: US\$163,000) as impaired. No impairment loss on other receivables was provided as at 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 25. FINANCIAL ASSETS / FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

### (a) Financial assets at fair value through profit or loss

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
<i>Held for trading</i>		
Listed equity securities	21,526	17,903
<i>Designated as such upon initial recognition</i>		
Investment funds	3,324	2,702
	<u>24,850</u>	<u>20,605</u>

### (b) Financial liabilities at fair value through profit or loss

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
<i>Derivative financial instruments</i>		
Interest rate swap	294	–



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 25. FINANCIAL ASSETS / FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

At the reporting date, the fair value measurements of listed equity securities were determined by reference to their quoted bid prices in active markets and were categorized as Level 1. The fair value measurements of investment funds represented the quoted market prices on the underlying investments provided by financial institutions and were categorized as Level 2. The fair values of interest rate swap contracts are quoted by financial institutions at the reporting date and were categorized as Level 2 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the year.

## 26. BANK BALANCES AND CASH

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Cash and cash equivalents as stated in the consolidated statement of cash flows	53,508	23,005
Bank deposits with more than three months to maturity when placed	35,890	–
	<hr/> 89,398	<hr/> 23,005

## 27. AMOUNT DUE TO HOLDING COMPANY

Amount due to holding company is unsecured, interest-free and repayable on demand. The carrying amount of the amount due is considered to be a reasonable approximation of its fair value.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 28. SHARE CAPITAL

	2025		2024	
	Number of ordinary shares of US\$0.05 each	Amount US\$'000	Number of ordinary shares of US\$0.05 each	Amount US\$'000
<b>Authorized:</b>				
At 1 January and 31 December	800,000,000	40,000	800,000,000	40,000
<b>Issued and fully paid:</b>				
At 1 January and 31 December	109,258,943	5,463	109,258,943	5,463

At the reporting date, the Company had 1,909 (2024: 2,018) shareholders. Pursuant to the record registered on the Norwegian Registry of Securities, the major shareholders holding more than 1% of the outstanding shares at the reporting date were as follows:

Shareholder's name	Percentage of total issued capital
Jinhui Holdings Company Limited*	40.81%
BNP Paribas*	24.53%
Nordnet Bank AB	6.64%
Willumsen Thor Inge	1.87%
Finnbergåsen Eiendom AS	1.50%
Nordnet Livsforsikring AS	1.32%
JPMorgan Chase Bank, N.A., London	1.05%
Kvam, Jan Arvid	1.01%
	78.73%

\* BNP Paribas held 16,252,990 shares of the Company in custodian for Jinhui Holdings Company Limited as at 31 December 2025 and hence Jinhui Holdings Company Limited had approximately 55.69% beneficial interests in the Company.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 29. RESERVES

Details of movements in reserves of the Group are set out in the “Consolidated Statement of Changes in Equity” on page 82.

### Share premium

The application of the share premium account is governed by Section 40(2) of the Companies Act 1981 of Bermuda.

### Capital redemption reserve

Capital redemption reserve represents the par value of the repurchased and cancelled shares.

### Contributed surplus

Contributed surplus will be dealt with in accordance with Section 54 of the Companies Act 1981 of Bermuda.

### Revaluation reserve

Revaluation reserve represents the revaluation surplus between the carrying amount of the leasehold land and building which is owner-occupied and the fair value of that property at the date of reclassification to investment properties.

### Reserve for financial assets at fair value through OCI

Reserve for financial assets at fair value through OCI represents the changes in fair value of financial assets at fair value through OCI. As at 31 December 2025, the reserve for financial assets at fair value through OCI consists of recycling and non-recycling portion amounting to income of US\$100,000 (2024: US\$80,000) and loss of US\$5,326,000 (2024: US\$4,699,000) respectively.

## 30. BORROWINGS, SECURED

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
<b>Non-current</b>		
Bank loans	79,119	89,707
Other borrowings	25,337	–
	<b>104,456</b>	89,707
<b>Current</b>		
Bank loans	8,285	8,287
Other borrowings	2,172	–
	<b>10,457</b>	8,287
<b>Total borrowings</b>	<b>114,913</b>	97,994

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 30. BORROWINGS, SECURED (Continued)

At the reporting date, the Group's secured borrowings are repayable as follows:

	2025 US\$'000	2024 US\$'000
<b>Bank loans</b>		
Within one year	8,285	8,287
In the second year	67,779	8,844
In the third to fifth year	11,340	80,863
<b>Total bank loans</b>	<b>87,404</b>	<b>97,994</b>
Less: Amount repayable within one year	(8,285)	(8,287)
<b>Bank loans repayable after one year</b>	<b>79,119</b>	<b>89,707</b>
<b>Other borrowings</b>		
Within one year	2,172	–
In the second year	2,896	–
In the third to fifth year	8,687	–
After the fifth year	13,754	–
<b>Total other borrowings</b>	<b>27,509</b>	<b>–</b>
Less: Amount repayable within one year	(2,172)	–
<b>Other borrowings repayable after one year</b>	<b>25,337</b>	<b>–</b>

Bank loans represented term loans that were denominated in Hong Kong Dollars. During the year, the Group had drawn new bank loans of US\$15,000,000 (2024: US\$65,338,000) and repaid US\$25,590,000 (2024: US\$55,511,000).

