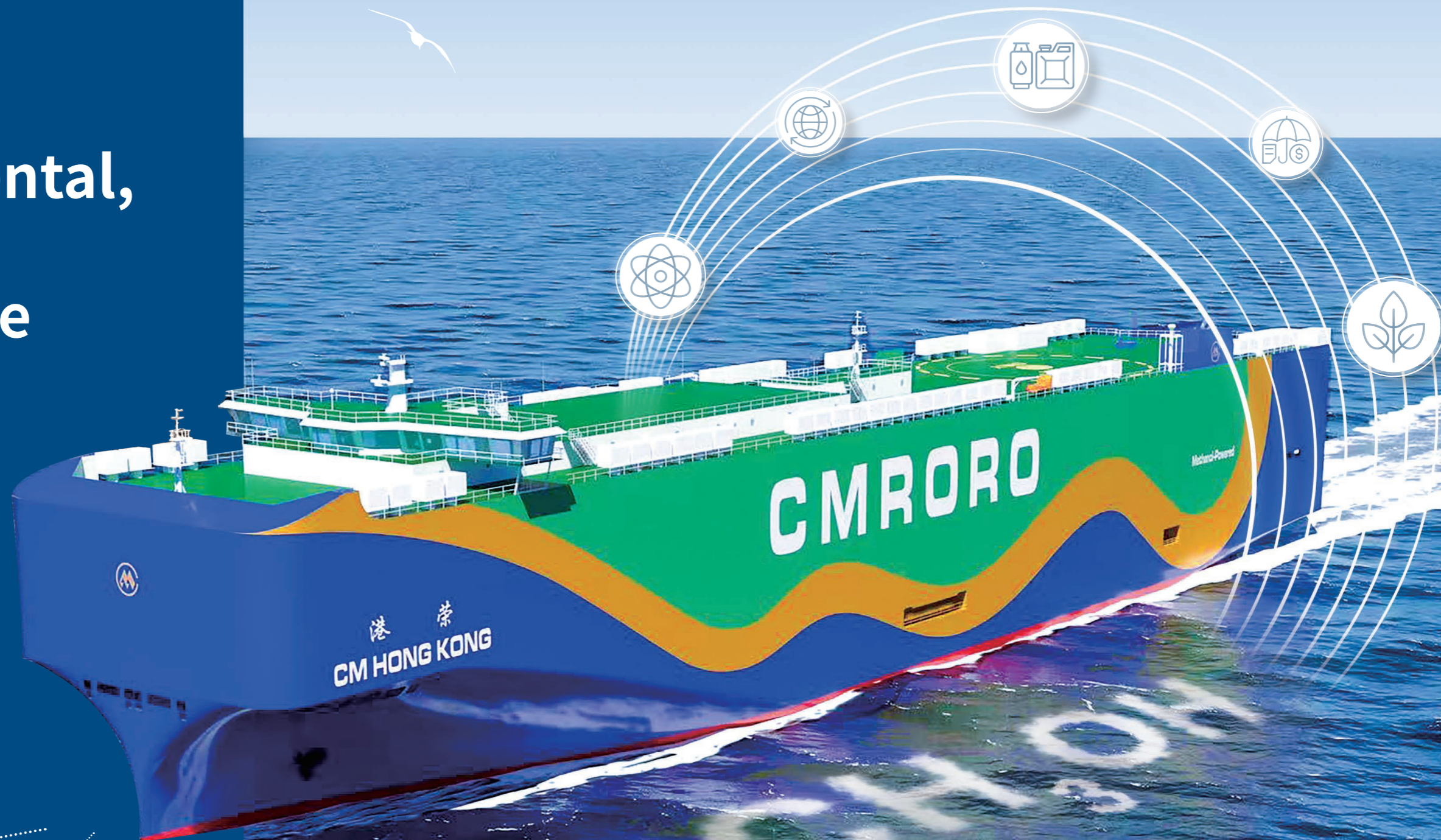


2025

Environmental, Social and Governance Report





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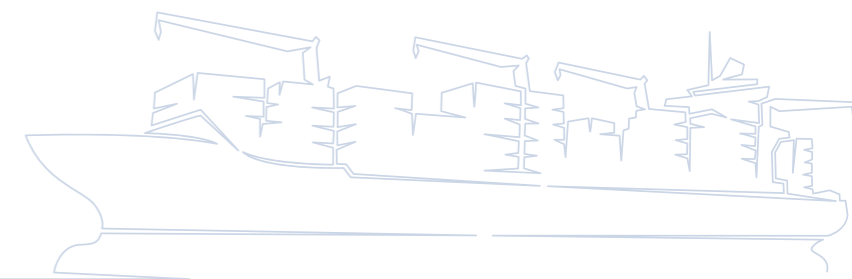
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ABOUT THE REPORT

China Merchants Energy Shipping Co., Ltd. (“CMES Shipping”, “the Company” or “we”) discloses information on sustainable development annually in the form of an independent report.

This is the fifth consecutive year of CMES Shipping’s *Environmental, Social and Governance Report*, which was approved by the Board of Directors of the Company on March 25, 2026 and disclosed to the public on March 27, 2026.



Scope of the Report

Scope of the Organization: This report is specific to China Merchants Energy Shipping Co., Ltd. along with all directly managed subsidiaries under CMES Shipping.

Reporting Period: The reporting period is from January 1, 2025 to December 31, 2025.

Release Cycle: This is an annual ESG report.



Reference of the Report

This report refers to:

- Shanghai Stock Exchange *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies--Sustainability Report (Trial)*
- Shanghai Stock Exchange *Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies--Preparation of Sustainability Report (Revised January 2026)*
- State-owned Assets Supervision and Administration Commission of the State Council (SASAC) *Reference of ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises*
- Global Sustainability Standards Board (GSSB) *GRI Standards*
- United Nations SDG Compass
- Task Force on Climate-related Financial Disclosures (TCFD) Disclosure Framework
- WMMF ESG Rating Standards, etc.



Reporting Principles

Materiality: In accordance with relevant reporting standards and based on the Company’s actual situation, the report identifies, examines, evaluates, and focuses on material ESG (Environmental, Social and Governance) issues in its compilation.

Balance: The report objectively presents the Company’s ESG performance, avoiding disclosure methods that may influence the readers’ decision-making or judgment.

Quantifiability: The report discloses quantifiable data on environmental, social and governance aspects, with clear definitions of the scope of statistics or methods of calculation for relevant data.

Consistency: Explanations are provided for data where the scope of disclosure or calculation methods have changed.



Data Description

The information and data disclosed in this report are primarily obtained through the following means:

- Internal data collection systems and relevant statistical reports of the Company
- Qualitative and quantitative information collection forms based on the reporting framework

All operational data disclosed in this report are derived from the *2025 Annual Report of China Merchants Energy Shipping Co., Ltd.* (hereinafter referred to as the “Annual Report”). In the event of any discrepancies in the listed data, the information in the Annual Report shall prevail. Unless otherwise specified, all monetary amounts mentioned in this report are presented in CNY.



Reliability Assurance

This report was organized and compiled by the ESG Management Team of CMES Shipping. CMES Shipping guarantees that the content of the report contains no false or misleading statements.



Access to the Report

This report is available in two languages: Simplified Chinese and English. You can view and download the electronic version from our official website at <http://www.cmenergyshipping.com>.



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LETTER FROM THE CHAIRMAN

In 2025, the global economic landscape continued to undergo profound restructuring, while cyclical volatility in the shipping market intensified. As the core listed shipping company affiliated to China Merchants Group and both a steward and pioneer of China's national shipping industry, CMES Shipping remains guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and upholds China Merchants Group's core value of "prosper with the country and thrive with the times". Staying true to the founding mission of "drive progress of our times through success of our business", the Company remains firmly committed to its strategic objective of "becoming a world-class shipping enterprise". The Company continues to integrate environmental, social and governance (ESG) principles into its business strategy, operation and management, driving innovation-led growth, strengthening accountability, and advancing steadily on the path toward high-quality development.

Delivering Quality Growth and Efficiency Improvement for Excellence.

Over the past year, the Company remained focused on its core shipping business and actively responded to market volatility, while continuously optimizing the structure of its diversified fleet covering tanker, dry-bulk, LNG, RORO and container shipping. We've achieved further improvements in both scale and profitability. During the reporting period, the Company delivered record-high operating results. Total operating revenue recorded approximately CNY 28.177 billion, net profit attributable to shareholders of the listed company amounted to CNY 6.012 billion, and total assets reached CNY 82.131 billion. The dividend payout ratio continued to increase, demonstrating the Company's resilience across industry cycles and its ability to generate sustainable long-term value for shareholders.

Advancing Decarbonization and Green Shipping.

Green shipping remains a key driver of the Company's high-quality development. During the year, the Company made significant progress in green vessel development and alternative fuel application. The world's first 9,300CEU methanol dual-fuel PCTC "CM HONG KONG" was completed and delivered into service, the first Mark III LNG carrier and three energy-efficient bulk carriers were successfully delivered, and the proportion of green vessels in the fleet continued to increase. The world's first methanol dual-fuel VLCC "NEW EXPLORER", developed by the Company, successfully completed sea trials.

The Company continued to implement fleet energy-efficiency retrofits and digital energy-efficiency management, with strong performance under the IMO Carbon Intensity Indicator (CII) framework. Vessels rated C or above accounted for 85.2% of the fleet, significantly higher than the global average of approximately 63%, demonstrating industry-leading performance in green operations. Total fleet carbon emissions for the year were 6.4022 million tons. Despite an increase of 29 managed vessels (up 13.4%), total emissions rose by only 5.7%, while CO₂ emission intensity per thousand nautical miles increased by only 1.62%, reflecting improved operational efficiency alongside fleet expansion. In addition, the Company led the development of two industry group standards on marine fuel carbon intensity and published the *Net-Zero Guide - Practical Approaches for Global Shipping Companies*, supporting the global shipping sector's green transformation, in line with the responsibilities expected of a leading enterprise.

Digital Transformation and Innovation-Driven Development.

Taking technological innovation as its core driving force, the Company has actively fostered new quality productive forces in shipping. In 2025, the Company invested CNY 195 million in research and development, expanded its R&D team to 193 personnel, and accumulated 74 registered software copyrights, further strengthening its independent innovation capability. The Company continued to advance digital transformation across key operational scenarios. The first "Belt and Road Intelligent Trade & Transportation Chain (BRITC)" electronic bill of lading for bulk commodities in Zhoushan and the 1,000th electronic bill of lading for container shipping were successfully issued, while the "Smart Carbon Platform" completed monitoring of 3,484 vessels. These initiatives further enhanced the digital ecosystem of shipping trade, supporting the transition toward more refined, intelligent and efficient operations.

Strengthening Governance and Compliance for Sustainable Development.

The Company continued to enhance its modern corporate governance framework, guided by the principle of compliance-based management and efficiency-oriented operations, and ensured steady operations through a standardized and efficient governance framework. In 2025, the Company systematically revised 25 governance policies, optimized Board operation mechanisms, strengthened the oversight role of the Audit Committee, and further clarified the allocation of responsibilities among governance bodies. It integrated market-value management into strategic planning and business operations, with clear policies on share repurchases and dividend distribution. During the year, the Company completed share repurchases totaling CNY 443 million, and the dividend payout ratio increased to 42.98%. The Company also continued to enhance ESG management, improve the quality of information disclosure, and maintain regular and effective communication with investors. More than 200 investor roadshows were conducted during the year, further strengthening market confidence, reinforcing stakeholder trust, and promoting the dual objectives of compliant operations and value creation.

Moving Forward with Determination Toward a Sustainable Future Looking ahead, CMES Shipping will remain committed to its core shipping business, continue to drive development through innovation, advance decarbonization through green transformation, enhance competitiveness through digital and intelligent technologies, and safeguard long-term growth through robust governance. On the journey toward becoming a world-class shipping enterprise, the Company will move forward with determination, contribute to the high-quality and sustainable development of the global shipping industry.



China Merchants Energy Shipping Co., Ltd. Chairman: Feng Boming



CMES SHIPPING IN 2025

Environmental Performance

Total Fuel Consumption of the Fleet	(ten thousand tons)	Investment in Fleet Energy-saving Retrofit	(CNY ten thousand)	Investment in Fleet Environmental Retrofit	(CNY ten thousand)	Total GHG Emissions from Fleet Operations (Scope 1 & 2)	(ten thousand tCO ₂ e)
2023	7.19	2023	13,218.07	2023	28,291.80	2023	593.60
2024	6.26	2024	9,946.72	2024	22,911.34	2024	606.23
2025	7.36	2025	10,746.22	2025	20,667.69	2025	640.22

GHG Emissions Intensity (Scope 1 & 2)	(ten thousand tCO ₂ e per CNY million revenue)	GHG Emissions Intensity (Scope 3 - Other Indirect GHG Emissions)	(tCO ₂ e per CNY million revenue)	Total Energy Consumption of the Fleet	(ten thousand tce)	Total Energy Consumption per Million in Revenue	(ten thousand tce)
2023	0.023	2023	/	2023	271.78	2023	0.011
2024	0.023	2024	0.22	2024	277.68	2024	0.011
2025	0.023	2025	156.62	2025	293.57	2025	0.011

Single Vessel Fuel Consumption	(kilograms of standard coal per thousand ton-nautical miles)	Sulfur Dioxide (SO ₂) Emissions ²	(ten thousand tons)	Nitrogen Oxides (NO _x) Emissions ³	(ten thousand tons)
2023	2.23	2023	1.70	2023	0.44
2024	2.18	2024	1.74	2024	0.45
2025	2.21	2025	1.84	2025	0.48

Governance Performance

Number of Shareholders' Meetings Held	(times)	4	3	4	2023	2024	2025
Number of Board of Directors Meetings Held	(times)	11	12	8	2023	2024	2025
Number of Independent Directors' Special Meetings Held	(times)	3	6	6	2023	2024	2025
Number of Earnings and Thematic Road-shows Held	(times)	90	152	212	2023	2024	2025
Number of Participants in Business Ethics Training	(persons)	1,724 ¹	1,805	2,710	2023	2024	2025
Number of Specialized Committee Meetings Held	(times)	13	15	11	2023	2024	2025
Number of Female Board Members	(persons)	2	2	2	2023	2024	2025
Number of Anti-Corruption and Integrity Education Conferences Held	(times)	37 ²	31	64	2023	2024	2025

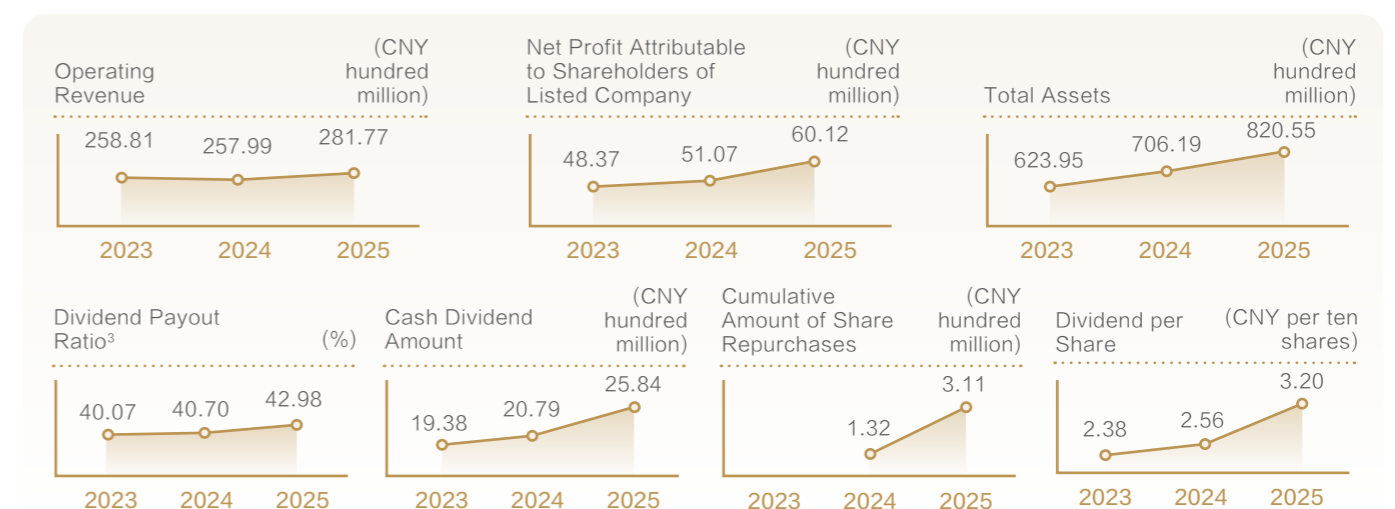
¹ Data adjusted in accordance with the Company's statistical reporting standards.

² Data adjusted in accordance with the Company's statistical reporting standards.

Social Performance

Key Indicator	Unit	2023	2024	2025
R&D Investment	CNY hundred million	394.27	1858.40	8166.15
R&D Personnel	persons	127	159	176
Cumulative Patents	units	7	7	6
Cumulative Software Copyrights	units	38	43	74
Total Number of Ongoing R&D Projects in the year	units	57	62	60
Investment in Work Safety	CNY ten thousand	17,395.14	23,944.75	36,142.58
Number of Work Safety Accidents	cases	13	12	9
Number of Employee Work-related Injuries	persons	7	5	4
Number of Employee Fatalities	persons	1	0	0
Accident Rate per Million Working Hours	times per million working hours	0.18	0.15	0.10
Number of Safety Drills	times	14,624	15,161	11,799
Number of Participants in Safety Drills	persons	345,447	358,052	281,470
Anti-piracy Success Rate	%	100	100	100
Success Rate of Typhoon and Flood Prevention	%	100	100	100
Zero-defect Rate in PSC Inspections	%	76.10	75.24	73.33
Average Defects per PSC Inspection	units per vessel	0.60	0.69	0.64
Vessel Detention Rate in PSC Inspections	%	0	0.32	0
Average Defects in Major Oil Company Inspections	units per vessel	1.70	2.48	3.24

Economic performance



³ The figure is presented on a consolidated financial statement basis, meaning that the total dividend amount represents the proportion of dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements.

HONORS AND AWARDS

Serial No.	Awarding Institution	Evaluation Content/Honor
1	Social Responsibility Office of SASAC	Selected for the ESG Blue Book of Listed Central State-owned Enterprises
2	Ministry of Ecology and Environment of China	2025 Excellent Corporate Case
3	Marine Department, Hong Kong	2024 Outstanding Performance Award in Port State Control (PSC) Inspection
4	China Association for Public Companies	2025 Cash Dividend Ranking of Listed Companies
5	China Association for Public Companies	Excellent Practice Cases in Sustainable Development of Listed Companies in 2025
6	China Association for Public Companies	2025 Excellent Practice Case of Board of Directors of Listed Companies
7	China Institute of Navigation	2025 Navigation Science and Technology Innovation (Team) Award
8	China Federation of Logistics & Purchasing	Science and Technology Award – First Prize for Technological Progress
9	Fortune Magazine	2025 China ESG Impact List
10	Caijing Magazine	Evergreen Award – Annual Breakthrough Enterprise in Technological Innovation
11	Wind	2025 Wind China Listed Companies ESG Best Practice Top 100
12	SynTao Green Finance	Selected for the 2025 China ESG Leaders Annual Report

Serial No.	Awarding Institution	Evaluation Content/Honor
13	China Securities Journal, China Reform Holdings Corporation Ltd.	2025 China Reform Holdings Cup ESG Golden Bull Top 100
14	New Fortune Magazine	2024 Best Listed Company
15	Hong Kong ESG Reporting Awards	2025 HERA Greater Bay Area Green Finance and Sustainable Development Summit – Excellent Disclosure Rankings
16	China Shipping Gazette	2025 Port & Shipping Logistics Industry TOP30 Innovation Cases
17	China Shipping Gazette	2024 Port & Shipping Logistics Enterprise of the Year
18	Weekly on Stocks	2025 Golden Dawn ESG Practice Award
19	Easy-Board ESG Value Rating	2025 Best ESG Practice Award for Listed Companies
20	1st China “ESG and Corporate Value Growth” Summit	ESG Top 50 Value Ranking of Listed Companies – Best ESG Innovation Award
21	CSR China Education Award Organizing Committee	CSR Impact Award Responsible Innovation
22	CSR China Education Award Organizing Committee	Responsibility 100 CSR CHINA TOP100 Rank
23	Green ShipTech Innovation Asia Summit 2025	2025 Advanced Demonstration Unit for Green Shipping Development



ABOUT US

China Merchants Energy Shipping Co., Ltd. ("CMES Shipping"), carrying forward the century-old shipping foundation of China Merchants Group (CMG), was established in 2004 and listed on the Shanghai Stock Exchange in 2006 (Stock Code: 601872.SH). Its stock code incorporates the founding year (1872) of China Merchants Steam Navigation Company to imply a new starting point for inheriting the century-old shipping industry.

CMES Shipping demonstrates strong core competitiveness and market adaptability through diversified business portfolio and extensive shipping experience. The Company owns a world-leading fleet of Very Large Crude Carriers (VLCC⁴) and dry-bulk fleets, with operational scale and management capabilities ranking among the top in the global industry. After years of development, CMES Shipping has configured a diversified business pattern of "tanker, dry-bulk, LNG, RORO and container shipping". All fleets collaborate to serve customers in a coordinated manner, continuously enhancing the Company's service capabilities across the entire supply chain. The Company's fleet has a long operating history and has successfully navigated multiple market cycles, with its core competitiveness continuing to strengthen over time.

Main Business

CMES Shipping, as a professional shipping company specialized in international and domestic cargo transportation, has established a clearly defined business structure with oil and LNG transportation and dry bulk transportation as its dual core businesses, complemented by supplementary operations (such as container and Ro-Ro transport). The Company maintains comprehensive market coverage with complete categories of cargo sources, while demonstrating distinctive strengths in digitalized management, crew management, and global marketing network services.

Introduction to The Main Business of CMES Shipping



Tanker Shipping

The Company's tanker fleet is engaged in the international crude oil transportation business. It has always adhered to a market-oriented approach and implemented the strategy of "global routes, diversified customers, and professional services". With Chinese-funded customers, including State-owned oil companies, traders, and private independent refineries, as the foundation of its cargo sources, the Company continuously expands overseas market, actively develops international customers, and strengthens its business cooperation with major international oil companies.