Other borrowings represented the term loans on the sale and leaseback agreements on two owned vessels which the Group entered into during the year for the amount of US\$28,328,000 (2024: nil). These other borrowings were denominated in Renminbi (offshore) and were committed on floating rate basis. During the year, amount of US\$1,416,000 (2024: nil) was repaid.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 30. BORROWINGS, SECURED *(Continued)*

At the reporting date, all secured borrowings were committed on floating rate basis ranging from 3.80% to 5.35% (2024: 6.57% to 6.59%) per annum. These borrowings are secured by certain of the Group's assets as disclosed in note 36.

The carrying amount of the secured borrowings is considered to be a reasonable approximation of its fair value.

## 31. TRADE AND OTHER PAYABLES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade payables	330	820
Accrued charges	3,000	4,756
Other payables		
Payables related to vessel running cost and ship operating expenses	10,850	11,526
Hire receipt in advance	1,340	2,733
Loan interest payables	83	71
Accrued employee benefits	2,177	1,952
Others	205	172
	14,655	16,454
	17,985	22,030

The carrying amounts of trade and other payables are considered to be a reasonable approximation of their fair values.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	2025 US\$'000	2024 US\$'000
Profit before taxation	12,544	24,005
Adjustments for:		
Depreciation and amortization	57,557	44,189
Interest income	(2,683)	(834)
Interest expenses	8,994	6,092
Dividend income	(1,250)	(1,173)
Net loss on disposal of owned vessels	9,209	–
Change in fair value of investment properties	1,338	4,386
Impairment loss (Reversal of impairment loss) on trade and other receivables, net	539	(1,848)
Loss on write-off of property, plant and equipment	2	1
Bad debts written off in respect of trade and other receivables	1	–
Exchange loss for other borrowings	597	–
Reversal of impairment loss on owned vessels and right-of-use assets	–	(6,533)
Gain on disposal of property, plant and equipment, other than owned vessels	–	(15)
Net loss on disposal of assets held for sale	–	9
<b>Cash generated from operations before changes in working capital</b>	<b>86,848</b>	<b>68,279</b>
<i>Changes in working capital:</i>		
Inventories	(330)	(1,326)
Loan receivables	500	–
Trade and other receivables	6,275	4,229
Financial assets / financial liabilities at fair value through profit or loss	(3,951)	3,489
Trade and other payables	(4,057)	5,904
Amount due to holding company	28	7
<b>Changes in working capital</b>	<b>(1,535)</b>	<b>12,303</b>
<b>Cash generated from operations</b>	<b>85,313</b>	<b>80,582</b>



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities are classified as follows:

	Vessel mortgage loans <i>US\$'000</i>	Bank loans <i>US\$'000</i>	Other borrowings <i>US\$'000</i>	Lease liabilities <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 January 2024	16,505	71,662	–	29,139	117,306
<b>Cash flows:</b>					
Drawdown of loans	–	65,338	–	–	65,338
Repayment of loans	(16,505)	(39,006)	–	–	(55,511)
Repayment of lease liabilities	–	–	–	(17,426)	(17,426)
<b>Non-cash:</b>					
New lease	–	–	–	27,881	27,881
Lease remeasurement	–	–	–	(8,526)	(8,526)
Interest expense on lease liabilities	–	–	–	1,317	1,317
<b>At 31 December 2024</b>	<b>–</b>	<b>97,994</b>	<b>–</b>	<b>32,385</b>	<b>130,379</b>
At 1 January 2025	–	97,994	–	32,385	130,379
<b>Cash flows:</b>					
Drawdown of loans	–	15,000	28,328	–	43,328
Repayment of loans	–	(25,590)	(1,416)	–	(27,006)
Repayment of lease liabilities	–	–	–	(31,156)	(31,156)
<b>Non-cash:</b>					
Foreign exchange movement	–	–	597	–	597
New lease	–	–	–	27,711	27,711
Lease remeasurement	–	–	–	3,857	3,857
Interest expense on lease liabilities	–	–	–	3,265	3,265
<b>At 31 December 2025</b>	<b>–</b>	<b>87,404</b>	<b>27,509</b>	<b>36,062</b>	<b>150,975</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 34. DEFERRED TAXATION

At the reporting date, deferred tax assets have not been recognized in respect of tax losses of US\$375,209,000 (2024: US\$358,038,000).

Deferred tax assets have not been recognized in respect of tax losses because it is not probable that future taxable profit will be available against which the unused tax losses can be utilized. Such tax losses do not expire under current tax legislation.

## 35. FUTURE OPERATING LEASE ARRANGEMENTS

### (a) Where the Group is the lessee

At the reporting date, the Group had future minimum lease payment payable under non-cancellable operating leases on time charter hire as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Within one year	4,480	7,116
In the second to fifth year	210	–
	<hr/> 4,690	<hr/> 7,116



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 35. FUTURE OPERATING LEASE ARRANGEMENTS *(Continued)*

### (b) Where the Group is the lessor

At the reporting date, the Group had future minimum lease income receivables under non-cancellable operating leases as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Within one year:		
Premises	265	39
Owned vessels	46,115	45,877
Chartered-in vessels	9,517	5,417
	<hr/> 55,897	<hr/> 51,333
In the second to fifth year:		
Owned vessels	37,464	63,269
Chartered-in vessels	4,216	6,415
	<hr/> 41,680	<hr/> 69,684
	<hr/> 97,577	<hr/> 121,017

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 36. PLEDGE OF ASSETS

At the reporting date, the Group had certain credit facilities which were secured by the followings:

- (a) Legal charges on the Group's property, plant and equipment (note 18) with an aggregate net book value of US\$246,377,000 (2024: US\$252,113,000) and investment properties (note 20) with an aggregate carrying amount of US\$16,329,000 (2024: US\$17,301,000);
- (b) Financial assets at fair value through profit or loss of US\$6,626,000 (2024: US\$6,994,000);
- (c) Deposits totaling US\$71,000 (2024: US\$329,000) of the Group placed with banks; and
- (d) Assignment of fourteen (2024: fifteen) subsidiaries' income in favour of banks.

In addition, shares of two (2024: nil) ship owning subsidiaries were pledged in respect of other borrowings.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 37. CAPITAL EXPENDITURE COMMITMENTS

### Capital expenditures

During the year, the Group reported capital expenditure of US\$38,396,000, primarily for the balance payment on vessel deliveries and capitalized drydocking costs. Additionally, US\$25,009,000 was paid as installments for vessels under construction, US\$9,056,000 for leasehold land and buildings and US\$150,000 was spent on other property, plant and equipment.

For the year 2024, capital expenditure of US\$95,095,000 was incurred, including US\$94,698,000 on additions of motor vessels and capitalized drydocking costs and US\$397,000 on other property, plant and equipment.

### Capital commitments

During the year, the Group entered into four shipbuilding contracts for the construction of four Ultramax newbuildings, each at a consideration of US\$33 million. The vessels are scheduled for delivery in 2028. As at the reporting date, installments amounting to US\$18,209,000 had been paid in respect of vessels under construction, and the capital expenditure commitments contracted by the Group but not provided for, net of installment paid, was approximately US\$111,830,000.

For the year 2024, the Group entered into two shipbuilding contracts for the construction of two Ultramax, each at a consideration of US\$34 million, to be delivered in 2026 and 2027 respectively. As at the reporting date, installments of US\$6,800,000 for the vessels under construction were paid, and the capital expenditure commitments contracted by the Group but not provided for, net of installments paid, was approximately US\$61,200,000 (2024: US\$68,000,000).

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (2024: US\$372,000).

As at 31 December 2025, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of installment paid, was US\$173,402,000.

As of 31 December 2024, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$117,080,000. In addition to the aforementioned commitments, the amount also included right-of-use assets of approximately US\$26,640,000 for the long term charter of a Capesize, which was delivered in January 2025, as well as a capital expenditure commitment of US\$22,068,000 for the acquisition of an Ultramax, which was acquired at the end of 2024 and delivered to the Group in January 2025.

Save as disclosed above, there was no other significant capital expenditure commitment contracted by the Group but not provided for as at the reporting date.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 38. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the year, the Group had the following related party transactions:

- (a) Receipt of an administrative fee of US\$255,000 (2024: US\$253,000) from Jinhui Holdings;
- (b) Lease payment of US\$17,000 (2024: US\$17,000) under a short term lease to a fellow subsidiary; and
- (c) Compensation of key management personnel as follows:

	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
Salaries and other benefits	9,324	9,265
Contributions to retirement benefits schemes	446	446
	<b>9,770</b>	<b>9,711</b>

Other payables included accrued employee benefits payables to directors and executive personnel of US\$1,539,000 (2024: US\$1,463,000). There is no other balance or transaction related to connected party or any director and executive personnel and substantial shareholder of the Group.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 39. EVENTS AFTER THE REPORTING DATE

In December 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,361 metric tonnes, built in year 2012, at a consideration of US\$14,400,000. For financial reporting purposes, the vessel was reclassified to “Assets held for sale” in accordance with IFRS 5 and HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” at the reporting date. The agreement was subsequently cancelled in January 2026 as one of the contractual clauses could not be fulfilled.