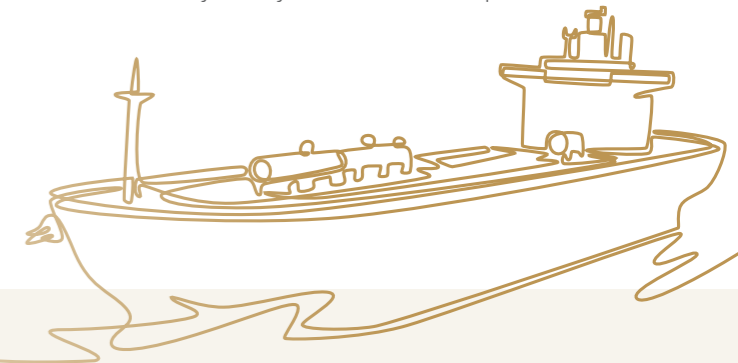


LNG Shipping

Focusing on major clients and projects, the Company actively bids for world-class LNG transportation projects. Via "QatarEnergy's Phase 2 LNG new buildings", the Company has stably expanded fleet size and increased the proportion of long term chartered vessels, solidifying its key position in the LNG transport market.

⁴ VLCC: Refers to the Very Large Crude Carrier (VLCC), which has a carrying capacity of over 200,000 tons. It is typically used for the transportation and storage of crude oil and fuel oil.

Simultaneously, the Company adheres to be driven by science and technology advancements, and actively promotes application of technologies such as the Internet of Things (IoT), big data, blockchain and artificial intelligence (AI), in order to accelerate its digital and intelligent transformation. The Company is committed to enhancing the technology- and data-driven "digital shipping" and building an industry-leading "smart shipping" platform, striving to forge a world-class shipping enterprise with strong technological attributes and industry ecosystem services capabilities.



Dry Bulk Shipping

By combining heavy and light assets, the Company has promoted the renewal of transportation capacity and structural optimization, improving the transportation capacity of key strategic materials, accelerating the construction of a grain fleet, and cooperating with major customers on mineral projects. It will also strengthen asset-light operation proficiency by deepening cooperation with customers. The multi-purpose fleet will continue to focus on the new energy industry transportation market, adhere to the strategy of major customers, accelerate overseas expansion, and better serve the "the Belt and Road" initiative.



RORO Shipping

In foreign trade Ro-Ro transportation, the Company sticks to the major customer strategy, deepening diversified cooperation. It has signed strategic cooperation, joint-route operation agreements, and letters of intent with numerous original equipment manufacturers and logistics firms. It also adheres to a flexible strategy to develop competitive shipping route networks. In domestic Ro-Ro transportation, the Company adheres to a customer-centric strategy, adjusting Yangtze River Port operations and grasping the market chance of highway transportation capacity shortage.



Container Shipping

Adhering to a customer-centric and market-oriented approach, the Company continues to expand and optimize its container shipping business. The Company's container shipping service network covers major coastal ports in China and extends to Japan, Korea, Australia, the Philippines, Vietnam, Thailand, India and Mexico, as well as multiple container liner routes connecting Mainland ports with Taiwan and Hong Kong. Among these, the Japan routes and cross-strait routes have been cultivated for many years and maintain a leading market position in the industry. Meanwhile, it provides high-quality intermodal transportation services such as river-sea combined transportation, sea-rail combined transportation, and container truck direct-through services with numerous service outlets.

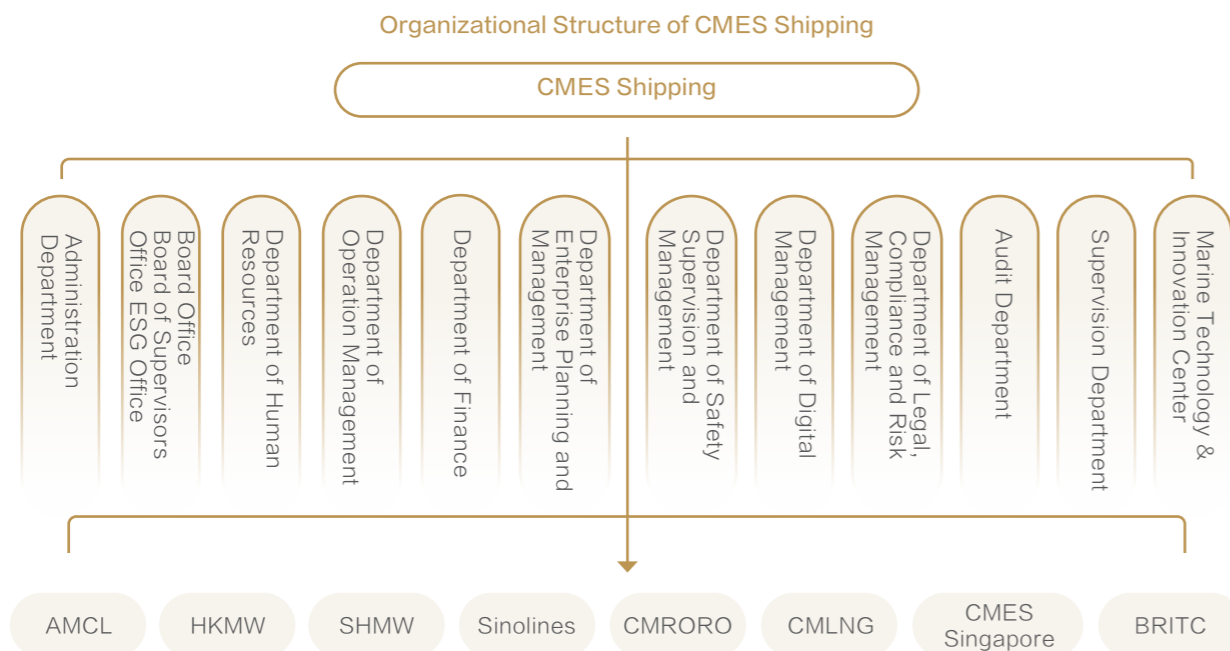
Corporate Culture

CMES Shipping inherits the century-old shipping foundation of China Merchants Group (CMG), and has created its own core competitiveness with a unique corporate value and cultural system. The Company is committed to professionalism, market-orientation and internationalization, driven by innovation, led by digitalization, and based on scientific human resource management. It has established a corporate culture value system that encompasses strategic goals, vision positioning, mission values, cultural concepts and brand slogans, helping CMES Shipping achieve its strategic goal of becoming a world-class shipping company.



Organizational Structure

CMES Shipping has established a relatively flat and systematic organizational structure. At present, the Company comprises 12 functional departments responsible for specific managerial affairs. Based on the nature of their business operations, it has 8 major subsidiaries (AMCL, HKMW, SHMW, Sinolines, CMRORO, CMLNG, CMES Singapore and Yunlian Shuzhi Technology (Shenzhen) Co., Ltd.).



SUSTAINABILITY STRATEGY AND MANAGEMENT

Sustainability Organizational Structure

CMES Shipping has established a four-tier ESG governance structure composed of the Board of Directors, the Board's Sustainability (ESG) Committee, the Board Office, the headquarters' functional departments, and its subsidiaries, so as to ensure comprehensive coverage and efficient management of ESG-related matters of the Company.



Sustainable Development Goals

Dimension	Strategic Objectives	SDGs
 Economic	CMES Shipping is committed to becoming a world-class shipping company. We will leverage advanced shipping technology, information systems, and equipment resources to continuously optimize shipping business processes and enhance service quality and efficiency. By expanding the value chain of the shipping ecosystem, we aim to create better working conditions, enhance economic performance, and achieve mutual development for both the Company and customers.	 
 Environmental	CMES Shipping is committed to reducing the environmental impact of its shipping activities. The Company adopts the most cutting-edge environmental protection technology and management methods to practice green shipping. It advocates and promotes the use of renewable and clean energy, which helps to reduce greenhouse gas emissions and decrease pollution to the natural environment. Moreover, the Company vigorously promotes the construction of a green supply chain and collaborates with partners to achieve environmental goals, protect biodiversity, and ensure the sustainable development of marine ecosystems.	    
 Social	CMES Shipping pays close attention to social welfare, actively participates in community development and social public welfare activities to help improve the living conditions of community residents. We are committed to enhancing our employees' educational level, career development, and physical and mental health, and fostering a diverse, equitable, and inclusive workplace. We will also participate in projects related to education, healthcare and public health to promote social harmony and progress.	       
 Governance	CMES Shipping formulates its development strategy from a global perspective and is committed to driving innovation and transformation in the shipping industry. We will continuously refine our service standards and enhance our industry competitiveness through technological innovation and market expansion to develop new quality productive forces and achieve further globalization. We will also share our successful experiences and collaborate with industry partners to jointly promote the sustainable development of the shipping industry and consolidate our position as a responsible industry leader.	 

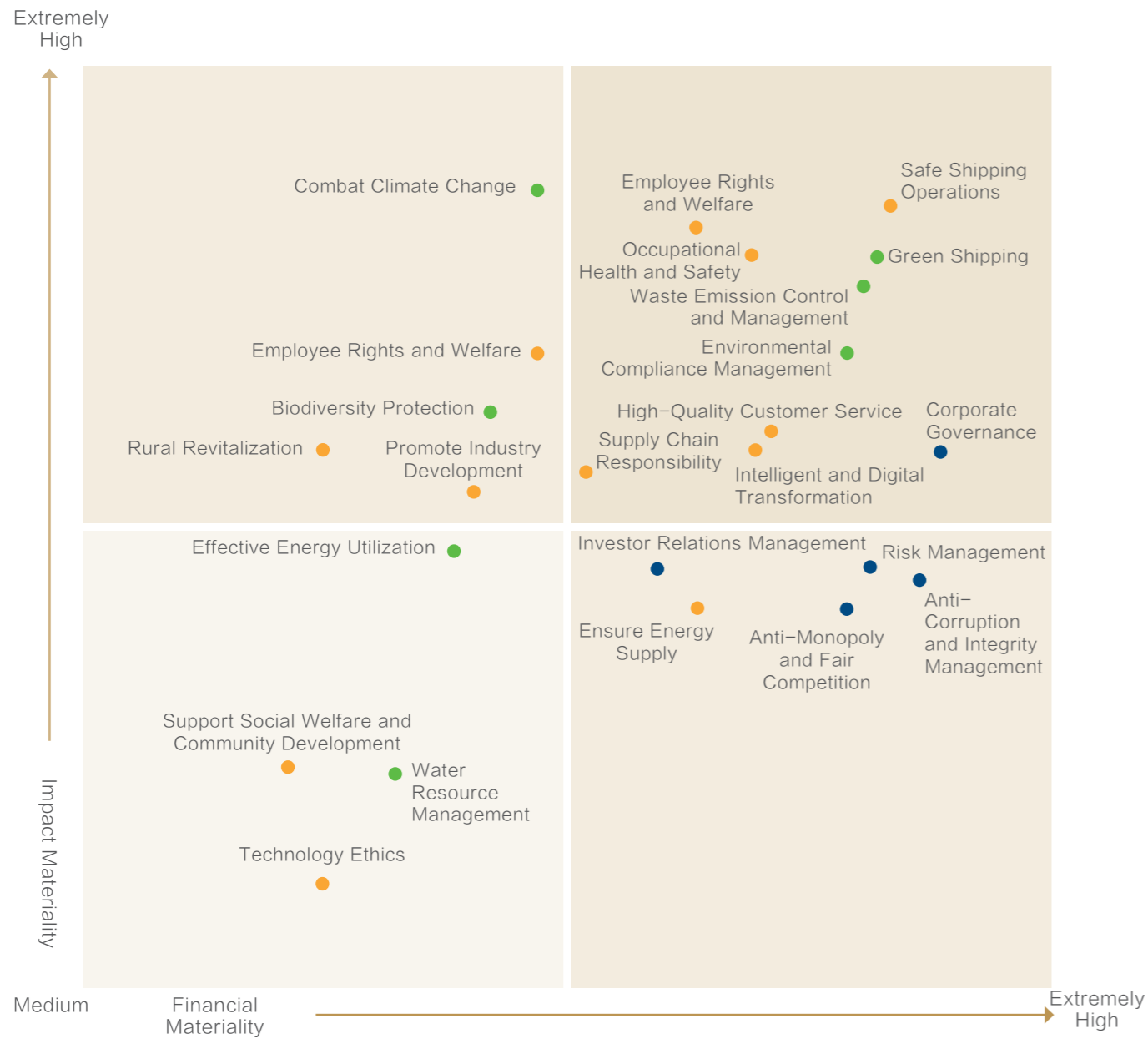
Identification and Analysis of Material Topics

Materiality analysis serves as an important foundation for China Merchants Energy Shipping's ESG work. The Company actively responds to the requirements of the Shanghai Stock Exchange and, in accordance with domestic and international ESG disclosure standards, as well as topics of concern to the industry and regulatory authorities, has developed its materiality matrix through background analysis and topic identification, double materiality research, materiality assessment and prioritization, combined with annual work priorities and expert recommendations. In 2025, the Company continued to apply the results of the double materiality analysis and maintained the 24 ESG material topics selected after review and confirmation, which serve as the core content of this year's ESG information disclosure. The determination of the above topics comprehensively considers the development trends of the shipping industry, the Company's business development plans, and the expectations of stakeholders, and therefore retains ongoing substantive significance.

Steps for Double Materiality Analysis



China Merchants Energy Shipping's ESG Double Materiality Matrix



Stakeholder Engagement

The Company attaches great importance to the expectations and demands of stakeholders. It maintains regular communication and exchanges with government departments, shareholders, investors, employees, partners, customers, suppliers, communities and the environment. It promptly responds to the expectations and demands of all parties continuously improves the effectiveness of communication with stakeholders.

Stakeholder Communication

Stakeholder	Expectations and Demands	Communication Channels and Methods
 Government	<ul style="list-style-type: none"> Compliant Operation Risk Management Tax Compliance Sustainable Business Growth 	<ul style="list-style-type: none"> Regulatory Assessment Fulfilling Tax Obligations Specialized Meetings Promote Business Growth and Sustainable Profitability
 Shareholders & Investors	<ul style="list-style-type: none"> Prevent Operational Risks Asset Preservation and Appreciation Actively Explore the Market Stable Investment Returns 	<ul style="list-style-type: none"> Corporate Annual Reports and Announcement Performance Roadshow Specialized Meetings Official Website and Investor Relations Hotline
 Employees	<ul style="list-style-type: none"> Employee Rights Protection Employee Training and Development Occupational Health and Safety Work-life Balance 	<ul style="list-style-type: none"> Employee Representative Congress Employee Petitions and Complaints Employee Development Satisfaction Survey
 Partners	<ul style="list-style-type: none"> Promote Industry Development 	<ul style="list-style-type: none"> Conduct Strategic Cooperation Participate in Industry Forums and Conferences Academia-Industry Exchange
 Customers	<ul style="list-style-type: none"> Ensure Energy Supply Ensure Shipping Safety High-Quality Customer Service Customer Information Protection 	<ul style="list-style-type: none"> Optimize Global Shipping Routes Official Website and Corporate WeChat Satisfaction Survey Customer Service Hotline Petitions and Complaints
 Supplier	<ul style="list-style-type: none"> Responsible Procurement Integrity and Honesty 	<ul style="list-style-type: none"> Provide Equal Opportunities Supplier Training Conduct Responsible Procurement
 Community	<ul style="list-style-type: none"> Community Welfare Initiatives Provide Employment Opportunities 	<ul style="list-style-type: none"> Participate in Maritime Rescue Engage in Public Welfare Activities Create Job Positions
 Environment	<ul style="list-style-type: none"> Environmental Management Energy and Resource Conservation Emission Reduction and Pollution Control 	<ul style="list-style-type: none"> Enhance Resource Efficiency Implement Energy Conservation and Emission Reduction Green Ship Procurement Implement Intelligent and Digital Operations

Environment

“Shipping” Blue Sky and Sea



Material ESG Issues

- Response to Climate Change
- Developing Green Shipping
- Environmental Compliance Management
- Effective Energy Utilization
- Waste Discharge Management
- Biodiversity Protection

Safeguarding clean oceans and clear skies is our unwavering commitment to sustainable development. In 2025, we accelerated our pace of green transformation through forward-looking strategies, translating high-standard environmental commitments into measurable emission-reduction outcomes. Moving from isolated initiatives to a systematic, management-driven approach, we advanced green shipping, optimized energy mix, and strengthened digital and intelligent management capabilities, driving continuous reductions in both carbon intensity and pollutant emissions. While protecting marine ecosystems, we are committed to collaborating with upstream and downstream partners to promote higher green supply chain standards, ensuring that every nautical mile sailed reflects the shipping industry’s green transformation.

United Nations Sustainable Development Goals (SDGs)



RESPONSE TO CLIMATE CHANGE

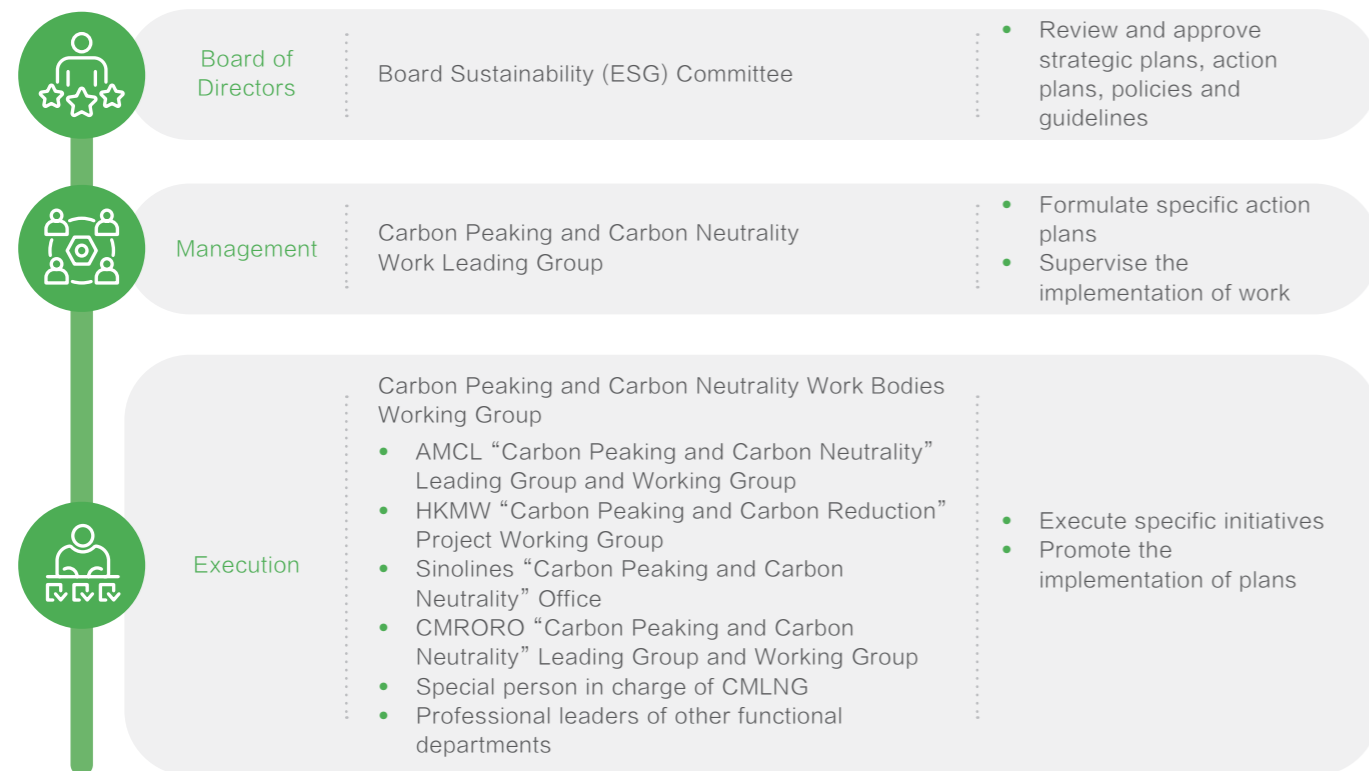
Governance

Climate change is a material sustainability issue for the Company. The Company actively responds to international carbon emission commitments and China's carbon peaking and carbon neutrality strategic goals, integrating the low-carbon transition strategy into the entire industry chain management. With a systematic and forward-looking approach, the Company addresses climate-related risks and opportunities, incorporating green development principles into all segments of the industry chain, including vessel operation, energy-efficiency management, fuel selection and supply-chain collaboration, - to drive the green, low-carbon and high-quality development of the industry.

The Company continuously monitors international climate-related policies, initiatives and guidelines, including the *EU Emissions Trading System (EU ETS)*, *FuelEU Maritime Initiative*, the *Renewable Energy Directive (RED)*, and the *Alternative Fuels Infrastructure Regulation (AFIR)*. It strictly adheres to domestic policies such as the *Guiding Opinions on Energy Work in 2025*, the *Interim Regulations on the Administration of Carbon Emission Trading*, and the *Administrative Measures for Voluntary Greenhouse Gas Emission Reduction Trading (Trial)*, ensuring that operations are conducted in a compliant and prudent manner under both domestic and international carbon-constraint frameworks.

To effectively enhance the management capabilities of addressing climate change, the Company has established a multi-level governance structure from decision-making to implementation, clarifying the responsibilities at each level. In 2025, building on the existing governance framework, the Company further enhanced the strategic oversight and decision-making of the Board of Directors and senior management over climate-related issues. Through regular briefings, dedicated workshops and scenario analysis focused on key decarbonization pathways in shipping, climate-related factors are given more weight and increasingly integrated into major business decisions, ensuring that climate resilience is embedded into the Company's long-term value-creation system.