In February 2026, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each with a deadweight of 64,100 metric tonnes, at a consideration of US\$34 million per vessel, scheduled for delivery in May 2029 and July 2029 respectively.

In March 2026, the Group entered into an agreement for the disposal of a vessel of deadweight 63,485 metric tonnes, built in year 2014, at a consideration of US\$23,455,000. The vessel will be delivered to the purchaser on or before 15 July 2026.

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES

The Group is exposed to financial risks through its use of financial instruments which arise from its business activities. The financial risks include market risk (mainly comprise of interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk. The management manages and monitors the financial risk exposures to ensure appropriate measures are implemented on a timely and effective manner. These policies have been in place for years and are considered to be effective.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

### (a) Categories of financial instruments

At the reporting date, the carrying amounts of financial instruments presented in the consolidated statement of financial position related to the following categories of financial assets and financial liabilities:

	2025 US\$'000	2024 US\$'000
<b>Financial assets</b>		
<i>Financial assets at fair value through OCI</i>		
Unlisted equity investments	4,321	4,948
Unlisted club membership	438	418
	<b>4,759</b>	5,366
<i>Financial assets at fair value through profit or loss</i>		
Listed equity securities	21,526	17,903
Investment funds	3,324	2,702
	<b>24,850</b>	20,605
<i>Financial assets at amortized cost</i>		
Trade and other receivables	7,279	9,245
Loan receivables	12,077	1,577
Pledged deposits	71	329
Bank balances and cash	89,398	23,005
	<b>108,825</b>	34,156
	<b>138,434</b>	60,127
<b>Financial liabilities</b>		
<i>Financial liabilities at fair value through profit or loss</i>		
Interest rate swap	294	–
<i>Financial liabilities at amortized cost</i>		
Trade and other payables	16,641	19,293
Amount due to holding company	211	183
Borrowings, secured	114,913	97,994
Lease liabilities	36,062	32,385
	<b>167,827</b>	149,855
	<b>168,121</b>	149,855



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

### (b) Interest rate risk

#### **Exposures to interest rate risk and the Group's risk management policies**

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's interest rate risk arises primarily from bank loans and other borrowings that were committed on floating rate basis.

The Group manages interest rate risk by monitoring its interest rate profile as set out in note 30.

#### **Sensitivity analysis\***

Based on the exposures to bank loans of US\$87,404,000 (2024: US\$97,994,000) at the reporting date, it was estimated that an increase of 25 (2024: 25) basis points in interest rate, with all other variables remaining constant, the Group's net profit would decrease by approximately US\$219,000 (2024: US\$245,000).

Based on the exposures to other borrowings of US\$27,509,000 (2024: nil) at the reporting date, it was estimated that an increase of 25 (2024: nil) basis points in interest rate, with all other variables remaining constant, the Group's net profit would decrease by approximately US\$69,000 (2024: nil).

The sensitivity analysis above has been determined as if the change in interest rate had occurred at the reporting date. The basis of 25 (2024: 25) points increase is considered to be reasonably possible change based on observation of current market conditions and represents the management's assessment of a reasonably possible change in interest rate over the period until the next reporting date.

\* *The sensitivity analysis disclosed above represents the risks inherent to the Group's financial instruments as of each reporting date. The result of the sensitivity analysis may differ from time to time according to the then prevailing market conditions.*

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

### (c) Foreign currency risk

#### Exposures to foreign currency risk and the Group's risk management policies

Foreign currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's transactions, assets and liabilities are mainly denominated in United States Dollars, the functional currency of the Company. Certain of the Company's subsidiaries report in Hong Kong Dollars which is linked to United States Dollars at exchange rate of around US\$1.00 to HK\$7.80. The Group believes that there will be no significant fluctuation in the exchange rates between Hong Kong Dollars and United States Dollars.

At the reporting date, the Group was exposed to foreign currency risk primarily through holding certain bank deposits and investment in equity securities mainly denominated in Singapore Dollars amounting to SGD683,000 and SGD7,737,000, approximately US\$530,000 and US\$6,008,000 (2024: SGD798,000 and SGD7,608,000, approximately US\$584,000 and US\$5,570,000) respectively. In addition, the Group was exposed through holding certain bank deposits and other borrowings mainly denominated in Renminbi Dollars, amounting to RMB164,911,000 and RMB192,850,000, approximately US\$23,523,000 and US\$27,509,000 (2024: nil) respectively.

#### Sensitivity analysis\*

At the reporting date, based on the total exposures to the bank deposits and equity securities mainly denominated in Singapore Dollars of SGD8,420,000, approximately US\$6,538,000 (2024: SGD8,406,000, approximately US\$6,154,000), it was estimated that a depreciation of 5% (2024: 5%) in exchange rate of Singapore Dollars against United States Dollars would result in a decrease to the Group's net profit by approximately US\$311,000 (2024: US\$293,000) with all other variables remain constant. The sensitivity analysis had been determined based on the assumed exchange rate movement of Singapore Dollars (2024: Singapore Dollars) against United States Dollars taking place at the beginning of the year and held constant throughout the year.

At the reporting date, based on the net exposures to the bank deposits and other borrowings mainly denominated in Renminbi Dollars of RMB27,939,000, approximately US\$3,986,000 (2024: nil), it was estimated that an appreciation of 5% (2024: nil) in exchange rate of Renminbi Dollars against United States Dollars would result in a decrease to the Group's net profit by approximately US\$210,000 (2024: nil) with all other variables remain constant. The sensitivity analysis had been determined based on the assumed exchange rate movement of Renminbi Dollars (2024: nil) against United States Dollars taking place at the beginning of the year and held constant throughout the year.

\* The sensitivity analysis disclosed above represents the risks inherent to the Group's financial instruments as of each reporting date. The result of the sensitivity analysis may differ from time to time according to the then prevailing market conditions.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

### (d) Price risk

#### **Exposures to price risk and the Group's risk management policies**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will decline because of adverse market price movements of the financial instrument. The Group is exposed to price risk primarily through its investments in equity securities and investment funds classified as financial assets at fair value through profit or loss.

The Group's portfolio of financial instruments that exposed to price risk at the reporting date is set out in note 25.

#### **Sensitivity analysis\***

Based on the portfolio of equity securities held by the Group at the reporting date, if the quoted prices of the equity securities had been decreased by 10% (2024: 10%), the Group's net profit would decrease by approximately US\$2,153,000 (2024: US\$1,790,000).

Based on the portfolio of investment funds held by the Group at the reporting date, if the quoted prices of the investment funds had been decreased by 10% (2024: 10%), the Group's net profit would decrease by approximately US\$332,000 (2024: US\$270,000).

\* *The sensitivity analysis disclosed above represents the risks inherent to the Group's financial instruments as of each reporting date. The result of the sensitivity analysis may differ from time to time according to the then prevailing market conditions.*

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

### (e) Credit risk

#### **Exposures to credit risk and the Group's risk management policies**

Credit risk relates to the risk that the counterparty to a financial instrument would fail to discharge its contractual obligations under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposures to credit risk mainly arises from granting credit to charterers in the ordinary course of its operations, loan receivables to third parties and deposits or other financial assets placed with financial institutions.

Management has a credit policy in place for approving the credit limits to charterers and the exposures to credit risk are monitored such that any outstanding trade receivables are reviewed and followed up on an ongoing basis. Credit evaluations including assessing the customer's creditworthiness and financial standing are performed on customers requiring a credit over certain amount. During the year, impairment loss of US\$539,000 (2024: nil) was provided on trade receivables with outstanding balance of US\$44,000 (2024: nil) over one year past due and remaining outstanding balance of US\$495,000 (2024: nil) which the Group considered there was significant increase in credit risk. A reversal of impairment loss on trade receivables amounting to US\$1,848,000 was recognized in 2024, attributable to the recovery of outstanding trade receivables from prior years. Additionally, no trade receivables was written off as uncollectible during the year while trade receivables of US\$2,351,000 was written off as uncollectible in 2024.

The credit terms given to charterers vary from 15 to 60 days according to the types of vessels' employment.

For trade receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

### (e) Credit risk (Continued)

#### Exposures to credit risk and the Group's risk management policies (Continued)

On the above basis, the ECL for trade receivables as at 31 December 2025 and 2024 was determined as follows:

	Current US\$'000	Within 3 months past due US\$'000	Over 3 months but within 6 months past due US\$'000	Over 6 months but within 12 months past due US\$'000	Over 12 months past due US\$'000	Total US\$'000
<b>2025</b>						
Trade receivables						
– gross carrying amount	1,047	433	574	193	207	2,454
Lifetime ECL	495	–	–	–	207	702
ECL rate	47%	0%	0%	0%	100%	
<b>2024</b>						
Trade receivables						
– gross carrying amount	216	698	147	32	163	1,256
Lifetime ECL	–	–	–	–	163	163
ECL rate	0%	0%	0%	0%	100%	