Governance Structure to Address Climate Change

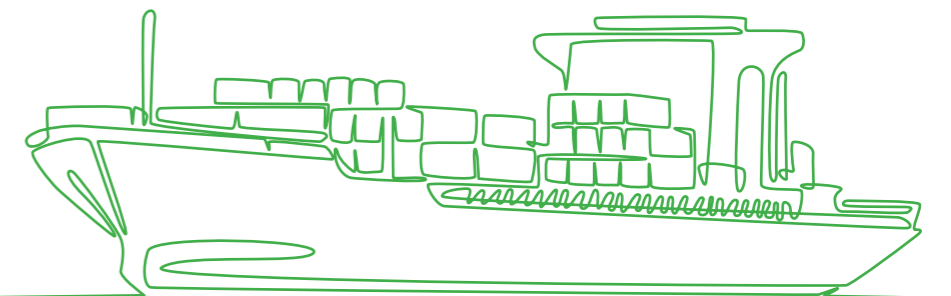
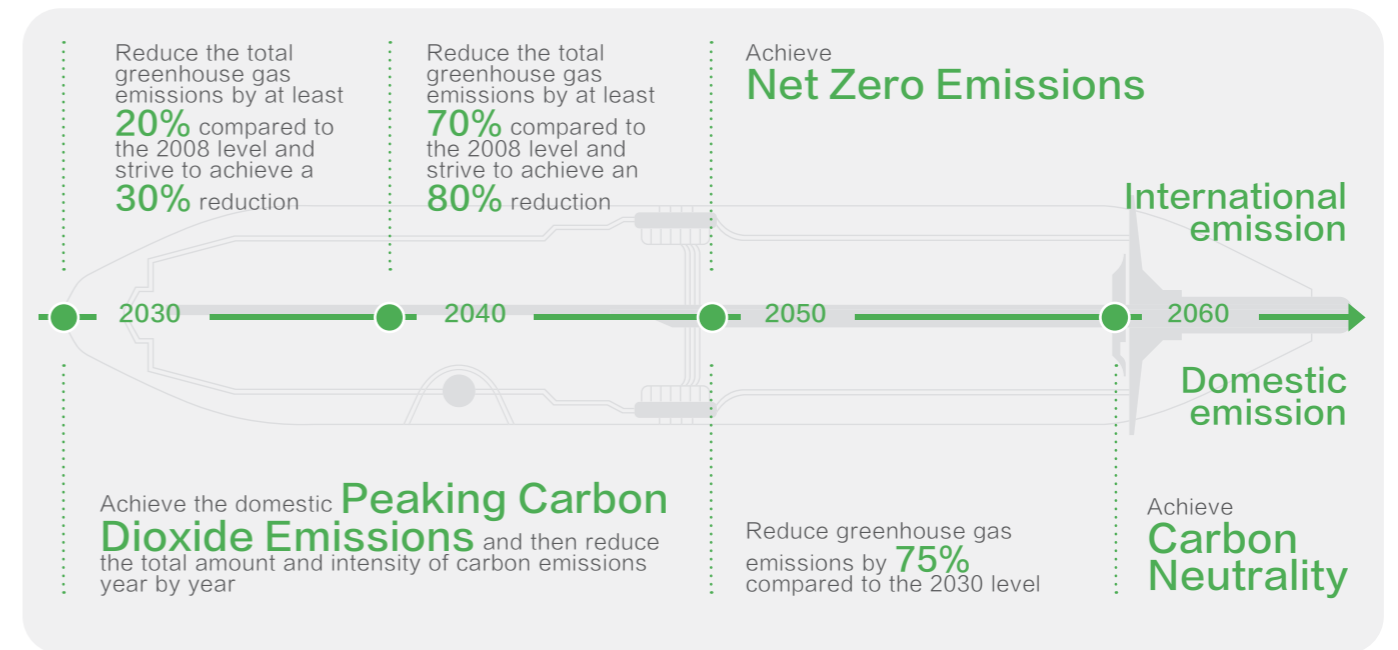


Strategy

The Company actively engages in the low-carbon transformation of the shipping industry and has systematically implemented a carbon-reduction strategy characterized by controlling incremental emissions, reducing existing emissions, and managing operational variables, gradually forming a green development framework with CMG characteristics. Low-carbon development has been fully incorporated into the Company's overall strategic planning. In alignment with the national carbon peaking and carbon neutrality strategy as well as the global climate governance goals, the Company continues to optimize top-level design, embedding green development principles into the core corporate strategy and establishing a structured decarbonization pathway covering the short, medium and long term.

Based on a systematic analysis of the current status and future trends of fleet carbon emissions, the Company has formulated a clear and phased carbon emission reduction strategy at the international and domestic levels. At the international level, in alignment with the strategic requirements of the emission reduction convention of the International Maritime Organization (IMO), the Company strives to achieving net-zero emissions around 2050. Domestically, the Company actively responds to the national dual-carbon goals, targeting carbon peak by 2030 as a key milestone, steadily advancing various carbon reduction initiatives, and striving to achieve carbon neutrality by 2060.

CMES Shipping Carbon Emission Strategic Target



Impact, Risk and Opportunity Management

1. Climate Scenario Analysis

To effectively manage climate risks and seize climate opportunities in business operations, CMES Shipping has identified and evaluated climate change risks and opportunities in the short term (1–2 years), medium term (3–5 years) and long term (6–10 years). The Company has adopted the Representative Concentration Pathway (RCP) scenarios in the Sixth Assessment Report (AR6) issued by the United Nations Intergovernmental Panel on Climate Change (IPCC) to analyze climate risks, namely the high greenhouse gas (GHG) emissions scenario SSP5–8.5 and the low GHG emissions scenario SSP1–2.6.

Given the fact that the shipping industry is capital-intensive with long operating cycle and high dependence on fuel, the Company primarily evaluates the potential impacts under different climate scenarios on carbon emissions compliance, energy-mix transition, ship energy efficiency and operational stability. For example, by simulating potential changes in global carbon emission policies under different scenarios, we have assessed the economic impacts on key operational factors, including ship maintenance costs, cargo transportation disruption risks, route planning adjustment and insurance expenses. The results of the scenario analysis provide a scientific basis for informed decision-making about the formulation of resilience strategies, optimization of fleet renewal plans and allocation of investments in low-carbon technologies, thereby enhancing the Company's climate adaptability and long-term competitiveness.

Scenario	Description	Risk
SSP5–8.5 (High emission scenario)	The world continues to rely on fossil fuels as its primary energy source, and GHG emissions levels remain high, resulting in extremely high levels of global GHG emissions by 2100 and triggering more extreme weather events.	<ul style="list-style-type: none"> Under this scenario, more frequent extreme weather events, such as hurricanes and typhoons, may cause significant disruption to the physical operations of ships and to facilities in ports where ships berth, increasing the risk of damage and downtime. The Company's failure to implement effective climate interventions would result in a significant increase in GHG emissions, and extreme weather could expose the Company to physical risks.
SSP1–2.6 (Low emissions scenario)	Through active emission reduction measures, the global community has significantly reduced GHG emissions, thereby limiting the increase in global warming to no more than 2.0°C before the Industrial Revolution (1850).	<ul style="list-style-type: none"> Under this scenario, the demand for technological upgrading, market competitiveness improvement, policy and legal risks are higher. For green environmentally friendly ships and low-emission technologies, there will be increased financial pressure, and stricter environmental regulations and emission standards will increase the operating costs of the Company, and the Company will face the transition risks.

2. Climate Risk Identification, Analysis and Response

Type	Climate Change-related Risk Factor	Time Dimension	Potential Financial Implication	Measure
Legal and Policy Risk	China's carbon peaking and carbon neutrality target: Policies and regulations to address climate change in response to China's strategic goal of carbon peaking and carbon neutrality	Medium to Long term	Higher operating costs	<ul style="list-style-type: none"> Actively understand relevant Chinese and international laws and regulations Ensure timely implementation of relevant policies and business regulatory requirements Actively promote green fleet renewal, technological upgrading and digitalized management
	International carbon emission requirements: The International Maritime Organization (IMO) has continuously implemented various resolutions and circulars related to carbon emissions, and the emission reduction requirements have become more stringent	Medium to Long term		

Type	Climate Change-related Risk Factor	Time Dimension	Potential Financial Implication	Measure
Technical Risk	Green ship research and development: the Company needs to invest in green ship research and development to manage ship energy efficiency improvements	Medium to Long term	Higher R&D costs	<ul style="list-style-type: none"> Further promote the Company's digital and intelligent transformation and development Advance the layout of upstream and downstream related low-carbon technologies to reduce technical costs Apply low-carbon technologies such as "fuel ready" design to reduce emissions in business operations Strengthen collaboration with upstream and downstream partners and industry peers to explore green technologies through partnerships and alliances
	Research and development of ship energy saving and emission reduction technology: The development and application of ship energy saving devices and drag reduction technology has become an industry trend	Medium to Long term	Higher operating costs	
Market Risk	Declining demand for fossil fuel transportation: With the accelerated development of global carbon reduction and new energy, global long-term demand for fossil fuels has declined	Medium to Long term	Lower operating income	<ul style="list-style-type: none"> Consider the introduction of methanol dual fuel power to explore the supply of biomass fuel Strengthen the research and exploration of the application of dual-fuel powered ships and other alternative fuels
	Customer behavior change: Customers tend to focus on energy transportation services that generate less carbon emissions	Medium to Long term		
Reputational Risk	Corporate reputation damage: Improper environmental management and energy efficiency management measures of the Company, resulting in environmental pollution incidents and resulting in reputation loss	Long Term	Lower operating income Higher financing costs	<ul style="list-style-type: none"> Conduct public opinion monitoring on topics related to climate change and green shipping Establish a public opinion response mechanism for possible negative events Provide timely responses to matters of public concern in a timely manner to minimize reputational risks
Acute Risk	Extreme weather events causing damage to ships and cargoes: Extreme weather events at sea, such as typhoons and tsunamis, can easily cause damage to ships and cargoes and interrupt transportation activities	Long Term	Higher maintenance costs Lower value of fixed assets	<ul style="list-style-type: none"> Establish emergency plans for extreme weather Supervise and inspect the extreme weather emergency response work of each operating company Strictly monitor the dynamic situation of operating ships, assess the safety risks of ships, and realize the dynamic control of safety risks of ships
Chronic Risk	The impact of continuous high temperature caused by sea level rise: temperature anomalies and sea level rise affects shipping routes	Long Term	Higher operating costs	<ul style="list-style-type: none"> Set up special plans in response to sea level rise and abnormal temperatures Supervise and inspect the implementation of response preparations and emergency response work by operational companies

3. Climate Opportunity Identification and Response

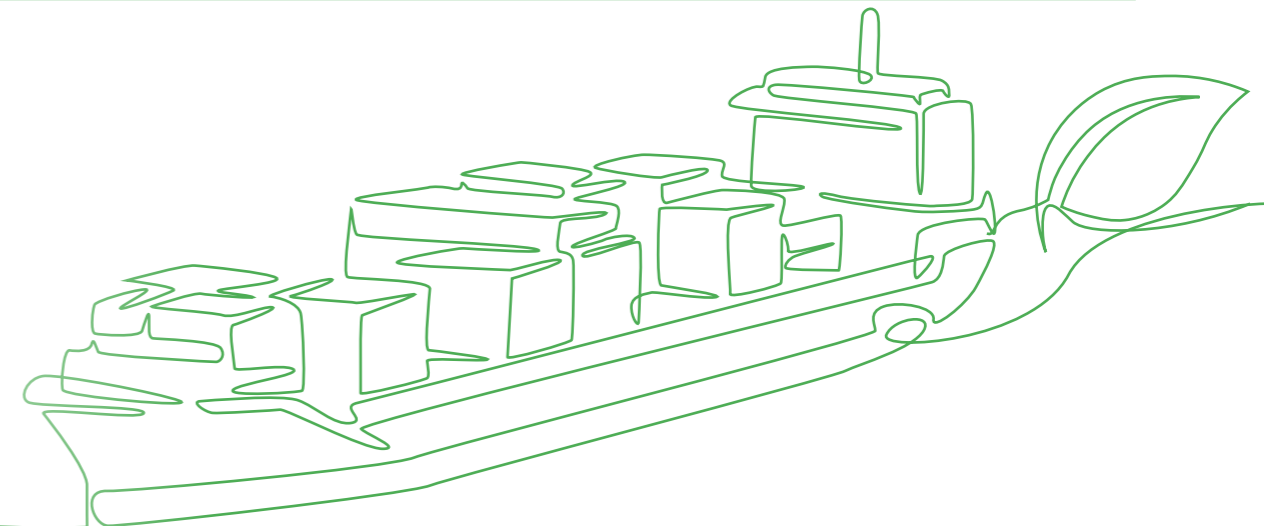
Type	Factor of Opportunity Related to Climate Change	Time Dimension	Potential Financial Implication	Measure
Resource efficiency	Improve ship energy efficiency management: Improve ship energy efficiency, reduce resource consumption and effectively control emissions by upgrading ship energy efficiency technology and promoting the installation and upgrading of ship Smart Operations Management System (SOMS)	Medium to Long term	Lower operating costs	<ul style="list-style-type: none"> Actively promote the application of digital and intelligent shipping systems in operating ships Implement low-carbon and energy-saving renovation projects, continuous upgrade ship's main equipment, and effectively reduce fuel consumption Build a digital carbon emission monitoring platform for the whole fleet
Alternative Energy Sources	Replace traditional energy with new energy sources: Explore the use of clean fuels such as LNG and methanol as alternative fuels for ships, enabling the Company to provide transport services with low carbon emissions	Medium to Long term	Lower operating costs Higher operating income	<ul style="list-style-type: none"> Dispose of old and energy-consuming ships, and order new energy-efficient and alternative-energy ships Conduct dedicated research on alternative fuel propulsion systems, including methanol and LNG, as well as cutting-edge technologies such as axle generator and waste-heat recovery power generation system
Products and Services	Develop green ships: Continuously research and develop green ship technology, develop green ships, enhance competitive advantage, and improve customer retention rate	Medium to Long term	Higher operating income	<ul style="list-style-type: none"> Actively explore green methanol supply solutions, and take green methanol fuel as the main direction of clean fuel for ships at this stage from the perspective of research and type selection, fleet construction, supply chain construction, etc. Increase research and development investment in alternative energy ships and innovative technology innovation projects
Market	Develop green business: Improve transportation business such as new energy vehicles and wind power equipment	Medium to Long term	Higher operating income	<ul style="list-style-type: none"> Seize market opportunities under the goal of "green shipping" Strengthen the development of digital and intelligent equipment and systems, as well as the research and development of green ships and emission reduction technologies, and accelerate the application of these technologies in ships
	In the short term, fully zero-carbon alternative fuels have not yet reached full maturity. As a transitional fuel, LNG is expected to experience continued growth in transportation demand.			
Adaptability	Optimize route mix: Optimize route mix and improve the ability to procure key cargo sources	Medium to Long term	Lower operating costs Higher operating income	<ul style="list-style-type: none"> Increase resource allocation to green shipping in terms of technological innovation, fleet restructuring, energy substitution, financial and legal support, and talent development Enhance the Company's ability to operate efficiently and improve ship energy efficiency management
	Explore dual-fuel powered ships and other alternative fuels: Consider the introduction of methanol dual-fuel power to explore the supply of biomass fuel			

4. Climate Change Action Plan

Climate-related risks and opportunities are fundamentally reshaping the Company's business model, asset valuation, supply chain structure and stakeholders' expectations. These changes are accelerating the Company's transition from a traditional vessel operator to a provider of green shipping solutions and an active participant in building a sustainable industry ecosystem. Environmental performance is increasingly reflected in revenue model, asset valuation is becoming more closely linked to carbon intensity and fuel flexibility, supply chain priorities are shifting toward low-carbon and green sectors, and expectations from customers and investors continue to rise accordingly.

To address these challenges while capturing emerging opportunities, the Company has developed a systematic action plan, covering green fleet renewal, the development of a new energy supply assurance system, improvements in operational efficiency, and active participation in the formulation of international standards. Progress is assessed through a dual-track approach combining quantitative indicators (such as carbon intensity per unit of transportation and CII ratings) and qualitative outcomes (such as key technological breakthroughs and release of industry standards). The Company's transition pathway is structured around three core pillars including fuel substitution, energy efficiency improvement, and digital & intelligent transformation – driving the evolution of its business model toward the provision of integrated low-carbon solutions. Resource allocation continues to shift toward newly built green vessels, cutting-edge technology research and development, and industry alliance cooperation. Key measures include the large-scale application of methanol fuel, ordering of green vessels, implementation of energy-efficiency retrofits, deployment of intelligent operation platforms, and establishment of green shipping industry alliances.

Timeframe	Specific Planning
Short Term	<ul style="list-style-type: none"> Promote technological upgrading of some vessels for energy conservation and emission reduction, including measures such as installing energy-saving devices and optimizing hull design. Deepen cooperation with ports to ensure that vessels implement environmental protection requirements during port operations. Carry out staff training on environmental protection and climate change, and raise the awareness of all staff.
Medium Term	<ul style="list-style-type: none"> Promote the research and development and application of green ship technologies, and gradually increase the proportion of new-energy vessels in the fleet. Actively participate in the formulation of industry carbon emission reduction standards and enhance the Company's influence in the industry. Establish a sound carbon management system, accurately calculate carbon emissions, and explore strategies to participate in the carbon trading market.
Long Term	<ul style="list-style-type: none"> Commit to achieving full-decarbonization of the fleet, with the majority of ships using new or clean energy. Expand businesses related to green shipping and build a green shipping industry chain. Become a global leader in green shipping and lead the sustainable development of the industry.



Indicators and Targets

CMES Shipping is committed to steadily advancing the strategy of carbon peaking and carbon neutrality strategy and progressing toward the requirements of science-based carbon targets. The timeline of the Company's emission-reduction goals is highly consistent with the medium - and long-term pathway proposed by the Science Based Targets initiative (SBTi), with the objective of achieving net-zero emissions from shipping operations by around 2050. To support this long-term vision, the Company has established annual climate-related targets centered on carbon intensity and vessel energy-efficiency management, which are further cascaded to each fleet, ensuring effective management of key performance indicators. In 2025, the Company made substantial progress toward its climate-related targets, achieving improvements in core intensity indicators and demonstrating continued investment and measurable results in climate action.

Indicators and Targets for Addressing Climate-related Risks and Opportunities

Category	Carbon Emissions	Energy	Environmental Compliance
Key Indicator	Total carbon emissions, carbon emissions per unit of revenue, carbon emissions per unit of transportation turnover, etc.	Total energy consumption, energy consumption per unit of transport turnover, etc.	Compliance with international and domestic environmental regulations
Target	<ul style="list-style-type: none"> Domestic emissions to peak by 2030 and achieve carbon neutrality by 2060. International emissions to comply with IMO decarbonization convention requirements and achieve net-zero emissions around 2050, with both carbon-intensity control and total-emission monitoring. 	<ul style="list-style-type: none"> Continue to reduce energy consumption and improve energy efficiency through technological upgrading and operation optimization, such as promoting the use of energy-saving equipment and optimizing ship power systems. 	<ul style="list-style-type: none"> Ensure full compliance with applicable standards for wastewater, exhaust gas and waste discharge, and avoid risks arising from non-compliance.
Progress in 2025	<ul style="list-style-type: none"> In terms of total emissions, the Company expects carbon emissions to peak in 2029. In terms of intensity, CO₂ emissions per ton-nautical mile continue to decline. 	<ul style="list-style-type: none"> The Company continued to improve the proportion of vessels with high energy-efficiency ratings in the fleet, with vessels rated C or above accounting for 85.2%, significantly higher than the global average, demonstrating industry-leading overall energy efficiency. 	<ul style="list-style-type: none"> The Company fully complied with mandatory international shipping standards relating to wastewater, exhaust gas and waste management. No material penalties related to environmental violations occurred in 2025.

Work Achievements

In 2025, CMES Shipping continued to strengthen its environmental management system. The Company further improved its institutional system for energy-saving and emission reduction, optimized the fleet structure, promoted the development of green vessel types and the application of energy-efficiency technologies, strengthened research on international decarbonization policies, and carried out dedicated training and awareness programs to enhance employees' understanding of energy saving and carbon reduction.

Measures and Actions to Achieve the Carbon Peaking and Carbon Neutrality Goals



Energy Efficiency and Low-carbon Governance Improvement

- The Company revised and improved the *Regulations on Energy Conservation and Environmental Protection of China Merchants Energy Shipping Co., Ltd.* and the *Measures for the Management of Energy Consumption and Carbon Emission Statistics and Monitoring of China Merchants Energy Shipping Co., Ltd.*, incorporating energy conservation and environmental protection targets into the performance evaluation system to establish an effective closed-loop management mechanism.
- The Company conducted training and awareness programs for both shipboard and shore-based personnel to enhance company-wide awareness of energy conservation and carbon reduction responsibilities.



Fleet Structure Optimization

- The Company continued to implement the green fleet strategy. In 2025, three methanol dual-fuel vessels were put into operation and several energy-efficient vessels were delivered, further increasing the proportion of green vessels in the fleet and effectively reducing greenhouse gas emissions from fuel consumption.
- For aging vessels, the Company further promoted energy-efficiency retrofits, accelerated the phase-out of high-energy-consumption aging ships, and steadily advanced newbuilding programs, thereby continuously reducing fleet carbon intensity and overall energy consumption.



Technological Upgrading

- The Company promoted the application of energy-saving and emission reduction technologies, including vortex-reduction fins, duct systems, high-efficiency devices, and silicone-based hull coatings, and completed multiple technical upgrade projects to effectively reduce overall fleet energy consumption.
- The Company continued research and development of low-carbon technologies, including magnetic-levitation waste-heat power generation, the world's first folding-arm sail system for ro-ro ships, and intelligent coating robots, providing a solid technical foundation for deep decarbonization of the fleet.
- The Company adopted new environmentally-friendly equipment and materials, upgraded exhaust-gas treatment systems, reduced nitrogen oxides and other pollutant emissions, and ensured compliance with applicable air-emission regulations.



Green Energy and Technologies Exploration

- The Company further advanced research projects under the Ministry of Industry and Information Technology, actively participated in national key R&D programs and major high-tech vessel projects, integrating operational experience with scientific innovation to promote the development of alternative-fuel vessels and intelligent ships.
- The Company promoted the establishment of a diversified fuel system based on "methanol + LNG + ammonia + biofuels", and developed a green vessel framework capable of multi-fuel operation.