For other receivables and loan receivables arose from the Co-investment, the Group measures the loss allowance for those receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition and the Group also considered the net asset value of the Co-investment for estimating the ECL for loan receivables. For the result of the assessment, no impairment loss on other receivables and loan receivables arose from Co-investment was provided as at 31 December 2025 and 2024. The outstanding balance of those receivables of US\$7,104,000 (2024: US\$9,729,000) are considered as not deteriorated significantly in credit quality or with low credit risk. Management believes that there was no significant increase in credit risk inherent in the Group's outstanding balance of those receivables.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES *(Continued)*

### (e) Credit risk *(Continued)*

#### **Exposures to credit risk and the Group's risk management policies *(Continued)***

For loan receivables which arise from asset-based financing and secured by collaterals provided by borrowers, the Group measures the loss allowance for these financial assets equal to 12-month ECL with taking those collaterals into accounts unless when there has been a significant increase in credit risk since initial recognition or classified as credit-impaired, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of default occurring since initial recognition or classified as credit-impaired. The loan receivables are reviewed by the management at the reporting date to assess impairment allowance which are based on the evaluation of current creditworthiness, collection statistic and the market values of the vessels or similar vessels which were appraised by independent qualified appraisal firms or recent transactions. The outstanding balance of those receivables of US\$10,500,000 (2024: nil) are considered as not deteriorated significantly in credit quality or with low credit risk.

For the financial assets at fair value through OCI, the management believes that the credit risk inherent in the Group is low and counterparties have the capacity to meet their contractual cash flow obligation in the near term and the ECL recognized is based on the 12-month ECL.

The Group has no significant concentration of credit risk in respect of trade receivables, with exposure spread over a number of charterers. At the reporting date, the Group did not hold any collateral from charterers.

Bank deposits are only placed with creditworthy financial institutions. The management does not expect any financial institutions fail to meet their obligations.



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

### (f) Liquidity risk

#### Exposures to liquidity risk and the Group's risk management policies

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, its financing obligations and lease liabilities, and also in respect of its cash flow management.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other borrowings. The management regularly monitors the Group's current and expected liquidity requirements and its compliance with lending covenants, to ensure it maintains sufficient reserves of cash and bank balances, readily realizable marketable equity securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirement.

The analysis below set out the remaining contractual maturity based on undiscounted cash flow of the Group's financial liabilities at the reporting date.

	Within one year <i>US\$'000</i>	In the second year <i>US\$'000</i>	In the third to fifth year <i>US\$'000</i>	After the fifth year <i>US\$'000</i>	Total undiscounted amount <i>US\$'000</i>	Carrying amount <i>US\$'000</i>
<b>2025</b>						
Trade and other payables	16,641	-	-	-	16,641	16,641
Amount due to holding company	211	-	-	-	211	211
Borrowings, secured	15,578	75,358	22,209	14,535	127,680	114,913
Lease liabilities	17,942	13,646	6,707	-	38,295	36,062
	<b>50,372</b>	<b>89,004</b>	<b>28,916</b>	<b>14,535</b>	<b>182,827</b>	<b>167,827</b>
<b>2024</b>						
Trade and other payables	19,293	-	-	-	19,293	19,293
Amount due to holding company	183	-	-	-	183	183
Borrowings, secured	14,486	14,485	85,532	-	114,503	97,994
Lease liabilities	19,873	5,485	9,088	-	34,446	32,385
	<b>53,835</b>	<b>19,970</b>	<b>94,620</b>	<b>-</b>	<b>168,425</b>	<b>149,855</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- (a) to ensure the Group's ability to continue as a going concern;
- (b) to provide adequate returns for shareholders;
- (c) to maintain an optimal capital structure to reduce the cost of capital; and
- (d) to support the Group's stability and sustainable growth.

The Group's capital management strategies are to rely on internal resources and interest-bearing borrowings to finance the capital expenditures. The management may make adjustments to its capital structure in the light of changes in economic conditions, recent market values of the Group's assets as well as the risk characteristics of the underlying assets through adjusting the amount of dividends paid to shareholders, issuing new shares or selling assets to reduce debts.

The Group monitors capital structure on the basis of the gearing ratio. This ratio is calculated as net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity. The gearing ratio of the Group at the reporting date is calculated as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Secured borrowings repayable within one year	10,457	8,287
Secured borrowings repayable after one year	104,456	89,707
Total secured borrowings	114,913	97,994
Less: Equity securities	(21,526)	(17,903)
Less: Bank balances and cash	(89,398)	(23,005)
Net debts	3,989	57,086
Total equity	380,269	371,610
Gearing ratio	1%	15%



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 42. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