Refined Operational Management

- The Company continued to ensure compliance with the EEXI (Existing Ship Energy Efficiency Design Index) and CII (Ship Operation Carbon Intensity Indicator) requirements, systematically collecting, verifying and reporting relevant data on ship energy efficiency and carbon emissions to ensure that ship operations comply with the IMO carbon emission standards.
- All subsidiaries carried out refined management in terms of shipping schedule, route and fuel.
- We reduced vessel waiting time through optimized shipping schedule.
- The Company used meteorological navigation technology to optimize shipping routes and avoid bad weather and adverse sea conditions.
- The Company determined the economical operating speeds based on factors such as cargo capacity and sailing distance, guiding the vessels to sail at the economical speed and reduce fuel consumption intensity.



Development of Carbon Management Platform

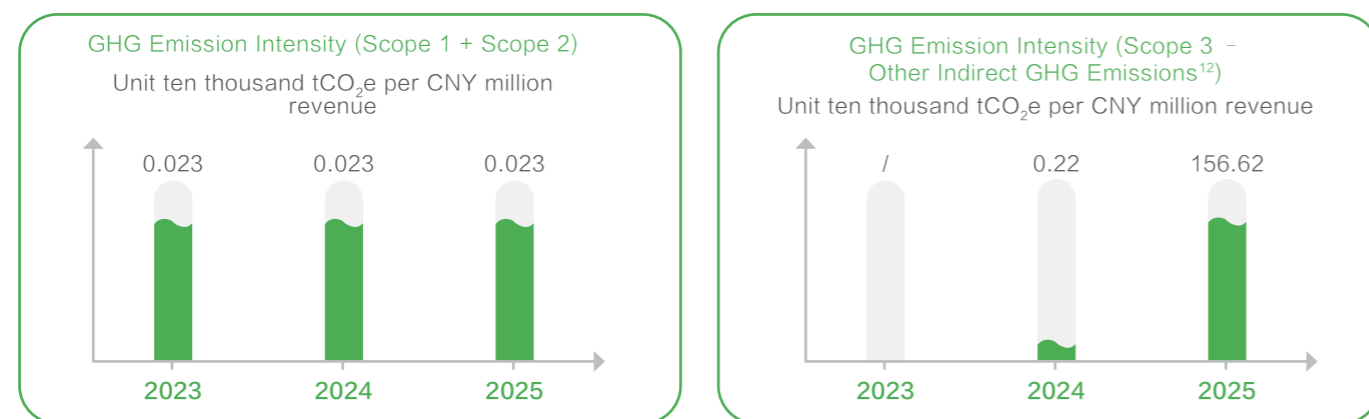
- With the aid of the proprietary "Smart Carbon Platform", the Company realized collection of complete carbon asset data, assessment of carbon emission reduction measures, and management of carbon asset certification, quota, credit and trading, providing intelligent and visual support for fleet carbon emission management, forecasting and decision-making.

1. Expansion of the Scope of Carbon Emissions Management

CMES Shipping has established a carbon accounting system in compliance with mandatory regulations, including the IMO DCS and EU MRV Regulation, while also applying internationally recognized standards such as ISO 14064-1. All greenhouse gas (GHG) emission data are independently verified by third-party organizations, including DNV, to ensure data reliability and transparency.

In 2025, the Company further expanded the scope and depth of its carbon emissions management. In addition to the previously disclosed Scope 3 categories (including employee travel and employee commuting), two additional categories – purchased goods and services and fuel- and energy-related activities – were incorporated into the accounting boundary. The expansion of Scope 3 emissions reflects the Company's continued efforts to enhance the completeness and granularity of its carbon emissions management practices, and marks further improvement of its carbon emissions management system.

GHG Emissions Data in Over the Past Three Years



2. Governance Optimization Supporting Cost Control

The Company continued to strengthen the organizational framework supporting climate action. In 2025, the Ship Technology Center of CMES Shipping was established, with clearly defined leadership responsibilities in ship construction management, technical management, technology upgrading and innovation, energy conservation and emission reduction, and green shipping. This further strengthened the Company's governance structure for managing climate-related risks. During the reporting period, a total of 60 energy-efficiency retrofit projects were completed, resulting in fuel cost savings of CNY 24.76 million and a reduction of 214,500 tons of carbon emissions, significantly enhancing the Company's capability to respond to climate-related challenges.

a total of **60** energy-efficiency retrofit projects were completed

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a reduction of **214,500** tons of carbon emissions



3. Increasing the Proportion of Green Ships

The Company continued to increase the proportion of green ships in its fleet, thereby promoting the structural transformation of the shipping industry. In 2025, the Company accelerated the construction of green ship types and successfully took delivery of the world's first 9,300CEU methanol dual-fuel PCTC "CM HONG KONG" and its sister ship "CM SHEN ZHEN", as well as the world's first methanol dual-fuel intelligent VLCC "NEW EXPLORER", marking a substantive transition from concept to commercial operation for clean-energy-powered ships. The vessel CM HONG KONG successfully completed its first methanol bunkering operation at Tianjin Port, verifying the commercial feasibility of methanol fuel in deep-sea ro-ro transportation. The delivery of the second 9,300CEU methanol dual-fuel ro-ro vessel CM SHEN ZHEN marked the Company's green fleet development entering a new phase, moving from a single-vessel breakthrough to scaled deployment.

4. Outstanding Achievements in Platform Development

The Company's proprietary "Smart Carbon Platform" focuses on three core modules: carbon monitoring, carbon AI and carbon asset management. From September 2023 when it was launched to the end of 2025, the platform has completed carbon emission forecasting and carbon-footprint monitoring for a total of 3,484 vessels. More than 20 categories of automated data verification and intelligent emission reduction models have been developed, including shipping schedule, speed and trim optimization. The platform enables automated collection and verification of carbon emission data and supports certification through integration with major global classification societies, providing intelligent and visualized support for fleet carbon emission management, forecasting and decision-making.

5. Exploring Net-Zero Transition Pathways

At the 2025 World Maritime Merchants Forum, hosted by the Company, the *Net-Zero Guide – Practical Approaches for Global Shipping Companies* was released for the first time. The Guide aims to translate complex and fragmented international decarbonization rules into actionable pathways, supporting the global shipping industry in achieving high-quality and sustainable development during the transition to a low-carbon economy. The Guide is structured around six key areas, including fleet renewal and retrofitting, operational optimization, business strategy, value-chain collaboration, change management and continuous evaluation. It establishes a three-step framework of assessment and analysis – strategic planning – implementation and monitoring. Based on more than 40 international best-practice cases and supported by digital tools, the Guide systematically integrates decarbonization rules to provide a clear net-zero action pathway for the industry, and received high recognition from a former Deputy Secretary-General of the United Nations.



Release of the *Net-Zero Guide – Practical Approaches for Global Shipping Companies*

6. Leading Green Technology Innovation

In 2025, the Company leveraged the collaborative mechanism of the Digital and Intelligent Carbon Reduction Consortium to coordinate joint research, demonstration and application of innovative technologies, including the world's first folding-arm sail system for ro-ro ships, ship energy-efficiency rating technologies, intelligent coating robots, and waste heat utilization systems. These initiatives contributed to the gradual establishment of a green and low-carbon technology support system, providing a solid technical foundation for fleet upgrading and transformation. During the reporting period, the Company confirmed the installation of one pair of folding-arm sails on a 7,800CEU ro-ro ship, and both technology development and project implementation achieved substantive progress.

DEVELOPING GREEN SHIPPING

Policies and Institutions

CMES Shipping continues to strengthen the foundation for green development and proactively participates in, and contributes to, the low-carbon transformation of the global shipping industry. In response to the accelerating decarbonization trend in global shipping, and in alignment with China's carbon peaking and carbon neutrality goals (the "3060" goals), as well as the International Maritime Organization (IMO) decarbonization strategy and the net-zero vision under the *Paris Agreement*, the Company has formulated and implemented the *Regulations on Energy Conservation and Environmental Protection of China Merchants Energy Shipping Co., Ltd.* as well as the *Energy Conservation and Environmental Protection Assessment Management Measures of China Merchants Energy Shipping Co., Ltd.*, taking into account industry emission-reduction pathways and the Company's operational characteristics. The Company has achieved its 2025 energy conservation and environmental protection assessment targets and, based on the assessment results, established the 2026 energy conservation and environmental protection responsibility agreements and assessment plans. A clear carbon-reduction roadmap has been developed under a dual-control mechanism covering both carbon emission intensity and total emissions, providing a robust institutional framework to support the continuous and effective implementation of energy-saving and emission-reduction measures.

Management Strategy

As a practitioner, promoter and contributor to the green transformation of the shipping industry, the Company has established a green shipping management strategy centered on technology-driven innovation, application of green fuels and industry chain collaboration. Specific action plans have been developed to enhance vessel energy efficiency, optimize the energy mix, and promote the development of a green shipping ecosystem, thereby advancing digitalized and intelligent sustainable development.

Green Shipping Management Strategy

Management Strategy	Measure
Technology-driven innovation	<ul style="list-style-type: none"> Power and navigation optimization: deployment of wing-sail assisted propulsion technology and axle generator systems to provide auxiliary power and generate electricity using surplus main-engine capacity; installation of hydrodynamic energy-saving devices such as ducts and vortex-reduction fins to improve propulsion efficiency. Hull maintenance and low-carbon operations: extensive use of high-performance anti-fouling coatings to reduce hull resistance and fuel consumption; promotion of shore-power utilization during berthing to replace auxiliary engine power generation and reduce port-side emissions. Cutting-edge technology R&D: Collaboration with research institutions to develop technologies such as magnetic-levitation waste-heat power generation systems and intelligent coating robots; leading and participating in national key R&D programs, including the "Improvement of Ship Operational Energy Efficiency" project, the high-tech ship program, "Green and Intelligent Ship Engineering" and "top-level research project on green and environmentally friendly vessels" under the Ministry of Industry and Information, etc.
Green fuel application	<ul style="list-style-type: none"> Alternative fuel strategy: Establishment of an energy-transition pathway centered on green methanol, biofuels and other renewable fuels; research, development and promotion of methanol-powered propulsion technologies; large-scale procurement of biodiesel for EU routes; and development of demonstration vessels powered by renewable fuels. LNG is also applied as a transitional fuel option. Low-carbon fleet development: Continued investment in newly built green vessels, including methanol dual-fuel ships; adoption of "fuel-ready" designs in LNG newly built vessels to enable future conversion to zero-carbon fuels. System development: Promotion of green methanol bunkering infrastructure at key domestic and overseas ports, and support for the development of Hong Kong as a regional green-fuel bunkering hub.
Industry chain coordination	<ul style="list-style-type: none"> Participation in rule-making: Leading and participating in the development of industry standards related to lifecycle GHG intensity of marine fuels and technical specifications for onboard carbon-capture technologies, contributing to the formulation of international maritime rules. Collaborative ecosystem building: Leading the establishment of the "Digital and Intelligent Carbon Reduction Consortium", strengthening cooperation with partners across the industry chain to jointly explore and apply clean alternative marine fuels.

Work Achievements

1. Fleet Structure Optimization

The Company continued to advance the low-carbon upgrading of its fleet by applying the latest energy conversation and emission reduction technologies in newly built vessel projects and steadily increasing the proportion of energy-efficient and environmentally friendly vessels.

In terms of fleet energy efficiency performance, the Company continued to increase the proportion of vessels with higher CII ratings. Vessels rated C or above accounted for 85.2% of the fleet, significantly higher than the global average, demonstrating industry-leading overall energy efficiency and providing a solid basis for compliance with future mid-term regulatory requirements.

With respect to green fleet development, the Company ordered and operated dual-fuel vessels powered by alternative energy sources such as methanol, gradually replacing outdated, less energy-efficient vessels. In 2025, the Company successfully took delivery of the world's first 9,300CEU methanol dual-fuel PCTC "CM HONG KONG" and its sister ship "CM SHEN ZHEN", as well as the world's first methanol dual-fuel intelligent VLCC "NEW EXPLORER", marking a milestone breakthrough in the green transformation of large vessels.

Case The World's First 9,300CEU Methanol Dual-Fuel PCTC – "CM HONG KONG"

In September 2025, the world's first 9,300CEU methanol dual-fuel pure car and truck carrier (PCTC) "CM HONG KONG", which was jointly designed and constructed by CMES Shipping, was delivered and put into operation. The vessel marks the first onboard application of a domestically developed methanol dual-fuel main engine and is equipped with a complete green propulsion system, together with an intelligent safety monitoring network covering 156 monitoring points across the vessel. The system enables reductions of more than 70% in sulfur oxides (SO_x), particulate matter (PM) and greenhouse gas (GHG) emissions. The vessel CM HONG KONG successfully completed its first methanol bunkering operation at Tianjin Port, taking on approximately 300 tons of green methanol, which is expected to reduce CO₂ emissions by approximately 460 tons. The case demonstrated the commercial feasibility of methanol fuel in deep-sea ro-ro transportation.



The vessel CM HONG KONG

On its maiden voyage, the vessel transported nearly 7,000 domestically manufactured vehicles to Europe and passed Port State Control (PSC) inspection with zero deficiencies, providing efficient and low-carbon transport capacity to support supply-chain security for in domestic ro-ro transportation of China's exported automobiles. The project has become an industry benchmark and was selected as an Innovative Application Case in Safety, Environmental Protection, Energy Conservation and Carbon Reduction (2025) by China Association of Plant Engineering.

Case The World's First Methanol Dual-Fuel VLCC – "NEW EXPLORER"

In December 2025, the world's first 300,000-DWT methanol dual-fuel very large crude carrier (VLCC) "NEW EXPLORER" ordered by CMES Shipping was delivered. The vessel's propulsion system supports flexible switching between conventional fuel oil and methanol and complies with the most stringent IMO Tier III emission standards currently in force. Compared with conventional fuel operation, the vessel can reduce carbon dioxide emissions by up to 92%, sulfur oxides by 99%, and particulate emissions by 90%, significantly lowering the intensity of greenhouse gas and air-pollutant emissions.



The vessel NEW EXPLORER

The vessel is also equipped with multiple intelligent systems, including an intelligent shipboard platform, an intelligent liquid-cargo management system, and an intelligent engine-room operation and maintenance system. In addition, the vessel is fitted with various energy conversation and emission reduction devices, such as scrubbers and axle generators, enabling safe and efficient operation under complex conditions.

Delivery of the vessel NEW EXPLORER represents a forward-looking pilot aligned with future regulatory requirements and evolving market conditions. While maintaining operational flexibility with conventional fuel, the vessel integrates low-carbon fuel capability and intelligent operating systems in advance, providing replicable technical and operational experience for the future large-scale renewal of the tanker fleet.

2. Application of Green Fuels and Development of Supporting Supply Chains

The Company actively explores diversified energy-transition pathways and continuously strengthens the supply-chain infrastructure for green fuels, supporting the transition from "availability of vessels" to "availability of clean energy sources".

Leveraging the deployment of the vessels CM HONG KONG, CM SHEN ZHEN and NEW EXPLORER, the Company has taken the lead in achieving the commercial application of methanol fuel in deep-sea ro-ro transportation and crude-oil shipping. In 2025, the Company successfully completed China's first green-methanol bunkering operations for ro-ro vessels at ports including Tianjin and Shanghai, and actively promoted the development of Hong Kong as a regional green-fuel bunkering hub.

3. Exploration of Vessel Retrofitting and Technological Upgrading

The Company continues to promote green retrofitting and technological upgrading of existing vessels to fully unlock emission-reduction potential within the existing fleet. In 2025, more than 60 energy conversation and environmental protection retrofit projects were completed, including the installation of scrubbers, ballast water treatment systems, high-performance anti-fouling coatings, vortex-reduction fins and ducts, as well as the introduction of the ship Smart Operation Management System (SOMS). These measures effectively reduced emissions, improved energy-use efficiency, and enhanced overall operational performance.

Over the past three years, the Company has continuously increased the coverage of exhaust-gas scrubbers across the fleet in order to reduce atmospheric pollution caused by ship exhaust emissions.

Number of Vessels Equipped with Scrubbers over the Past Three Years



4. Leading the Development of Industry Standards

In 2025, the Company continued to actively participate in relevant mechanisms of the International Maritime Organization (IMO), including the Intersessional Working Group on Reduction of GHG Emissions from Ships, Expert Workshop on Mid-term Emission Reduction Measures, and the 83rd Session of the Marine Environment Protection Committee (MEPC 83), providing professional support to the Chinese delegation. On this basis, the Company promoted the standardization of industry accounting methodologies and strengthened intellectual-property development. It led the formulation of two group standards – *Method for Calculating Lifecycle Greenhouse Gas Intensity of Marine Fuels* and *Method for Verification of Annual Greenhouse Gas Intensity of Marine Fuels* – effectively filling the gap in China's standards system for marine-fuel greenhouse-gas intensity accounting. The Company also jointly developed a marine-fuel carbon-intensity calculation tool and completed intellectual-property registration, providing a unified quantitative benchmark for the low-carbon transformation of shipping enterprises and contributing a practical methodology to global carbon-governance efforts.



Release of Two Group Standards Regarding Marine Fuels

5. Strengthen R&D and Cooperation

Scientific Research Initiatives: CMES Shipping has led and participated in multiple national and ministerial-level key scientific research projects. Specifically, the National Key R&D Program Project "Improvement of Ship Operational Energy Efficiency" and the High-Tech Key Ship Project "Green and Intelligent Ship Engineering" have completed final evaluations; three projects commissioned by the Ministry of Industry and Information Technology, including the "top-level research project on green and environmentally friendly vessels" have been successfully concluded with high-quality results; and projects like "Methanol-Powered VLCC" and "Key Equipment for Dual-Fuel Low-Speed Engines" have been included in Phase III of the State-owned Assets Supervision and Administration Commission's "1025" R&D and application tasks. Besides, the Company has also participated in multiple research projects on auxiliary wind power, maglev waste heat power generation, and alternative energy applications, promoting the translation and application of green new materials and cutting-edge emission reduction technologies in the shipping industry.

Case Establishment of the International Green Fuels Alliance

In 2025, CMES Shipping participated in establishing the International Green Fuels Alliance (IGFA), bringing together upstream and downstream enterprises and institutions across the industry chain to explore pathways for maritime energy transition. Leveraging the strategic hub position of Hong Kong and Macao, the alliance tackled the three major bottlenecks hindering the green fuel industry: "lack of mutual recognition for standards, mismatch between supply and demand, and absence of financial instruments". Next, the alliance plans to build an information exchange platform for the green fuel industry, study and support formulation of green fuel policies, facilitate collaboration and innovation in demonstration projects, participate in the development of industry standards and rules, promote synergy between green finance and carbon markets, and help position Hong Kong as an international green fuel trading hub.

Case Participation in Developing Ship Carbon Capture Standards to Enhance Influence in the Formulation of International Maritime Regulations

CMES Shipping deeply participated in drafting the *Technical Specifications for Carbon Dioxide Capture from Ship Exhaust*, aiming to standardize the industry-level carbon accounting and enhance China's influence in the formulation of international maritime regulations. This industry standard specifies technical parameters, equipment interface standards, and safety regulations for ship exhaust carbon capture technologies, and standardizes design, installation, operation and other key aspects of carbon capture systems to ensure efficient and stable system operation and reduce environmental pollution.



Scene from the Inauguration Ceremony of the International Green Fuels Alliance in Hong Kong

ENVIRONMENTAL COMPLIANCE MANAGEMENT

Policies and Institutions

CMES Shipping has always adhered to the business philosophy of green compliance and strictly complied with the *Environmental Protection Law of the People's Republic of China*, the *Marine Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations. It has formulated and implemented policies such as the *Regulations on Energy Conservation and Environmental Protection of China Merchants Energy Shipping Co., Ltd.* and the *Overall Emergency Plan of China Merchants Energy Shipping Co., Ltd.*, embedding environmental compliance requirements into business processes and operational practices. This lays a solid institutional foundation for consistent and effective environmental compliance management across different regions and business units.

Management System

The Company has established an environmental management system centered on risk prevention and control, compliant operation, and cultivation of an environmental protection culture, and made efforts to continuously promote its systematic operation. In 2025, a total of 6 subsidiaries (AMCL, HKMW, Sinolines, CMRORO, CMLNG, and CMES Singapore) of the Company passed ISO 14001 environmental management system certification, which covers multiple aspects such as environmental compliance and pollution prevention, and encompasses the Company's main shipping entities.

The Company has defined clear environmental management objectives and responsibilities. By providing necessary resources and shore-based support, we strengthen risk control in ship operations to prevent adverse impacts on terrestrial and marine environments. With a long-term management goal of "zero pollution-related incidents", we continuously enhance the effectiveness of our environmental management system.

Work Achievements

In 2025, the Company achieved excellent performance in environmental protection management and continued to increase investment in environmental protection, with total annual investment reaching CNY 314.1391 million. Throughout the year, there were no environmental violation penalties. Both the number and amount of such penalties were zero.

Environmental Management Performance in 2025

Indicator	Unit	2025
Year-on-Year Growth in Investment in Fleet Energy-efficiency Retrofit	%	8.04
Number of Environmental Violation Penalties	cases	0
Amount of Environmental Violation Penalties	CNY ten thousand	0

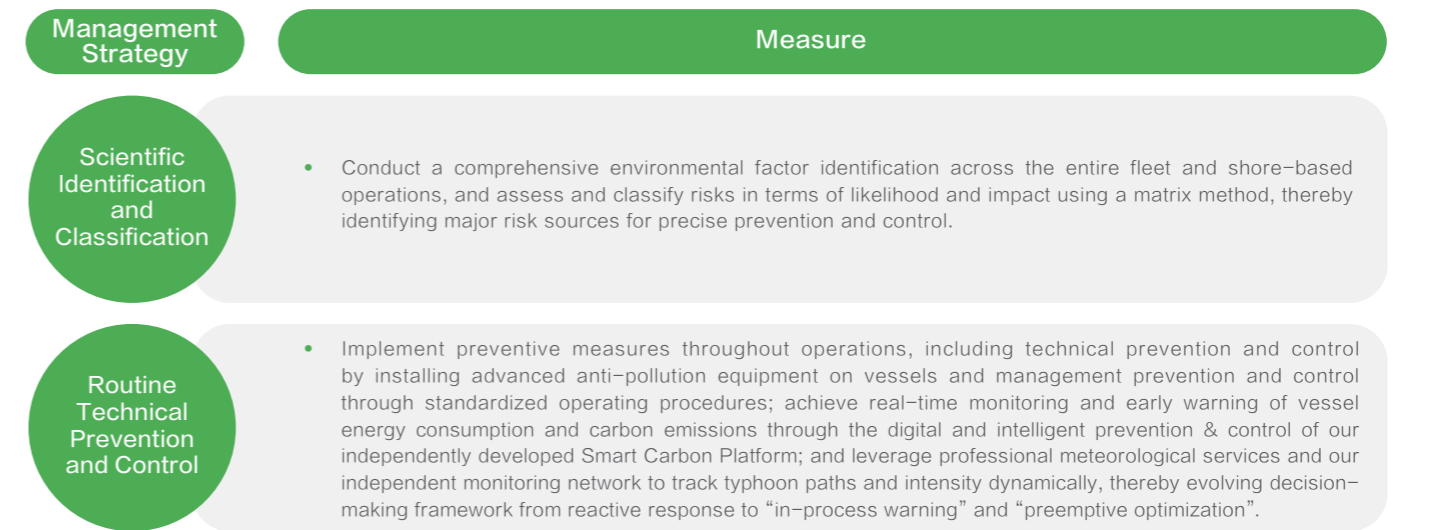
1. Environmental Risk Control System

In accordance with its risk control procedures, the Company has established an environmental management system based on the "Identify-Assess-Prevent-Respond" framework. Adhering to the "prevention-first" principle, we ensure operational safety through robust policies, technical measures, and environmental protection training, striving to achieve the goal of "zero pollution-related incidents".

1.1 Risk Identification, Assessment, Prevention and Control

The Company thoroughly identifies, assesses, and analyzes the likelihood and potential impact of risks, and develops appropriate management measures based on the level of risk impact.

Environmental Risk Identification, Assessment, Prevention and Control Procedures



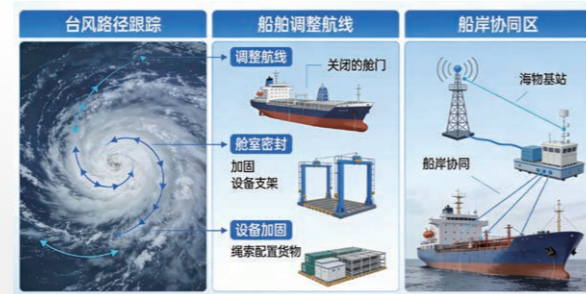
1.2 Risk Emergency Plans and Measures

Relying on a three-tier emergency plan system under the principle of "unified leadership and hierarchical responsibility management", the Company always gives rapid and orderly response to emergencies. The Company and its subsidiaries align their emergency plans with those of China Merchants Group and local governments to form a coordinated response. In an emergency, preliminary response can be activated quickly. Simultaneously, leveraging a robust enterprise-government information reporting and coordination mechanism, we coordinate response efforts under the unified government command to minimize environmental impact. The emergency plan system encompasses comprehensive plans, special plans, and on-site disposal plans to ensure full-scenario coverage and enable rapid, orderly, and targeted response measures.



Case Scientific Early Warning and Coordinated Response to Typhoons and Severe Weather at Sea

Relying on professional meteorological services and its own monitoring network, the Company conducts full-time dynamic tracking of typhoon paths and intensity. In accordance with emergency plans, relevant vessels are instructed to adjust their routes in advance to avoid high-risk areas. Simultaneously, vessels are required to strictly implement preventive measures such as sealing compartments, and securing equipment and cargo. Through efficient ship-shore coordination and scientific decision-making, the Company protects vessels, personnel, and the marine environment under extreme weather conditions.



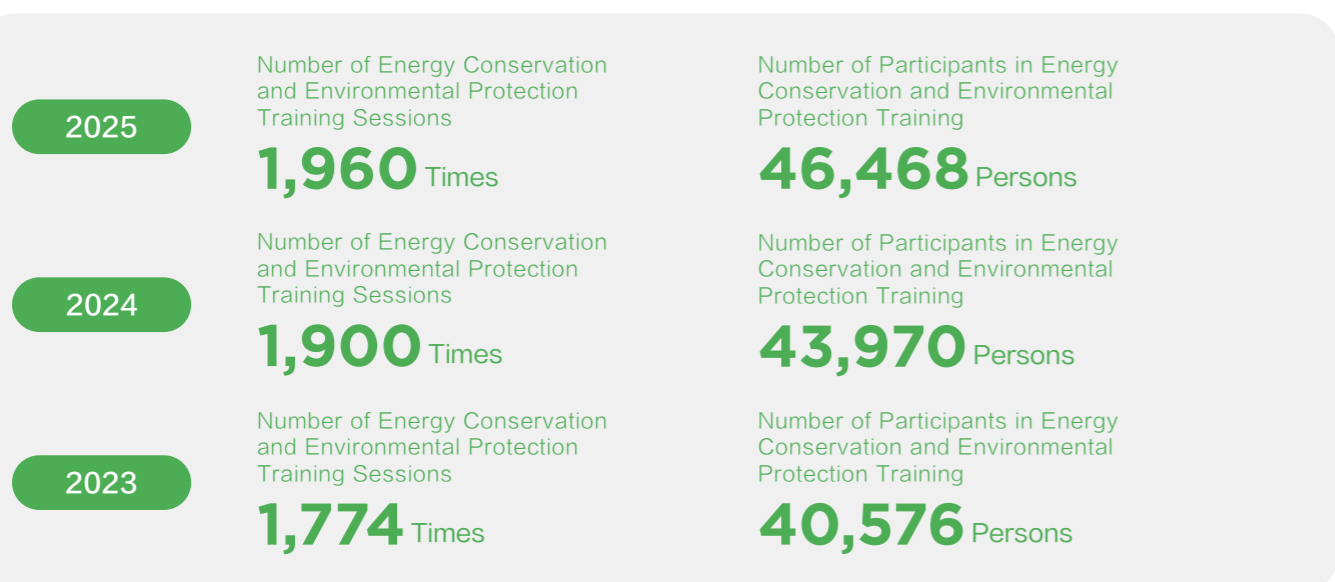
Emergency Drill Performance in 2025



1.3 Environmental Protection Training

The Company attaches great importance to energy conservation and environmental protection training in environmental management. Through Standard Operating Procedures (SOP) and continuous training, environmental awareness is integrated into daily operations. In 2025, focusing on energy conservation, emission reduction, pollution prevention, and environmental risk control, the Company conducted a total of 1,960 training sessions covering 46,468 participants, thus enhancing the environmental compliance awareness and operational capabilities of employees and facilitating effective implementation of environmental management requirements in practical operations.

Environmental Protection Training Performance in 2025



EFFECTIVE ENERGY UTILIZATION

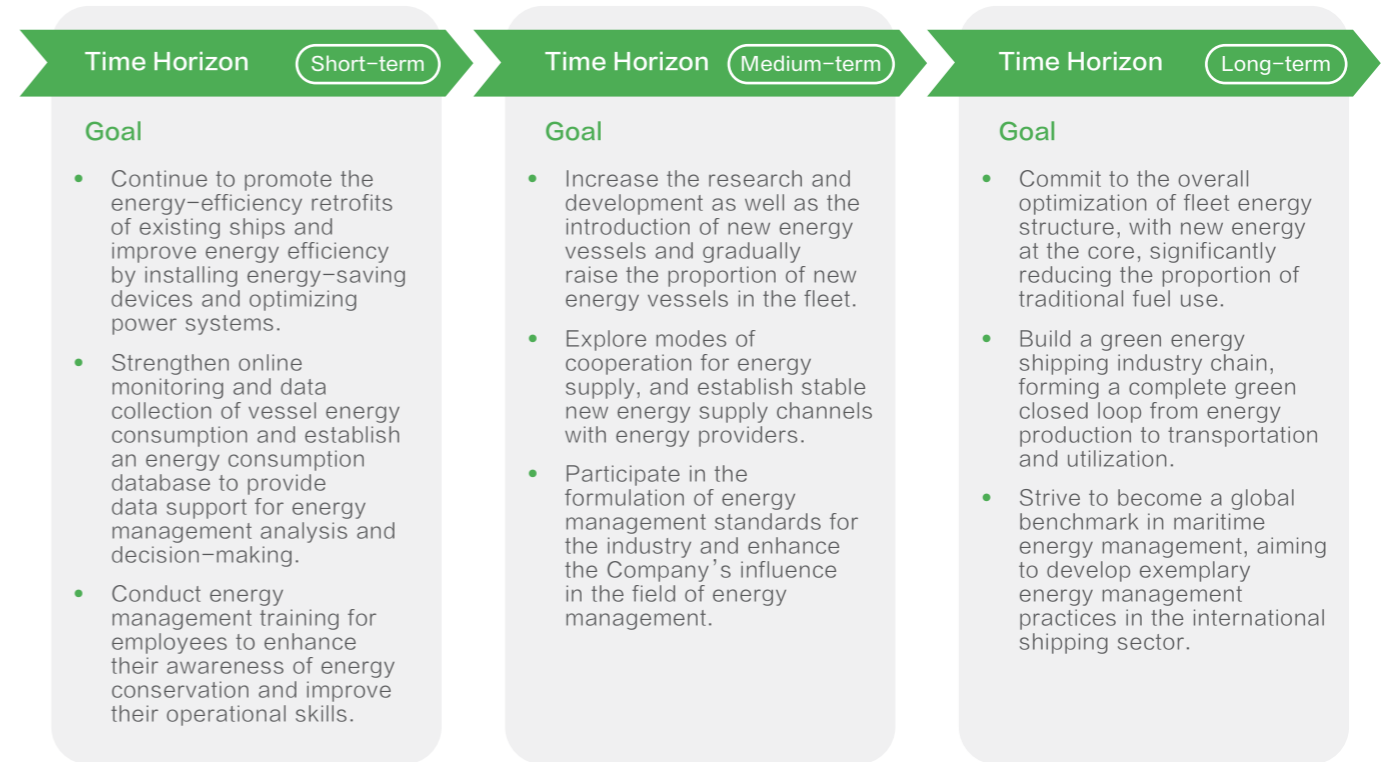
Policies and Institutions

CMES Shipping actively implements its green development vision, regarding energy management as a core driver of sustainable development. Additionally, the Company strictly follows domestic and international laws and regulations, including the *Energy Conservation Law of the People's Republic of China* and relevant conventions of the International Maritime Organization (IMO), and formulates and implements policies such as the *Regulations on Energy Conservation and Environmental Protection of China Merchants Energy Shipping Co., Ltd.* and the *Measures for the Management of Energy Consumption and Carbon Emission Statistics and Monitoring of China Merchants Energy Shipping Co., Ltd.* to provide a standardized guidance for energy measurement and carbon accounting, accelerate the improvement of energy utilization efficiency, and establish a comprehensive energy management framework.

Strategic Objectives

The Company has always adhered to the idea of green development, and has established a "short-, medium- and long-term" energy management goal system that aligns China's national carbon peaking and carbon neutrality goals with international emission reduction conventions.

Short-, Medium- and Long-Term Energy Management Goals



Management System

The Company has established a full-process energy management system. The quality and efficiency improvement project leading group, led by senior management of CMES Shipping, oversees overall management of the system and coordinates with the Company's Ship Technology Center to advance energy consumption management, ensuring energy management goals are achieved progressively. Through energy consumption monitoring, data analysis, and energy efficiency assessment, the Company has embedded continuous improvement requirements into daily operations and achieved the refinement of energy management, thereby advancing steady improvement of energy efficiency. In 2025, two of the Company's subsidiaries passed ISO 50001 energy management system certification.

Work Achievements

In 2025, the Company achieved emission growth far below the growth rates of its business volume and fleet size. Despite a year-on-year increase of 13.1% in the number of managed vessels and approximate 3.9% in vessel turnover, the Company achieved effective control over carbon emission intensity. The annual CO₂ emission intensity per kiloton-nautical miles stood at 4.83 kg/kT-nm, representing a year-on-year increase of only 1.62%, which outperformed the annual control target. Through technological retrofits and refined management, the fleet saved a total of 73,600 tons of fuel, demonstrating the efficacy of its energy-saving and efficiency-improving measures.

Energy Management Performance in 2025

In the future, the Company will continue to intensify its efforts in green and renewable energy and collaborate with industry institutions to jointly promote the development and application of diverse alternative fuels. Further, we will focus on research into the application of green fuels, such as green methanol and biofuels, in the shipping industry, and proactively explore their supply solutions. Meanwhile, we will continue to advance the application of wind, solar, and energy storage technologies on vessels. Through feasibility studies and technical solution development, we aim to build a green and low-carbon vessel energy system, providing strong momentum for green transformation and sustainable development of the shipping industry.

Indicator	Unit	2025
Year-on-Year Decrease in Total Energy Consumption per Million in Revenue	%	9.09
Year-on-Year Increase in Total Fuel Savings by the Fleet	%	17.57

1. Promoting Shore Power Use

The Company actively promotes the construction of green ports and encourages the use of shore power by vessels during berthing at ports to replace auxiliary engine power generation and achieve "zero local pollutant emissions" during berthing. In 2025, the Company's fleet utilized shore power 1,075 times, consuming a total of 2,340,000 kWh, equivalent to saving 2,124.68 tons of fuel and reducing CO₂ emissions by approximately 6,798.96 tons of CO₂ equivalent.

Over the past three years, the Company has demonstrated a growing trend in both single-use efficiency and overall emission reduction benefits from shore power. In 2025, fuel savings from shore power surged from 731.47 tons to 2,124.68 tons, while CO₂ emission reductions jumped from 2,340.7 tons of CO₂ equivalent to 6,798.96 tons of CO₂ equivalent, both of which achieved a remarkable increase of 190.47%. This significantly enhanced the level of green operations during vessel berthing.

Key Performance Indicators for Shore Power Use Over the Past Three Years

Indicator	Unit	2023	2024	2025
Proportion of Shore Power Consumption in Total Annual Vessel Power Consumption	%	/	99.9	99.9
Fuel Savings from Shore Power	tons	731.47	1,783.28 ↑	2,124.68 ↑
CO ₂ Emission Reductions from Shore Power	tons of CO ₂ equivalent	2,340.7	5,706.48 ↑	6,798.96 ↑

Indicator	Unit	2025
Year-on-Year Increase in Fuel Savings from Shore Power	%	19.14
Year-on-Year Increase in CO ₂ Emission Reductions from Shore Power	%	19.14

2. Exploring Green Fuel Use

CMES Shipping actively explores the potential for large-scale application of green fuels. In 2025, building on the successful trial of biofuels in 2024, the Company further expanded its fleet size and achieved preliminary large-scale application of biofuels, with total annual consumption reaching 8,431 tons. This initiative not only actively responds to regulatory requirements such as the FuelEU Maritime Regulation, but also achieves a win-win for environmental responsibility and economic benefits through compliance surplus and carbon quota savings while ensuring compliance. Looking ahead, CMES Shipping will continue to focus on the application and development of biofuels and other green energy sources.

Indicator	Unit	2023	2024	2025
Other Energy Consumption: Biofuels	ten thousand tons	/	0.02	0.90

3. Continuously Strengthening Energy Conservation and Emission Reduction

CMES Shipping continues to deepen the energy conservation and emission reduction management, improves energy and carbon emission control systems, and regularly conducts KPI assessments on energy conservation and environmental protection for its subsidiaries. The Company has successfully passed a specialized third-party audit on energy consumption and carbon emissions for HKMW. By effectively implementing corrective actions on identified issues, the Company further strengthens the foundation of green and low-carbon management.



4. Continuously Deepening Water Resource Management

In accordance with regulatory requirements, CMES Shipping has accurately identified the operational risk related to freshwater supply during long voyage, and has established a comprehensive water resource management system covering everything from design to daily operations. The Company incorporates water conservation concepts in the new vessel design phase, prioritizing the use of water-efficient equipment. During operations, the Company equips vessels with a great many seawater desalination devices, conducts regular inspections and maintenance of pipelines and equipment to prevent leaks, and organizes routine training. By continuously deepening water resource management, the Company effectively achieves the sustainable operation of its vessels.

Indicator	Unit	2025
Vessel Water Consumption	ten thousand tons	66.55
Water Consumption Intensity	ten thousand tons per million in revenue	0.0024

Case "New Aden" – the World's First VLCC with Biplane-powered Sails

The "New Aden" commissioned by CMES Shipping is the world's first VLCC equipped with the second generation of biplane-powered sails. Leveraging the advanced sail-assisted system, the vessel achieves over 7.4% energy savings on typical VLCC routes and reduces annual carbon emissions by more than 2,200 tons. Its comprehensive performance indicators reach world-class levels, and fully comply with latest international requirements such as the Harmonized Common Structural Rules (HCSR), the latest nitrogen oxide and sulfur oxide emission standards, and EEDI and EEXI indices.



The vessel New Aden

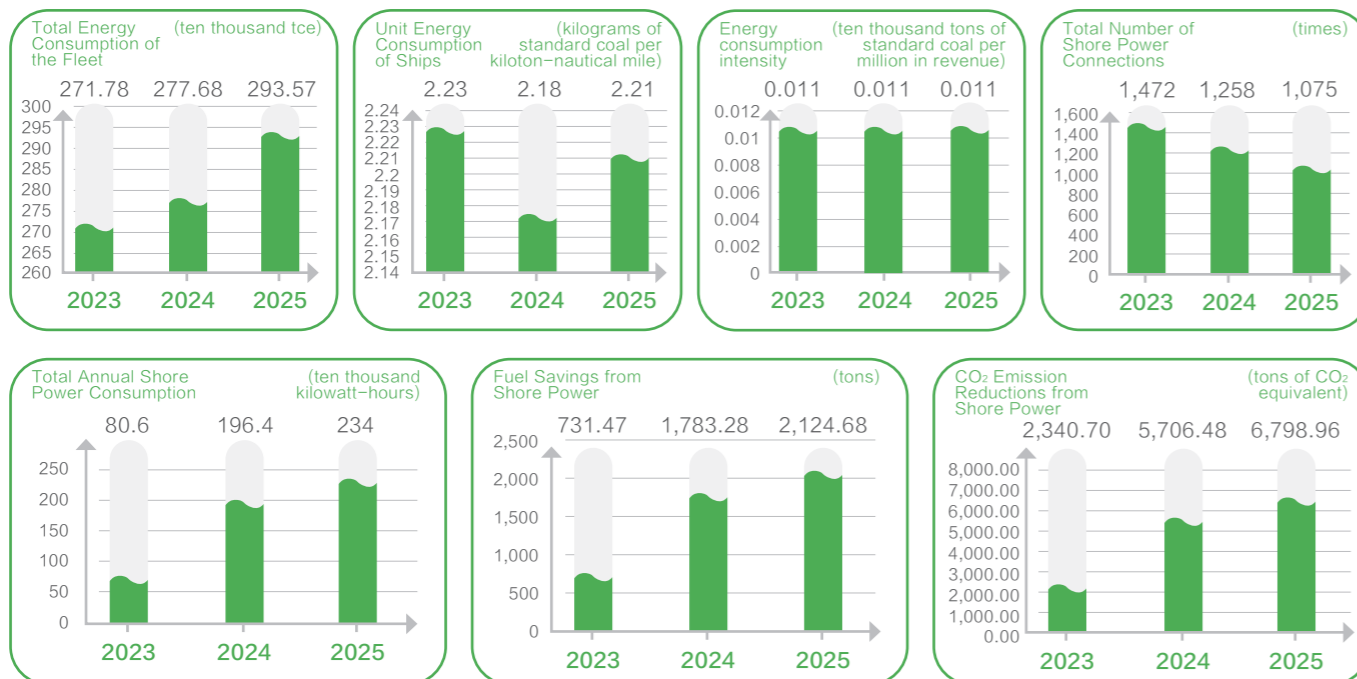
Case A New Chapter in Independent LNG Operations and Green Propulsion – the Vessel "Sea Spirit"

In September 2025, "Sea Spirit", the first vessel of the Company's 175,000 m³ LNG carrier project, was delivered in Dalian. This vessel is the first Mark III dual-fuel LNG carrier independently supervised and operated by CMES Shipping. It is equipped with the latest generation dual-fuel main engine and generator, advanced cargo containment systems, and 100% re-liquefaction units to ensure efficient energy management and minimal evaporation losses. Both fuel and gas modes of this vessel meet the strictest IMO emission standards, demonstrating high energy efficiency and environmental performance.



The vessel Sea Spirit

Key Performance Indicators for Energy Management



WASTE DISCHARGE MANAGEMENT

Policies and Institutions

CMES Shipping strictly abides by relevant laws and regulations such as the *Marine Environmental Protection Law of the People's Republic of China*, the *Discharge Standard for Water Pollutants from Ships* (GB3552-2018), the *International Convention for the Prevention of Pollution from Ships* ("MARPOL Convention") formulated by IMO, and applicable local waste management regulations in regions of operation. Additionally, the Company has formulated and implemented management policies such as the *Regulations on Energy Conservation and Environmental Protection of China Merchants Energy Shipping Co., Ltd.* Based on local geographical characteristics, resources, climatic conditions, hydrological features and shipping routes, each fleet develops and implements appropriate *Ship Garbage Management Plans* and supporting digital statistical recording systems, including the *Oil Record Book* and *Garbage Record Book*. We minimize waste generation through refined management, and ensure compliance with regulations on waste discharge through proper facilities, complete record-keeping, and enhanced training, thus reducing negative environmental impacts and promoting sustainable development.

Strategic Objectives

To ensure long-term sustainable development and reduce the discharge of various pollutants, CMES Shipping has formulated overall and phased goals for the management of wastewater, exhaust gas, and waste (collectively referred to as "three wastes").