### (a) Statement of financial position of the Company

	2025 US\$'000	2024 US\$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in subsidiaries	8,723	8,723
<b>Current assets</b>		
Amount due from subsidiaries	241,853	318,606
Bank balances and cash	50	33
	<b>241,903</b>	<b>318,639</b>
<b>Total assets</b>	<b>250,626</b>	<b>327,362</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Issued capital	5,463	5,463
Reserves	244,353	320,395
<b>Total equity</b>	<b>249,816</b>	<b>325,858</b>
<b>Current liabilities</b>		
Other payables	98	818
Amount due to subsidiaries	501	503
Amount due to holding company	211	183
	<b>810</b>	<b>1,504</b>
<b>Total equity and liabilities</b>	<b>250,626</b>	<b>327,362</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 42. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY *(Continued)*

### (b) Statement of changes in equity of the Company

	Issued capital <i>US\$'000</i>	Share premium <i>US\$'000</i>	Capital redemption reserve <i>US\$'000</i>	Contributed surplus <i>US\$'000</i>	Retained profits <i>US\$'000</i>	Total equity <i>US\$'000</i>
At 1 January 2024	5,463	95,585	719	16,297	168,260	286,324
<b>Profit and total comprehensive income for the year</b>	-	-	-	-	39,534	39,534
At 31 December 2024	5,463	95,585	719	16,297	207,794	325,858
At 1 January 2025	5,463	95,585	719	16,297	207,794	325,858
<b>Loss and total comprehensive loss for the year</b>	-	-	-	-	(72,764)	(72,764)
2024 final dividend paid	-	-	-	-	(3,278)	(3,278)
<b>At 31 December 2025</b>	<b>5,463</b>	<b>95,585</b>	<b>719</b>	<b>16,297</b>	<b>131,752</b>	<b>249,816</b>



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 43. PRINCIPAL SUBSIDIARIES

Name	Issued and paid-up capital / registered capital	Attributable equity interest at 31/12/2025	Attributable equity interest at 31/12/2024	Principal activities	Place of operation
<b>Incorporated in Bermuda</b>					
# Jinhui MetCoke Limited	12,000 ordinary shares of US\$1 each	100%	100%	Investment holding	Worldwide
<b>Incorporated in the British Virgin Islands</b>					
Advance Rich Limited	1 share of US\$1 each	100%	100%	Investment	Worldwide
Atwell Enterprises Limited	1 share of US\$1 each	100%	100%	Ship chartering	Worldwide
Elstead Limited	100 shares of US\$1 each	100%	100%	Ship chartering	Worldwide
# Jin Hui Shipping Inc.	50,000 shares of US\$1 each	100%	100%	Investment holding	Worldwide
# Jinhui Investments Limited	1 share of US\$1 each	100%	100%	Investment holding	Worldwide
Timeplus Limited	1,000 shares of US\$1 each	100%	100%	Ship chartering	Worldwide
Wokefield Enterprises Limited	1 share of US\$1 each	100%	100%	Ship chartering	Worldwide

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 43. PRINCIPAL SUBSIDIARIES (Continued)

Name	Issued and paid-up capital / registered capital	Attributable equity interest at 31/12/2025	Attributable equity interest at 31/12/2024	Principal activities	Place of operation
<b>Incorporated in Hong Kong</b>					
Fair Fait International Limited	HK\$2 divided into 2 ordinary shares	100%	100%	Property investment	Hong Kong
Goldbeam International Limited	HK\$5,000,000 divided into 5,000,000 ordinary shares	100%	100%	Ship management services, shipping agent and investment	Hong Kong
Good Sunshine Limited	HK\$1 divided into 1 ordinary share	100%	100%	Property investment	Hong Kong
Jinhui Finance (Hong Kong) Limited	HK\$10,000 divided into 10,000 ordinary shares	100%	100%	Money lending	Hong Kong
Leadford Industries Limited	HK\$2 divided into 2 ordinary shares	100%	100%	Property investment	Hong Kong
Monocosmic Limited	HK\$10,000 divided into 10,000 ordinary shares	100%	100%	Property investment	Hong Kong
Noble Talent Development Limited	HK\$1 divided into 1 ordinary share	100%	100%	Property investment	Hong Kong
Ringo Star Company Limited	HK\$2 divided into 2 ordinary shares	100%	100%	Property investment	Hong Kong
Smarty Goal Limited	HK\$1 divided into 1 ordinary share	100%	100%	Property investment	Hong Kong
Union Gold Limited	HK\$1 divided into 1 ordinary share	100%	100%	Property investment	Hong Kong



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 43. PRINCIPAL SUBSIDIARIES (Continued)