The Company's Overall and Phased Goals for "Three Wastes" Discharge Management

	Wastewater	Exhaust Gas	Waste
Overall Goal	Ensure that the discharge of ship wastewater and office and domestic wastewater fully complies with the strict domestic and foreign environmental protection laws and regulations, minimize the impact of wastewater discharge on marine and terrestrial water bodies, strive for 100% coverage of ballast water treatment systems and "zero transfer" of invasive species, and protect the health and stability of the aquatic ecosystems.	Greatly reduce the emission concentration and total amount of various pollutants in the exhaust gas of ships, fully comply with emission regulations, actively respond to global climate change, and continuously lower emission intensity.	Achieve compliant treatment and handover of all non-hazardous waste and compliant disposal of all hazardous waste, focus on waste reduction, harmless treatment, and waste recycling, minimize environmental pollution, improve the recycling rate of resources, and promote sustainable development.
Short-term Goal	Strengthen the maintenance and upgrading of existing ship wastewater treatment equipment, ensure the stable operation of the equipment, and improve the treatment efficiency; investigate and optimize the drainage system in office areas, eliminate leaks and spillages, and ensure the effective implementation of water-saving measures.	Accelerate the installation and renovating of scrubbers to ensure that ship sulfur oxide emissions comply with international convention requirements; strengthen the maintenance and upkeep of ship engines, optimize the combustion process, and reduce emissions of nitrogen oxides and particulate matter.	Strengthen the classified management of waste from ships and office areas to improve classification accuracy; improve waste collection and transportation systems to ensure timely and safe disposal of waste.
Medium-term Goal	Continue to develop and apply more advanced marine wastewater treatment technologies, such as new membrane separation technology, biological treatment technology, etc., to further reduce the content of pollutants in wastewater; promote the use of intelligent water-saving equipment in office areas to realize the recycling of water resources.	Continue to develop and apply new exhaust gas purification technologies, such as selective catalytic reduction (SCR) technology, diesel particulate filter (DPF) technology, etc., to further reduce the content of pollutants in exhaust gas; promote the use of low-sulfur fuels and clean energy, gradually replacing traditional high-polluting fuels.	Increase the investment in the research, development, and application of waste treatment technologies, such as the use of advanced incineration technology, biological treatment technology, etc., to achieve the harmless treatment of waste; establish a waste recycling mechanism to improve the recycling rate of resources.
Long-term goals	Achieve near-zero discharge of ship, office, and domestic wastewater, and transform wastewater into reusable water resources by establishing a robust water resources recycling system to improve the utilization efficiency of water resources.	Achieve zero or near-zero emissions of ship exhaust gas, and establish the Company's fleet a model of green environmental protection through the development of new energy vessels and the application of advanced exhaust gas treatment technologies.	Establish a comprehensive waste recycling system, transform waste into reusable resources, achieving zero landfill and zero waste discharge.

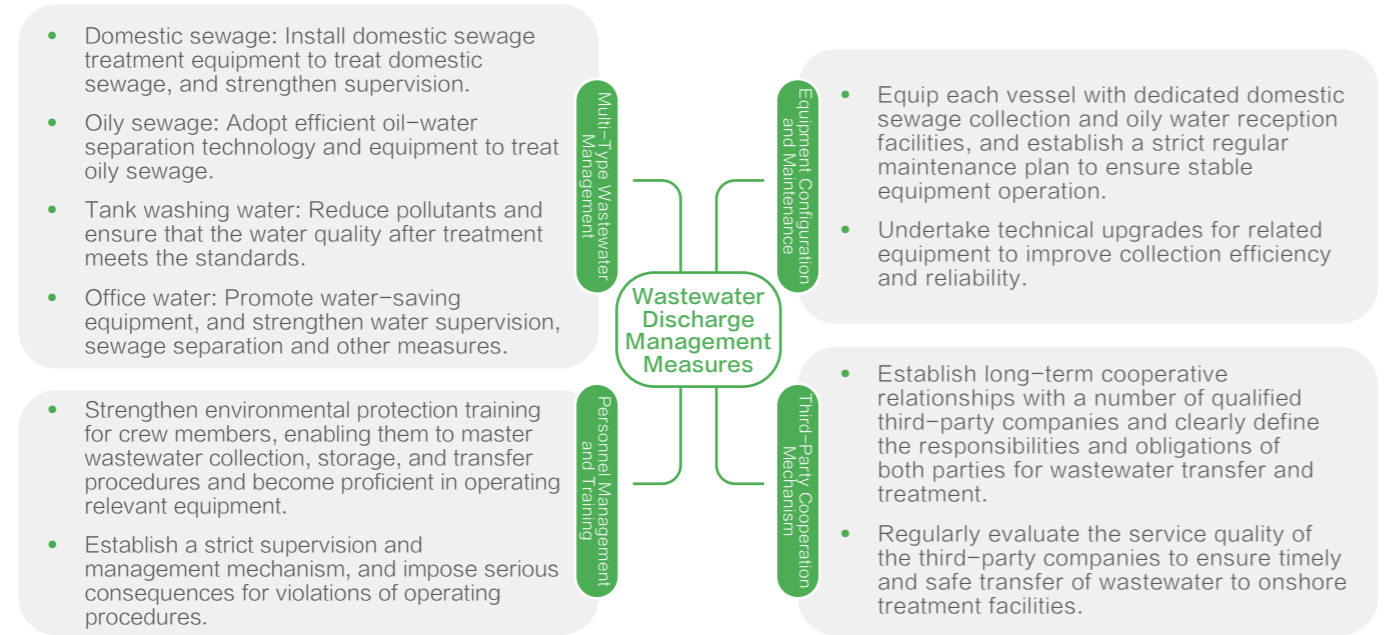
Management System

CMES Shipping has established an integrated pollutant prevention and control system centered on "source control, in-process treatment, and compliance verification". The Board's Sustainability (ESG) Committee oversees the effectiveness of energy conservation and emission reduction, and the functional departments of the headquarters and the subsidiaries implement the management of wastewater, waste gas and waste. In line with its business development needs and the environmental monitoring standards, the Company promotes emission reduction measures for wastewater, exhaust gas, and waste, to achieve green development, reduce costs and improve efficiency.

Work Achievements

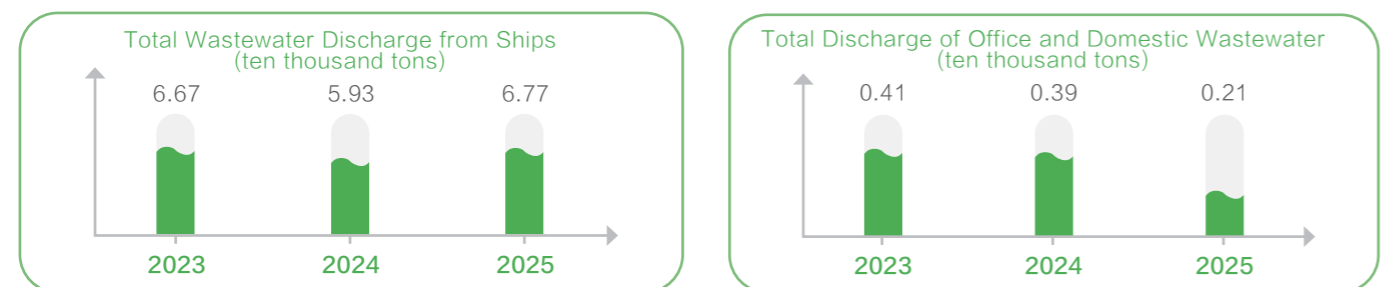
1. Wastewater Discharge Management and Effectiveness

Each fleet of CMES Shipping is equipped with a dedicated sewage and oily water collection system for wastewater classification and collection. Certified third-party institutions at ports along shipping routes offer transfer and treatment services over pollutants. The collected wastewater is transferred to the onshore sewage treatment facilities for centralized treatment, which ensures that wastewater treatment meets environmental protection requirements and minimizes potential pollution caused by the Company's operations. All treatment and discharge processes are duly recorded in statutory documentation and are subject to inspection by port authorities, ensuring compliant wastewater discharge.



In 2025, the Company recorded no pollution incidents or significant penalties related to wastewater discharge. Total discharge volume of office and domestic wastewater decreased by over 38% year-on-year, demonstrating remarkable effectiveness in water pollution control.

Key Indicators of Wastewater Management



2. Exhaust Gas Emission Management and Effectiveness

To strengthen precise control over exhaust gas emissions from ships, CMES Shipping has established a sound exhaust gas emission monitoring and management system, and installed the exhaust gas emission monitoring system to track the emissions of exhaust gas in real-time, ensuring strict compliance with local and industry environmental standards. Additionally, the Company has installed exhaust gas purification devices and implemented targeted classification and treatment measures to address emissions both at the source and throughout the process, effectively reduce the impact of exhaust gas emissions on the environment, and fulfill its environmental responsibility for green shipping.

The main marine exhaust pollutants of CMES Shipping include nitrogen oxides (NO_x), sulfur oxides (SO_x), volatile organic compounds (VOC), particulate matter, etc., which result from fuel combustion.

The NO_x emissions of CMES Shipping vessels shall comply with the NO_x emission control requirements in Document (J.H.F. [2018] No. 168) published by the Ministry of Transport. For ships entering the emission control area, their sulfur oxide and particulate matter emissions must meet the Phase II emission limits in the *Limits and Measurement Methods for Exhaust Pollutants from Marine Engines* (China I, II) (GB15097-2016). Additionally, the Company engages independent third-party organizations such as DNV to conduct specialized audits of emission data and has successfully obtained statements of compliance.

Exhaust Gas Emission Management Measures

Targeted or Classified Disposal

- Nitrogen oxides (NO_x): Reduce NO_x emissions with advanced engine technology and post-treatment systems.
- Sulfur oxide (SO_x): Strictly implement marine fuel sulfur limit standards and explore the use of low-sulfur fuels to reduce SO_x emissions.
- Volatile organic compounds (VOC): Equip with emission collection system, and optimize crude oil washing operation to reduce VOC emissions.
- Particulate matter: Reduce particulate matter emissions through engine optimization, exhaust treatment systems, and optimization of ship speed and routes.

Engine Maintenance

- Develop a detailed engine maintenance plan, increase the frequency of maintenance, and utilize advanced testing technology to ensure that the engine is always in the optimal running state and to reduce the generation of waste gas pollutants.

Use of Clean Fuel

- Gradually increase the proportion of clean fuel used, including low-sulfur fuel and biofuels, where cost and supply conditions permit.
- Establish close cooperation with fuel suppliers to ensure a stable supply of clean fuel.

Upgrading of the Exhaust Gas Purification Unit

- Conduct regular inspections and maintenance of existing exhaust gas purification devices and promptly replace aging components to ensure normal operation.
- Invest significantly in the installation of scrubbers to reduce SO_x emissions.
- Install new, high-efficiency exhaust gas purification devices on some vessels on a pilot basis, including Selective Catalytic Reduction (SCR) systems and Exhaust Gas Recirculation (EGR) systems.

Third-Party Data Verification

- Engage independent third-party organizations such as DNV to audit exhaust gas emission data and obtain statements of compliance.

3. Waste Discharge Management and Effectiveness

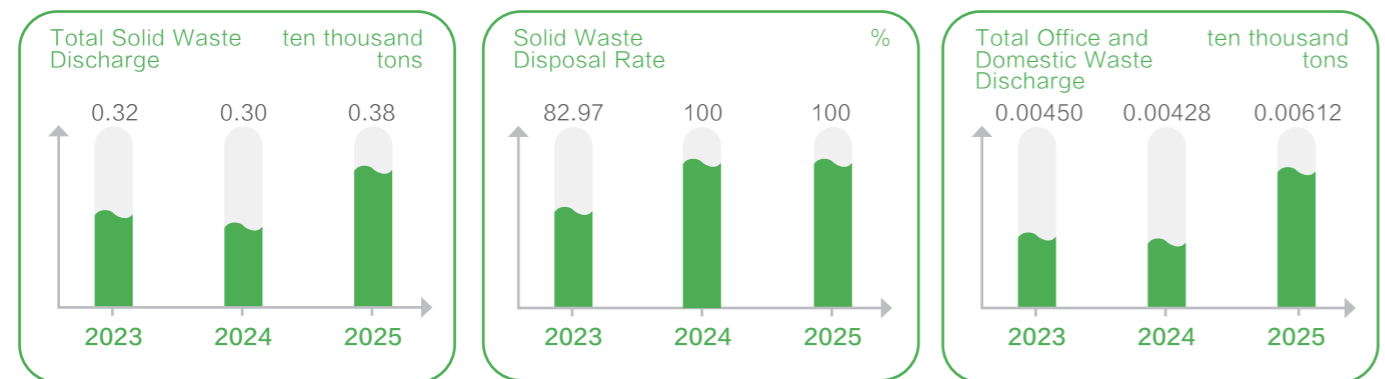
CMES Shipping is committed to optimizing management measures for both non-hazardous and hazardous waste. The Company's management of hazardous waste consistently centers on the principle of "closed-loop process management and compliant terminal disposal", aiming to achieve "100% compliant disposal" and "zero risk throughout the process". We ensure all hazardous waste is treated to meet standards or properly transferred in compliance with regulations, and critical equipment operates effectively, and set "zero leakage, zero pollution" as accident prevention goal.

The ship waste of CMES Shipping can be mainly divided into domestic waste and solid waste. The Company strictly follows the provisions of Annex V to MARPOL, and conducts standardized management of the disposal of domestic waste to prevent pollution to the marine environment. Hazardous solid waste is properly disposed in strict accordance with the *Hazardous Waste Storage Pollution Control Standard* (GB18597-2001) and relevant laws and regulations, to avoid environmental harm.

Waste Discharge Management Measures



Key Indicators of Waste Management



BIODIVERSITY PROTECTION

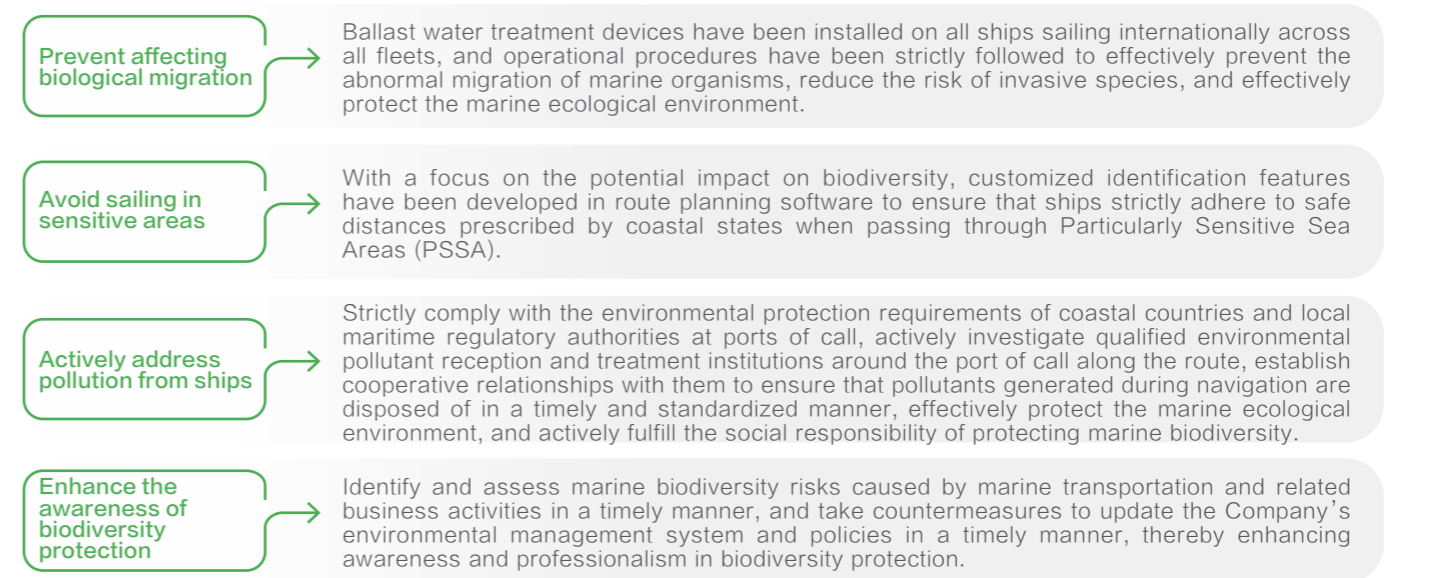
Policies and Institutions

CMES Shipping strictly abides by marine ecosystem conventions and regulations issued by international and regional organizations such as the International Maritime Organization (IMO), United Nations Environment Programme (UNEP), Asia-Pacific Economic Cooperation (APEC), and Secretariat of the Pacific Regional Environment Programme (SPREP), particularly including IMO's *2011 Guidelines for the Control and Management of Ship's Biofouling to Minimize the Transfer of Invasive Aquatic Species* (Resolution MEPC.207 (62)), the *International Convention for the Control and Management of Ships' Ballast Water and Sediments* (2004), the *International Convention on the Control of Harmful Anti-fouling Systems on Ships* (2001), and the *Convention on Biological Diversity* (CBD). CMES Shipping has issued the *Statement on Biodiversity* and other relevant management policies, actively fulfilling its social responsibility for protecting marine biodiversity.

Work Achievements

CMES Shipping proactively mitigates unavoidable impacts of its operations on marine biodiversity through targeted management measures, reflecting its social responsibility and commitment to the protection of marine biodiversity.

Biodiversity Management Measures



Key Biodiversity Indicators of CMES Shipping



Society

Building a Harmonious Society



Material ESG Topics

- Emphasizing Enhanced Quality and Efficiency
- High Quality Customer Service
- Innovation-Driven Development
- Safe Shipping Operations
- Occupational Health and Safety
- Safeguarding Employee Rights and Interests
- Optimizing Supply Chain Management
- Co-Creating Societal Value

CMES Shipping firmly believes that the long-term development of an enterprise is rooted in harmonious progress with society. In 2025, we continued to take high-quality services as our foundation and deeply integrated the concept of sustainable development into the entire process of quality management, innovation and R&D and safe operations. We are committed not only to the efficient and safe operation of our fleet, but also to extending corporate value to social value: by deepening digital and intelligent supply chain practices to support industry development, bringing together global insights through platforms such as the World Maritime Merchants Forum, and enabling more communities to benefit from development achievements through rural revitalization initiatives and community co-development programs. We are transforming from a single performer of responsibilities into a value co-creator that grows together with stakeholders.

United Nations Sustainable Development Goals (SDGs)



EMPHASIZING ENHANCED QUALITY AND EFFICIENCY

Policies and Institutions

CMES Shipping maintains a strong strategic orientation by adhering to the strategic guidelines approved by the Board of Directors, ensuring clear and stable development direction for the Company. Relying on a series of management systems and special plans, including the CMES Shipping's *Special Plan for Brand Building* and *CMES Shipping's Implementation Program for Strengthening Brand Building and Promoting Brand Leadership*, the Company empowers high-quality development through brand building and steadily advances toward its strategic goal of becoming a world-class shipping enterprise.

Strategic Objectives

The Company aims to build a world-class shipping enterprise with core competitiveness by means of first-class management, first-class talents, first-class innovation, first-class service and first-class fleet. The Company aims to build a world-class shipping enterprise brand enriched with the "TRUST" philosophy. During the reporting period, the Company maintained normalized operations focused on quality and efficiency improvement, with particular emphasis on cost leadership initiatives, effectively enhancing operating performance while continuously improving lean operation capability and core competitiveness.

Management System

The Board of Directors, as the highest decision-making body in CMES Shipping's management system, is responsible for approving the Company's strategic development policies. It has established the Strategy and Development Committee, which is primarily tasked with providing strategic recommendations, decision-making on major projects, and conducting research on key issues to offer proposals. We've established a supervision group for quality and efficiency improvement, firmly implementing the concept that "all costs are controllable", giving full play to initiative, conducting in-depth frontline research on key tasks, and adopting closed-loop management to supervise production and operational matters through quality and efficiency improvement measures.

CMES Shipping Quality and Efficiency Improvement Management Mechanism

Deepening understanding and implementing the concept that "all costs are controllable"

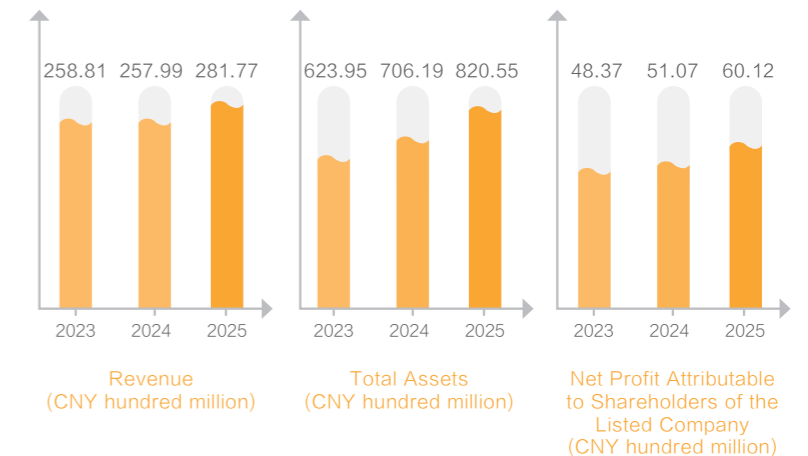
- Closely follow the annual operating budget and cost-leadership targets to ensure cost-leadership initiatives are practical, refined and effectively implemented.
- Maintain normalized operations for quality and efficiency improvement, and address deviations between action targets and budget execution.
- Focus on key cost items, implement the intrinsic requirements of the low-cost strategy, and use quality-and-efficiency improvement tools to reduce costs in a targeted manner.
- Continuously improve the cost and expense analysis and control model, refine the cost indicator system, strength data governance, and enhance intelligent analysis and control capabilities.

Work Achievements

1. Business Performance Achieving Rapid Growth

In 2025, the Company's net profit attributable to shareholders of the listed company exceeded CNY 6 billion for the first time, reaching a record high. In the face of a complex and volatile macroeconomic environment and intense market competition, the Company has consistently maintained a proactive approach, leveraging the advantages of its integrated business platform covering tanker, dry-bulk, LNG, RORO and container shipping. The Company continuously improved its market-oriented operations and optimized route deployment. By relying on its professional fleet to provide customers with comprehensive, high-quality services and by continuously enhancing differentiated service capabilities, the Company demonstrated strong development resilience and competitiveness.

CMES Shipping Business Performance over the Past Three Years



Strengthening implementation and conducting special supervision to ensure the execution of the 2025 quality and efficiency improvement project

- Conduct in-depth one-on-one communication to comprehensively review the 2025 quality and efficiency improvement action plans of each subsidiary.
- Consolidate the frontline-focused working mechanism for quality and efficiency improvement, continuously strengthen process management, and promote the replication and sharing of best practices and experience.
- Carry out extensive research and exchanges with customers and industry peers, forming a series of frontline PMO reports to deeply explore potential for operational improvement.

Closed-loop management, supervising production and operation through quality and efficiency improvement

- Strengthen long-term institutional mechanisms, encourage and mobilize grassroots initiatives in quality and efficiency improvement, with full staff participation and strong frontline engagement.
- Implement a management mechanism that integrates quality and efficiency improvement with operational analysis, leverage the advantages of process management, promptly implement important instructions from management at operational analysis meetings, make careful arrangements, focus on key priorities, develop task lists, address issues one by one, and form a closed-loop management system integrating market analysis, operational analysis, and execution.

2. Fleet Service Capacity

In 2025, CMES Shipping focused on the goal of becoming "first-class shipping enterprise", developed the "two growth curves" development strategy, and accelerating its "third entrepreneurial journey" while promoting faster strategic implementation, higher-quality management and improved operational efficiency. As of the end of 2025, the Company maintains a fleet comprising 235 owned vessels with a total deadweight tonnage (DWT) of 38.8459 million tons, and 69 chartered-in vessels with a total DWT of 4.6514 million tons, ranking among the leading fleets in the world in terms of capacity scale.

Overview of CMES Shipping Fleet at the End of 2025*

Type	Number (vessels)	Deadweight Tonnage (ten thousand tons)	Average Age*
Tanker	71	1887.55	10.08
Dry Bulk Carriers	110	2109.23	10.61
LNG Carriers	64	562.58	7.10
RoRo Vessels	27	21.73	11.50
Container Vessels	19	42.40	11.50
General Cargo Vessels	8	49.12	2.40
Total Owned Vessels	299	4672.61	9.95
Total Chartered-in Vessels	69	465.14	11.52

3. Freight Volume

MES Shipping has consistently propelled the steady expansion of freight throughput via strategic initiatives encompassing fleet optimization, route diversification and service quality enhancement. Against the backdrop of a rebounding global economy and a burgeoning shipping market, the Company is poised to sustain its robust growth trajectory and reach new performance benchmarks.

Overall Freight Volume of the Company in over the Past Three Years

Business Segment	Unit	2023	2024	2025
Tanker Fleet Freight Volume	ten thousand tons	8,752	8,137	8,162
Dry Bulk Fleet Freight Volume	ten thousand tons	9,888	10,184	11,419
LNG Fleet Freight Volume	ten thousand tons	2,201	2,358	2,467
RoRo Fleet Freight Volume	ten thousand tons	996	784	664
Container Fleet Freight Volume	ten thousand TEU	97	103	109

4. Resources and Brand Influence

CMES Shipping is firmly rooted in the development of its core shipping business, highlighting value orientation, cultural character and contemporary attributes, with equal emphasis on inheritance and innovation. The Company systematically advances work across multiple dimensions, including the establishment of a global marketing network, coordination within the industry ecosystem, enhancement of brand value, activation of cultural resources, and fulfillment of social responsibilities. Through these efforts, the Company continues to strengthen its resource allocation capability, brand communication capability and industry recognition, empowering development with diversified resources and promoting brand leadership to accelerate the building of a world-class shipping enterprise. The Company enhances product and service quality from three aspects – implementing comprehensive brand management, strengthening the foundation of brand development, and improving organizational support for brand-building and brand-leading initiatives – thereby providing a practical path for high-quality development.

¹ owned vessels and on-order vessels

² only owned vessels are factored in

In 2025, CMES Shipping achieved significant results in brand development. Awareness of brand leadership was further strengthened, the level of professionalism in brand building was comprehensively improved, and brand development became deeply integrated with the Company's overall development and production and operation management. The Company continued to expand its influence in the capital market and globally, striving to build "CMES Shipping" into a distinguished brand.

CMES Shipping's Implementation Program for Strengthening Brand Building and Promoting Brand Leadership



Implementing Comprehensive Brand Management

- Strengthen brand planning, study and formulate special brand development plans, and enhance top-level design.
- Enrich brand philosophy by developing inclusive, collaborative and extensible brand values.
- Improve brand identity by conveying brand philosophy through visualized information.
- Optimize brand architecture and strictly implement usage standards for the parent brand and sub-brands.
- Emphasize brand value and cooperate with the Group in conducting brand value evaluation.
- Strengthen brand protection and effectively safeguard the rights and interests of the parent brand and core brands.
- Innovate brand communication and refine brand communication strategies.
- Strengthen brand performance assessment by incorporating brand development into the corporate evaluation system.



Strengthening the Foundation of Brand Development

- Enrich the cultural heritage and consistently advance the development of the "New Hai Liao" benchmark.
- Improve services quality and diligently implement the development of a robust service quality framework.
- Accelerate innovation-driven development to continuously facilitate the upgrading of products and services.
- Establish a model of corporate responsibility and demonstrate courage in fulfilling social responsibilities.



Strengthening Organizational Support for Brand Development and Leadership Initiatives

- Strengthen organizational leadership by establishing a leading body for brand development.
- Strengthen communication and guidance to firmly establish brand awareness.
- Strengthen financial and talent support to effectively promote the implementation of key brand development tasks.

Case

Establishment and Inauguration of Sinotrans Container Lines (Vietnam) Co., Ltd., a Subsidiary of CMES Shipping

In November 2025, Sinotrans Container Lines (Vietnam) Co., Ltd., a subsidiary of CMES Shipping, was officially inaugurated. The Company will continue to deepen its presence in the Vietnamese market and expand extensive cooperation with local Vietnamese enterprises.



Figure: CMES Shipping Signing Memorandum of Cooperation with Vietnam Maritime Corporation (VIMC)

HIGH-QUALITY CUSTOMER SERVICE

Policies and Institutions

CMES Shipping consistently adheres to a customer-centric service philosophy and is committed to providing customers with high-quality, comprehensive and customized shipping and logistics solutions, empowering customers to maximize value through professional services. The Company has formulated institutional documents such as the *Annual Customer Management Work Plan of China Merchants Energy Shipping Co., Ltd.* and the *Measures for Key Customer Management of China Merchants Energy Shipping Co., Ltd.*, thereby establishing a sound key customer management system. The Company continuously optimizes service quality and improves service efficiency, taking customer satisfaction as its core objective, strengthening long-term and stable customer partnerships, and pursuing win-win development together with business partners.

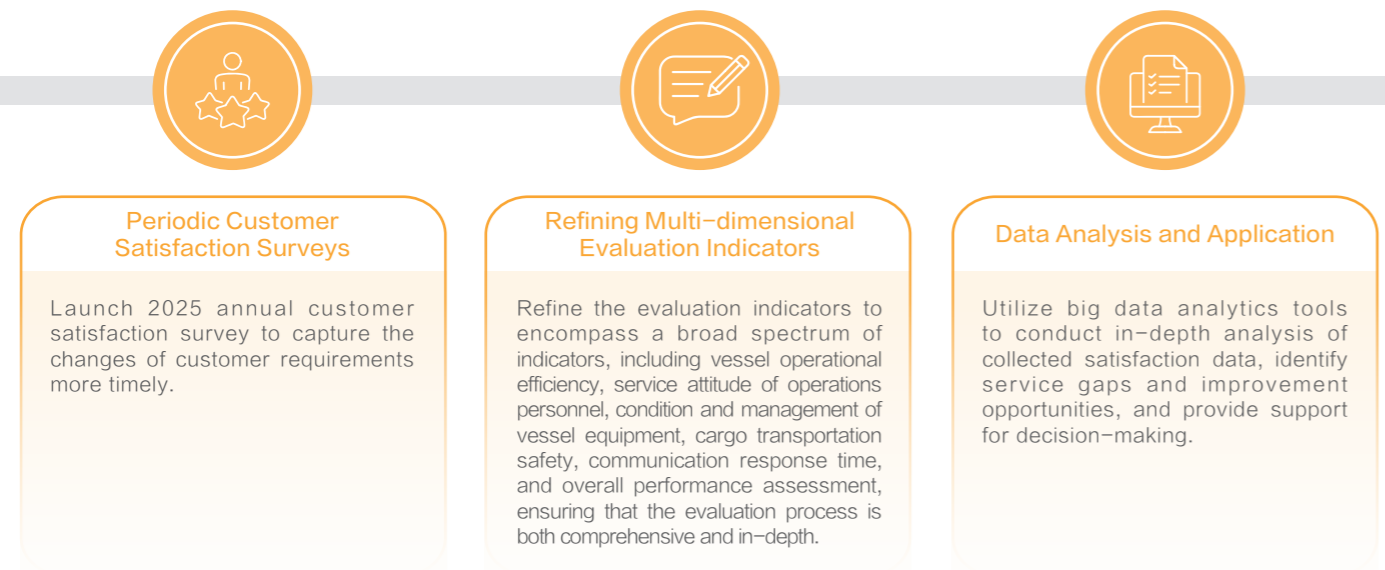
Throughout the entire customer service process, the Company strictly adheres to the bottom line of information security and data compliance. It complies with relevant domestic and international laws and regulations, including the EU GDPR, the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, Singapore's PDPA and Hong Kong's PDPO. We've formulated and implemented management documents such as the *Regulation on Data Security Management of China Merchants Energy Shipping Co., Ltd.* and the *Regulation on Data Management of China Merchants Energy Shipping Co., Ltd.*, establishing a rigorous data security control mechanism to comprehensively safeguard customer data privacy and information security.

Management Strategy

1. Customer Satisfaction Management

CMES Shipping has established an efficient and collaborative customer management organizational structure, combining strengthened service processes with the provision of personalized services, and optimizing communication mechanisms. Through senior management visits, business exchanges, special meetings, and routine communication, the Company forms and consolidates sound strategic partnerships, continuously improves service quality, and ensures efficient and professional customer service. The headquarters' Operation Management Department works closely with each business unit to build a comprehensive customer service management and supervision mechanism, jointly carrying out customer visits, annual customer satisfaction surveys and customer complaint management. The Company actively reviews and promptly responds to customer opinions and suggestions, creating greater value for customers and supporting the mutual growth of customers and the Company.

CMES Shipping Customer Satisfaction Survey Management System



2. Customers Information Security Management

CMES Shipping places a high priority on the security and privacy protection of customer data. The Company adheres to the leadership principle of "unified leadership, hierarchical management and tiered responsibility" with the primary leader of each company's leadership team serving as the first responsible person. Responsibilities are clearly defined, and relevant tasks are implemented at all levels according to the principles of "whoever is in charge is responsible", "whoever operates is responsible", and "local management".

In accordance with the *Regulation on Data Security Management of China Merchants Energy Shipping Co., Ltd.*, CMES Shipping has established stringent requirements for the collection, storage and access of personal and customer privacy data. These requirements encompass cross-border data transfers, commercial data confidentiality classification, authorization controls and other critical aspects. At the same time, in conjunction with its cybersecurity management framework, the Company strictly guards against the risk of data leakage and comprehensively strengthens its data security protection system.

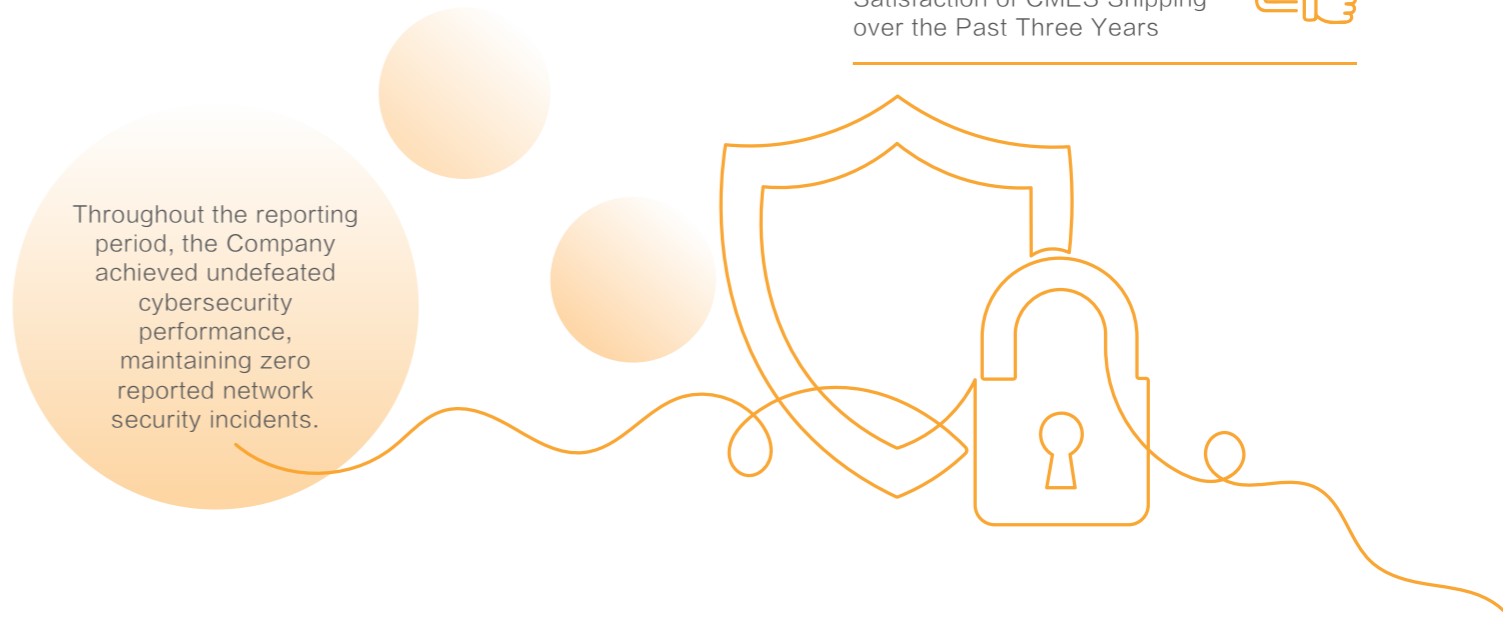
Work Achievements

1. Customer Satisfaction Performance

Each year, CMES Shipping conducts satisfaction surveys among key customers in its four major business segments: tanker shipping, dry bulk shipping, container shipping and RORO shipping. The Operations Management Department reports the survey results to Company management and all subsidiaries. For opinions and suggestions raised by key customers in the satisfaction survey, the Company promptly reviews the issues, formulates improvement measures, and completes closed-loop feedback, while taking into account the legitimate interests of all relevant units, effectively translating customer needs into concrete service improvements.

2. Effectively Protecting Customer Information Security

In 2025, the Company organized and implemented information security risk inspection work, carried out the 2025 "Digital Foundation Strengthening" documentation work and advanced software legalization management, thereby promoting the normalization, localization and legalization of cybersecurity work and ensuring the security of customer information.



Throughout the reporting period, the Company achieved undefeated cybersecurity performance, maintaining zero reported network security incidents.

Promotion of Protection Software

Install secure terminal protection and antivirus software on more than 1,600 terminals.

Special Cybersecurity Inspections

Conduct a 2025 cybersecurity special inspection covering seven subsidiaries and headquarters, identifying and rectifying 31 cybersecurity management issues.

Training and Drills

Invite well-known domestic cybersecurity experts to conduct company-wide cybersecurity training. Nearly 10 professional cybersecurity training sessions and 1 phishing simulation drill were organized during the year to enhance employee awareness.

Software Compliance Inspection

Conduct a comprehensive software compliance inspection in the first half of the year, covering 8 entities, identifying 26 issues and completing rectification of all 26, ensuring 100% legalization of Adobe software.

Establishment of a Special Task Force

Establish a special task force for 2025 High-level Virtualized Vulnerability Evaluation (HVV).

Improvement of Management System

Further clarify responsible departments and duties for customer and supplier data management.

External Security Testing

Carry out regular testing by external security organizations.



3. Strategic Cooperation

CMES Shipping continues to promote strategic cooperation with key customers, strengthening the guiding and management functions of headquarters, and advancing the signing of strategic cooperation agreements (including MOUs) with partners such as Unipec, New Land-Sea Corridor Operation Co., Ltd., (NLS) Vietnam Maritime Corporation (VIMC), Shandong Port Group, Sinopec International, Sinopec (Hong Kong) and CIMC Enric, laying a solid foundation for further business development.

Case

SHMW Signs a Contract of Affreightment for Wood Pulp Transportation with ARAUCO

On October 20, 2025, SHMW, a subsidiary of CMES Shipping, successfully held a signing ceremony for the Contract of Affreightment (COA) for Wood Pulp Transportation with ARAUCO from Chile on the premises of China Merchants Group (CMG). This cooperation represents a substantive achievement of SHMW's efforts to further develop the Latin American market under CMES Shipping's unified deployment. The successful implementation of the project demonstrates SHMW's capability in "specialization in multipurpose cargo and coordination between bulk and general cargo" and reflects the Company's core strength in providing integrated supply chain services to customers.



Figure: Signing Ceremony for the Contract of Affreightment for Wood Pulp Transportation between SHMW and ARAUCO

Case

CMES Shipping Conducts 2025 National Cybersecurity Awareness Week Activities

CMES Shipping organized activities for the 2025 National Cybersecurity Awareness Week. In line with the Company's operational needs, the program focused on advanced cybersecurity topics including "Vulnerability Security and Emergency Response" and "Prevention of Social Engineering Attacks". Training and awareness sessions were delivered to employees across all units through live-streamed events in the format of "micro-film + courseware", comprehensively enhancing employees' capabilities in security protection and incident response.



Figure: 2025 National Cybersecurity Awareness Week Promotional Slides

Case

HKMW Signs Guinea Project Contract with Chinalco Logistics

On December 23, 2025, HKMW held a signing ceremony in Beijing for the Guinea project contract with Chinalco Logistics Group Co., Ltd. ("Chinalco Logistics"). The signing of the Guinea aluminum project contract marks a key step for CMES Shipping, Aluminum Corporation of China Limited and Chinalco Logistics in deepening their strategic partnership and jointly responding to development opportunities in West African resource development. Taking this cooperation as an opportunity, CMES Shipping will fully leverage the resources and professional expertise of all parties to establish a secure transportation channel for the return shipment of mineral resources from West Africa and enhance the stability of the mineral resource supply chain.



Figure: Signing Ceremony for the Guinea Project Contract between HMMW and Chinalco Logistics

INNOVATION-DRIVEN DEVELOPMENT

Policies and Institutions

CMES Shipping continuously strengthens its innovation capabilities under the guidance of technological advancement. It has established a series of internal policies, including the *Measures on CMES Shipping Science and Technology Innovation Management*, the *Digitalization Management System of China Merchants Energy Shipping Co., Ltd.* and the *China Merchants Group Technology Innovation Management System*, among others, to provide institutional support for the Company's technological innovation.

CMES Shipping advocates an innovation-driven culture and encourages all subsidiaries to actively carry out technological innovation practices, strengthen standardized management of innovation activities, enhance overall competitiveness, support the Company's innovation-driven development, and promote the building of a world-class shipping enterprise.

Strategic Objectives

China Merchants Energy Shipping remains committed to the strategic goal of becoming a world-class shipping enterprise. In alignment with national strategies such as "boosting China's strength in transportation" and advancing the Digital China initiative, the Company continues to implement CMG's digital and intelligent development strategy as well as the "Digital and Smart Shipping" strategy. The Company has systematically defined key priorities to deepen the integration of technological innovation with the shipping industry and to foster the development of new quality productive forces. It regards innovation-driven and integrated development as both the starting point and the ultimate objective of technological and industrial innovation. The starting point lies in transforming and upgrading traditional shipping businesses to build a greener, smarter and more diversified fleet with complementary capabilities, while the ultimate objective is to systematically advance research, development and application in key areas such as low-carbon fuels, intelligent vessels and digitalized operations, thereby laying a solid foundation for the Company's long-term and high-quality development across industry cycles.

Focusing on high-quality development, CMES Shipping continues to increase investment in innovation and R&D, and further promotes the deep integration of technological innovation, industrial innovation and institutional innovation. By 2030, the Company aims to significantly enhance the effectiveness of the integration of "technology innovation + industry", and to establish a sustainable core engine for long-term development. On the one hand, the Company leverages Yunlian Shuzhi Technology (Shenzhen) Co., Ltd. to lead the digital transformation of the industrial chain, systematically building a digital and intelligent ecosystem that provides strong digital empowerment for upstream and downstream participants across the entire shipping and trade value chain, thereby enabling the upgrading of industry capabilities. On the other hand, the Company has established a high-standard Ship Technology Center to closely track global cutting-edge developments in ship technology, and to coordinate the implementation of special initiatives including technological innovation, equipment upgrading and technical transformation. The Company actively promotes the application of new technologies, new designs, new equipment, new materials and new processes, continuously improving vessel operational safety and energy efficiency, and reinforcing the foundation for green and intelligent development in shipping.

Management System

The Company has established a well-defined and coordinated management system for technological innovation and digital transformation, forming strong organizational synergy for innovation across all levels. Responsibilities and authorities are clearly defined across departments and management levels, enabling coordinated operations and effective integration of high-quality internal and external resources, and providing solid organizational support for the sustained advancement of technological innovation and digital transformation. To accelerate the implementation of innovation initiatives, China Merchants Energy Shipping has established a Technology Innovation and Digitalization Promotion Task Force led directly by senior management. As the coordinating body for dedicated initiatives, the task force is responsible for the overall planning, coordination, and advancement of the Company's technological innovation work, ensuring the orderly execution and efficient implementation of all innovation measures. At the operational level, the Corporate Management Department serves as the lead unit, responsible for formulating innovation-related policies, organizing routine meetings and coordinating with the Group on science and technology innovation matters. The Digital Management Department oversees the overall planning and implementation of digital innovation. The Ship Technology Center focuses on innovation and technical breakthroughs in ship-related technologies. The Finance Department is responsible for the accounting and funding support of innovation expenditures. Subsidiaries act as the primary entities for application and implementation, carrying out technological innovation practices in coordination under the unified deployment of the headquarters.