Name	Issued and paid-up capital / registered capital	Attributable equity interest at 31/12/2025	Attributable equity interest at 31/12/2024	Principal activities	Place of operation
<b>Incorporated in the Republic of Liberia</b>					
Galsworthy Limited	1 registered share of US\$1 each	100%	100%	Ship chartering	Worldwide
Goldbeam Shipping Inc.	100 registered shares of US\$1 each	100%	100%	Ship chartering	Worldwide
Paxton Enterprises Limited	500 registered shares of US\$1 each	100%	100%	Ship chartering	Worldwide
Sompol Trading Limited	10 registered shares of US\$1 each	100%	100%	Ship chartering	Worldwide
Wonder Enterprises Ltd.	500 registered shares of US\$1 each	100%	100%	Ship chartering	Worldwide
<b>Incorporated in the Republic of Panama</b>					
Huafeng Shipping Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinan Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinao Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinbi Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinchao Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jincheng Maritime Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 43. PRINCIPAL SUBSIDIARIES (Continued)

Name	Issued and paid-up capital / registered capital	Attributable equity interest at 31/12/2025	Attributable equity interest at 31/12/2024	Principal activities	Place of operation
<b>Incorporated in the Republic of Panama (Continued)</b>					
Jinfeng Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinhan Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinheng Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinhong Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinhui Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship chartering	Worldwide
Jinli Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinmei Marine Inc.	2 registered shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinming Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinping Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinrui Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinsheng Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide



# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 43. PRINCIPAL SUBSIDIARIES (Continued)

Name	Issued and paid-up capital / registered capital	Attributable equity interest at 31/12/2025	Attributable equity interest at 31/12/2024	Principal activities	Place of operation
<b>Incorporated in the Republic of Panama (Continued)</b>					
Jinwan Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinxiang Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinxing Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinyao Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinyi Shipping Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinyuan Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinyue Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Jinzhou Marine Inc.	2 common shares of US\$1 each	100%	100%	Ship owning	Worldwide
Rimpacific Navigation Inc.	2 common shares of US\$1 each	100%	100%	Ship chartering	Worldwide

# These are direct subsidiaries of the Company. All other companies are indirect subsidiaries.

# Glossary

This glossary contains the abbreviations and main terms used in the 2025 annual report.

<b>Abbreviations / Main terms</b>	<b>Meanings in the annual report</b>
Board	Board of Directors;
BWTS	Ballast Water Treatment System;
Chairman	Chairman of the Board;
China / PRC	The People's Republic of China;
CII	Carbon Intensity Indicator;
CO <sub>2</sub>	Carbon Dioxide;
Company / Jinhui Shipping	Jinhui Shipping and Transportation Limited, a limited liability company incorporated in Bermuda and an approximately 55.69% direct subsidiary of Jinhui Holdings as at 31 December 2025, whose shares are listed on the Oslo Stock Exchange (Euronext Oslo Børs) (stock code: JIN);
Company Code	A set of code adopted by the Company, which sets out the corporate standards and practices used by the Group;
Director(s)	Director(s) of the Company;
DWT	Deadweight tonnage;
ECL	Expected credit loss;
EEDI	Energy Efficiency Design Index;
EEOI	Energy Efficiency Operational Indicator;
EEXI	Energy Efficiency Existing Ship Index;
ETS	Emissions Trading System;
Euronext Securities Oslo	the Norwegian Central Securities Depository, formerly known as Verdipapirsentralen ASA (VPS);



<b>Abbreviations / Main terms</b>	<b>Meanings in the annual report</b>
GHG	Greenhouse Gas;
Group	Company and its subsidiaries;
HKAS	Hong Kong Accounting Standards;
HKFRS	Hong Kong Financial Reporting Standards;
HKICPA	Hong Kong Institute of Certified Public Accountants;
Hong Kong	The Hong Kong Special Administrative Region of the PRC;
IAS	International Accounting Standards;
IASB	The International Accounting Standards Board;
IFRS	IFRS Accounting Standards;
IMO	The International Maritime Organization;
ISM Code	The International Safety Management Code;
ISPS Code	The International Ship and Port Facility Security Code;
Jinhui Holdings	Jinhui Holdings Company Limited, a company incorporated in Hong Kong and its shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 137);
LSP	Long service payment;
MARPOL	The International Convention for the Prevention of Pollution from Ships;
MLC Code	Maritime Labour Convention, 2006;
MPF	Mandatory provident fund;
Nordea Bank	Nordea Bank Abp, Filial i Norge;
Norwegian Code of Practice	The Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board;



# Glossary

<b>Abbreviations / Main terms</b>	<b>Meanings in the annual report</b>
Shareholder(s)	Shareholder(s) of the Company;
SEEMP	Ship Energy Efficiency Management Plan;
STCW Convention	The International Convention on Standards of Training, Certification and Watchkeeping for Seafarers;
VAT	Value added tax;
HK\$	Hong Kong Dollars, the lawful currency of Hong Kong;
RMB	Renminbi, the lawful currency of the PRC;
SGD	Singapore Dollars, the lawful currency of Singapore; and
US\$	United States Dollars, the lawful currency of the United States of America.