Work Achievements

In 2025, the Company maintained a total of 60 ongoing R&D projects, with R&D investment reaching CNY 195 million, representing an increase of 71.1% compared with 2024.

Key Indicators for R&D and Innovation				
Indicator	Unit	2023	2024	2025
Number of Ongoing R&D Projects in the year	projects	57	62	60
R&D Investment	CNY ten thousand	394.27	1858.40	8166.15

Case Copyright Registration Completed for the WMMF ESG Rating Standards

The "WMMF ESG Rating Standards", released at the 2024 World Maritime Merchants Forum, provides enterprises with an actionable benchmark for ESG practice. In 2025, the standards were upgraded to version 2.0 and successfully completed copyright protection registration, establishing the legal status of this core intellectual property achievement and strengthening the intellectual property barrier for subsequent standard iterations and industry promotion.



1. Developing an Innovative Talent Pool

The Company places strong emphasis on fostering employees' awareness and capabilities in scientific and technological innovation, focusing on building a high-caliber, professional R&D talent team. In 2025, the Company employed 176 R&D personnel, representing a year-on-year increase of approximately 11%, accounting for 3.19% of the total workforce.



Key Indicators for Innovative Talent Pool				
Indicator	Unit	2023	2024	2025
Number of R&D personnel	persons	127	159	176
Proportion of R&D personnel	%	2.58	3.01	3.19

2. Developing Digital and Intelligent Shipping Platforms

CMES Shipping has fully implemented the Group's digital transformation strategy, deepened the promotion of the construction of three major projects, namely the Integrated Operation Management Project, the Smart+Green Shipping Initiative, and the Shipping Digital Ecosystem Innovation Program. Focusing on its main business, the Company strives to create new competitiveness in shipping development, grasp the pulse of internal and external interconnection and industrial chain integration, explore new operation models in the industry, cultivate innovative development momentum, and continuously promote digital innovation transformation. In this process, the company complies with the requirements of scientific and technological ethics, adheres to the concept of technology for good, systematically constructs a data governance system and AI ethical framework, and strives to create a safe, controllable, compliant and trustworthy smart shipping solution.

In 2025, the Company achieved digital foundational application adoption rates of no less than 60% for integrated office systems, 50% for business management, and 40% for production and operations, and officially launched the WMMF ESG Intelligent Agent.



The first to propose a full-chain management platform covering carbon and full life cycle management of assets, including carbon monitoring, carbon AI and carbon assets.

Promoting research on the "digital twin" technology for intelligent vessel operations, advancing the development and application of "Chuanqi Anzhi", conducting independent R&D on the system, and driving the creation of a digital, green and energy-efficient fleet.

"OKSNL" end-to-end supply chain digital e-commerce platform project, with more than 1,700 registered customers

The platform has opened up various production and operation systems, with more than 60 landing data models and more than 300 data indicators, building an efficient and lean "digital headquarter" driven by data.

Developing a mobile application for crew members and establish a comprehensive crew training platform to enhance the content and depth of crew management and services. This initiative aims to create an advanced digital crew management system and foster a robust ecosystem for crew services.



Case Zhejiang Free Trade Zone Bulk Commodity Digital Trade & Technology Co., Ltd. (COMMODT)

On August 26, 2025, Zhejiang Free Trade Zone Bulk Commodity Digital Trade & Technology Co., Ltd. (COMMODT) was established. CMES Shipping signed a memorandum of cooperation with the Zhoushan Municipal People's Government, facilitating the establishment of Bulk Digital Technology in Zhoushan and securing the exclusive right to operate the "Belt and Road Intelligent Trade & Transportation Chain (BRITC)" platform. Aiming at the digitalization of shipping trade documents, processes, and collaboration platforms, this platform continuously expands its functions and services, digitally empowering shipping trade-related fields such as offshore trade, maritime services, financial insurance, and green decarbonization.



Schedule of Digital and Intelligent Shipping Platforms

Target Layer	Strategy Layer	Engineering Layer	Platform Layer
Target 1: Digital Intelligence: Building Next-Generation Competitive Ecosystems	Intelligent Maritime Ecosystem Strategy	Smart + Green Shipping Project	Smart Carbon Platform Chuanqi Xiaozhi Platform Chuanqi Anzhi Platform
Target 2: Synergistic Innovation: Unleashing New Drives for Growth	Expanding Industrial Influence through Innovation	Shipping Digital Eco- innovation Project	BRITC-Belt and Road Intelligent Trade & Transportation Chain Digital Platform for International Trade and Transportation of Commodities "OKSNL" Integrated Logistics Digital Platform for Container Shipping
	Optimizing Operations and Strengthening Control	Integrated Operation Management Project	Digital Risk Control Platform Cloud-based Crew Management Platform Cloud-based Ship Management Platform BI Platform for Shipping

3. Strengthening Intellectual Property Management

CMES Shipping adheres strictly to national laws and regulations, including the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Anti-Unfair Competition Law of the People's Republic of China*, along with relevant regulatory documents and internal management standards. In alignment with operational development objectives, the Company formally issued the *Regulations on Intellectual Property Management of China Merchants Energy Shipping Co., Ltd.*, standardizing full-process management of intellectual property across the Company and its subsidiaries. Through systematic implementation of these provisions, the Company continuously strengthens the protection and efficient use of intellectual property, enhances the core competitiveness of intangible assets, mitigates infringement risks, and safeguards its lawful rights and interests.

Intellectual Property Management Measures

Use Management

- Promote technology commercialization and evaluate or repurpose idle patents.
- Conduct patent searches when introducing external technologies and clarify licensing terms; intellectual property ownership must be defined in written agreements for collaborative investments.
- External use of Company or Group intellectual property requires review and approval; unauthorized use is strictly prohibited.

Records Management

- Each subsidiary must maintain a detailed IP register, update rights status regularly, and securely store application documents, registration certificates, and contracts to ensure complete, traceable records.

Protection Management

- Implement monitoring mechanisms to regularly review IP validity, track patent and trademark announcements, and submit timely objections where necessary.
- In cases of infringement, take protective measures including evidence preservation, administrative complaints, or legal proceedings; concealment or failure to report is strictly prohibited.
- Ensure compliant use of third-party intellectual property, conduct risk assessments prior to entering international markets, and apply for local protection as needed.

The Company clearly defines ownership of employee-created and commissioned IP, ensures timely IP applications, applies for patents for inventions prone to imitation, and protects non-patentable technologies through trade secrets or copyright, including rights notices in related documents. In 2025, the Company held 6 valid patents. By the end of 2025, cumulative software copyrights totaled 74, an increase of 31 over 2024.

The Company continues to strengthen IP protection and registration of proprietary trademarks. By the end of 2025, all Company-owned trademarks – including the CMES Shipping, Captain Xiaozhi, and WMMF trademarks – were fully registered, with 142 trademark certificates issued.

By the end of 2025,
cumulative software copyrights totaled **74**
increase of **31** over 2024
trademark certificates issued **142**



SAFE SHIPPING OPERATIONS

Policies and Institutions

The Company attaches great importance to building a comprehensive safety management system, following the rules and guidelines of the IMO, regulatory authorities and industry organizations, while continuously optimizing and refining safety management regulations. In 2025, the Company revised its *Administrative Measures for Work Safety Accident Hazard Investigation and Remediation*, the *Administrative Measures for Work Safety Accountability* and the *Production Management System*, while issuing the newly formulated *Regulations on Contractor Safety Management*, further standardizing contractor safety management and strengthening risk oversight.

Strategic Objectives

The Company's vision for safety management is to become a fundamentally safe enterprise, aiming for zero accidents, zero injuries and zero pollution. Following the principle of "safety first, prevention-oriented, comprehensive governance", the Company has implemented root-cause safety initiatives and is progressively shifting its safety management approach toward proactive risk prevention, ensuring the secure and stable operation of the enterprise.

Management System

The Board of Directors serves as the highest decision-making authority for safety, with board members leading the Work Safety Committee to oversee strategic safety planning. Operationally, the Safety Supervision and Management Department drives the Company's dual-prevention mechanism, integrating risk classification with hazard identification and remediation.

The Safety Supervision and Management Department continuously ensures compliance through a closed-loop system, innovates safety training programs, and deploys digital and intelligent management solutions to enhance safety performance. By enforcing accountability, implementing precise and routine control measures and establishing comprehensive safeguards across critical areas including navigation, personnel and operational safety, the Company effectively mitigates major safety risks, prevents work safety liability incidents, and maintains a zero-tolerance policy toward safety breaches. Such mechanism guarantees long-term work safety. Fleet operations are guided by a "safety first, prevention-oriented" principle, with close coordination between fleet teams and the Safety Supervision and Management Department. This integration establishes a vertically and horizontally coordinated safety management framework, reinforcing operational resilience and providing a solid foundation for sustainable growth.



Work Achievements

1. Increasing Investment in Work Safety

CMES Shipping formulates its annual work safety budget in strict accordance with national laws and regulations. These funds are systematically allocated and utilized as prescribed, specifically for improving workplace safety infrastructure, purchasing personal protective equipment and implementing comprehensive safety training programs. In 2025, the Company's investment in work safety totaled CNY 361.4258 million, representing an increase of nearly 50.94% compared with 2024, with the overall scale of safety investment continuing to expand.

2025

investment in work safety totaled CNY

361.4258 million

increase of nearly

50.94% ↑

Work Safety Investment

Indicator	Unit	2023	2024	2025
Investment in Work Safety	CNY ten thousand	17,395.14	23,944.75	36,142.58

2. Refining Quality Management System

CMES Shipping has established a robust quality management system, covering vessel operation, quality control and risk management, so as to ensure the safe, efficient and sustainable development of vessel operations. In 2025, six subsidiaries of the Company have obtained quality management system certification.

3. Improving Safety Supervision Performance

CMES Shipping attaches great importance to the effective implementation of Port State Control (PSC) inspections, with the aim of continuously improving the operational quality of the Company's fleet. In 2025, the Company's performance metrics in PSC compliance were ranked within the top quintile of global industry benchmarks, maintaining internationally recognized standards of safety management excellence.

Safety Supervision and Inspection Performance

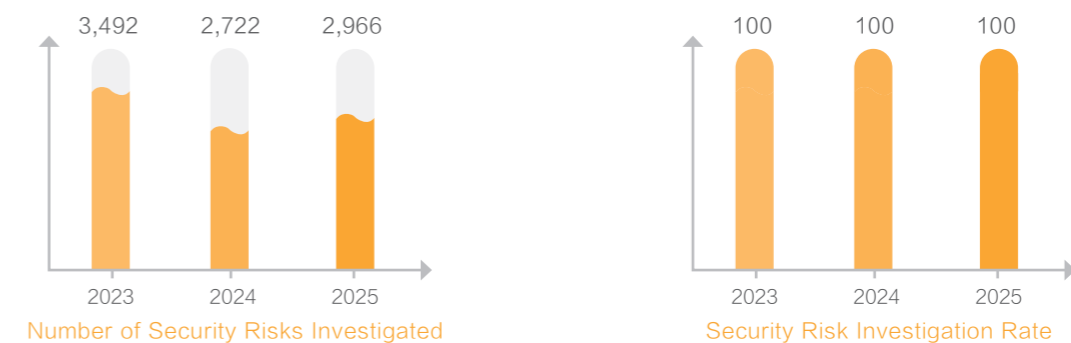
Indicator	Unit	2023	2024	2025
Zero-defect Rate in PSC Inspections	%	76.10	75.24	73.33
Zero-defect Rate in Tokyo MOU Inspections	%	68.66	60.87	65.48
Average Defects per PSC Inspection	units per vessel	0.60	0.69	0.64
Average Deficiencies per Tokyo MOU Inspection	units per vessel	0.84	1.06	0.71
Vessel Detention Rate in PSC Inspections	%	0	0.0032	0
Average Defects in Major Oil Company Inspections	units per vessel	1.70	2.48	3.24

4. Maintaining a Good Safety Score

The Company actively conducts onboard inspections to continuously enhance the safety performance of its fleet. In December 2025, according to the rating results issued by RIGHTSHIP, a global ship assessment organization based in Australia, the proportion of the Company's bulk carrier fleet achieving a five-star safety rating reached 60.6%, significantly outperforming fleets of comparable size worldwide. The tanker fleet achieved a five-star safety rating compliance rate of 22.64%, further demonstrating the effectiveness of the Company's safety management practices.

5. Safety Hazard Identification and Rectification

The Company continuously strengthens hazard identification and major risk prevention through systematic and multi-level implementation and follow-up management. In 2025, a total of 57 onboard safety inspections were carried out, with 530 deficiencies identified and 61 management improvement recommendations proposed. All identified issues were tracked through rectification to ensure closed-loop management. Across all fleets, 2,966 potential safety hazards were identified, and the hazard rectification rate has remained at 100% for five consecutive years.


Statistical Report on Safety Hazard Inspection of CMES Shipping


In 2025, CMES Shipping reported no major or higher-level work safety accidents, which highlighted the Company's effective risk mitigation strategies. The total number of work safety incidents dropped by 25.00% in comparison with the previous year. The work-related injury rate was 0.10 case per million working hours.

6. Piracy Prevention

The Company consistently regards vessel safety as its top priority and has established a dynamic anti-piracy monitoring system supported by a global shipping information network. The Company's Safety Management Department conducts round-the-clock monitoring of piracy activity in high-risk waters and international escort operations, and requires all ship management units to strictly comply with IMO security requirements. During voyage planning, routes are optimized to avoid high-risk areas, and anti-piracy emergency drills are conducted to test response readiness, ensuring the effective implementation of all security measures. Through a comprehensive, multi-layered prevention and control system, the Company has maintained a 100% safe navigation record, making a positive contribution to global maritime safety.

In 2025, no incidents of pirate attacks on vessels or crew hijackings were reported. The Company has achieved a 100% success rate in anti-piracy operations for four consecutive years.

 success rate in anti-piracy
 operations for

4 consecutive years

100%



7. Prevention of Typhoons and Other Severe Weather Hazards

The Company adheres to the typhoon prevention principle of "prevention first, combining prevention and response, early avoidance when necessary, and maintaining sufficient safety margins", and has established a scientific and comprehensive severe-weather prevention system, achieving the safety targets of zero accidents and zero pollution during the typhoon season. The Company has put into place a real-time meteorological monitoring and early warning mechanism, which utilizes advanced forecasting models and satellite data to accurately predict typhoon tracks and impact areas, thus enabling timely and precise preventive measures. In 2025, the Company closely monitored severe weather developments and issued more than 40 typhoon and severe-weather alerts throughout the year. With the support of a visualization platform, the Company supervised ship management companies in implementing precautionary measures and guided vessels and shore-based units likely to be affected to take early action, ensuring the safety of personnel, vessels, cargo and the environment. The success rate of typhoon and flood prevention reached 100% for the year.

Case CMES Shipping Conducts 2025 Typhoon Emergency Response Drill

During the typhoon emergency response drill, the Company simulated the full process of receiving warnings, conducting risk assessments, making sheltering decisions, and implementing response measures under complex sea conditions. The drill effectively tested the practicality of the Company's emergency communication mechanism between the command center and vessels during the typhoon season, the information analysis and decision-making procedures, and the implementation of onboard wind-resistance measures. It also enhanced the efficiency of coordinated ship-shore decision-making and response capability in addressing natural disasters.



Figure: 2025 Typhoon Emergency Drill

Statistics on Typhoon and Flood Prevention over the Past Three Years

Indicator	Unit	2023	2024	2025
Number of Typhoon/Hurricane and Severe Weather Alerts Issued	times	62	48	40
Success Rate of Typhoon and Flood Prevention	%	100	100	100
Average Number of Typhoon Impacts per Vessel	times/vessel	1.27	1.55	1.28
Average Deviation Distance per Vessel	nautical miles	44.65	45.94	80.40
Average Time Loss per Vessel	hours	25.50	17.09	25.50

OCCUPATIONAL HEALTH AND SAFETY

Policies and Institutions

CMES Shipping strictly complies with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other applicable laws and regulations. The Company has formulated and implemented internal policies including the *Regulations on Occupational Health Management of CMES Shipping*, the *Measures for Classified Control of Work Safety Risks of CMES Shipping*, and the *Measures for Work Safety Assessment of CMES Shipping*, thereby establishing an occupational health management system covering all employees and all operational processes. For shore-based personnel, the Company clarifies occupational health responsibilities at each position through the implementation of the work safety accountability system. For crew management, relevant subsidiaries have established dedicated mechanisms for crew health management, occupational health examinations and emergency response planning, clearly defining safety responsibilities and operating procedures for personnel at all levels. The Company continues to strengthen its occupational health management system, create a safe working environment, and steadily enhance overall occupational health and safety performance.

Strategic Objectives

CMES Shipping focuses on the occupational health and safety needs of seafarers, continuously promotes the development of a strong safety culture and actively leverages technological tools to enhance safety management practices, gradually establishing a multi-level and comprehensive occupational health and safety protection framework. Supported by sound policies, a well-structured management system and effective implementation measures, the Company regularly conducts safety education and training for shipboard and shore-based personnel (including contractors and part-time workers), improving safety awareness and self-protection capabilities and reducing occupational health risks at the source. The Company sets the prevention of major fatal accidents and serious injuries caused by management responsibility as a bottom-line requirement, while continuously reducing the occurrence of minor work-related injuries through strengthened process control and performance evaluation, ensuring the continuous improvement of overall safety performance.

Management System

The Company has established a three-tier occupational health and safety management structure linking headquarters – subsidiaries – vessels, ensuring coordinated management across all levels. At the headquarters level, a Work Safety Committee has been established and is led by the principal person in charge of CMES Shipping, who oversees occupational health and safety management across the Company. Safety performance indicators are incorporated into senior management performance evaluations and compensation assessments, ensuring that safety responsibilities are deployed and implemented in parallel with operational responsibilities. The Committee is supported by a dedicated safety supervision department and an administrative office responsible for daily supervision and execution. Each subsidiary has established its own Work Safety Committee led by its principal person in charge, taking overall responsibility for occupational health and safety management within the unit. Each vessel is equipped with full-time or part-time safety officers as appropriate, responsible for crew health monitoring, daily safety management, and hazard identification and rectification.

In 2025, a total of six subsidiaries obtained ISO 45001 Occupational Health and Safety Management System certification.



CMRORO



HKMW



Sinolines

Figure: ISO 45001 Occupational Health and Safety Management System Certificates of Selected Subsidiaries

Work Achievements

1. Crew Health Monitoring and Assessment

Crew Health Monitoring Program

Develop personalized health monitoring plans based on factors such as crew age, gender, occupational characteristics and work environment. Conduct regular health check-ups and specialized health screenings for specific job roles to comprehensively assess crew health conditions and identify potential health issues early.

Mental Health Monitoring and Assessment

Establish a comprehensive "Prevention - Identification - Intervention - Support" framework to address the challenges of long-term offshore deployment, family separation and social isolation. This system operates continuously, providing regular psychological counseling and creating a ship-to-shore mental health support network that safeguards crew well-being.



Crew Health Monitoring and Assessment Measures

Occupational Risk Prevention and Control

Conduct systematic occupational health risk assessments tailored to vessel operations and onboard work environments. Implement targeted health protection measures for high-risk roles and specialized operational conditions to mitigate occupational health risks.

Remote Medical Support

Provide a remote medical platform to address the challenges of offshore medical care, improving the accessibility and efficiency of healthcare services for crew members.

2. Improving Working Environment and Facilities

Measures on Improving Crew Working Environment and Facilities

Vessel Facilities Upgrade

Increase investment and systematically advancing vessel facility upgrades. Optimize cabin layouts and enhancing ventilation, lighting and noise reduction systems to create a comfortable and livable working environment. Vessels are equipped with intelligently designed fitness equipment and multifunctional recreational facilities, flexibly adapted to different ship types. These provisions offer diverse leisure options for long-term offshore personnel and help reduce fatigue during navigation.

Diet and Health Management

Formulate dietary plans based on crew workload and nutritional needs to ensure a balanced diet. Cater to the diverse taste preferences and dietary requirements of crew members, ensuring they can enjoy healthy and delicious meals while at sea.

3. Emergency Rescue and Medical Support



Case Maritime Rescue by CMES Shipping

Upholding international humanitarian principles, CMES Shipping actively fulfills its maritime rescue responsibilities. On March 30, 2025, the ORE HONG KONG, managed by CMES Shipping's subsidiary HKMW, successfully rescued a person in distress at sea, demonstrating the Company's commitment to maritime emergency response.



Figure: Successful Rescue of Person in Distress at Sea

4. Occupational Health Training

Performance of Occupational Health Training of CMES Shipping in 2025

Occupational Health Training

Provide training on safety precautions, first aid knowledge, occupational disease prevention, and other related areas to employees, and enhance overall health literacy of crew members through multi-level training programs.

Emergency Drills

Organize practical drills and simulation training to continuously strengthen the collaborative response skills and psychological resilience of crew members, achieving a leap from "passive response" to "proactive prevention".

Performance of CMES Shipping Occupational Health Training in 2025

Indicator	Unit	2025
Safety Education Training Sessions	sessions	3,920
Participants in Safety Education Training	persons	58,366
Duration of Safety Education Training	hours	175,000
Average Training Hours per Person	hours	3.00
Coverage Rate of Safety Education Training	%	100
Number of Safety Drills	times	1,311
Number of Participants in Safety Drills	persons	31,275

Case CMES Shipping "Work Safety Month" Activities in 2025

June 2025 marked the 24th National Work Safety Month. The Company launched a series of promotional and educational activities under the theme "Universal Safety Awareness and Emergency Preparedness - Identifying Safety Hazards Around You", in alignment with actual safety work practices.

- Deliver a safety lecture titled "Strengthening the Maritime Lifeline: Strive to Be Hazard Detectives"
- Organize the "Wonderful Moments • Safety Moments" themed photography contest
- Screen safety accident warning videos



Case CMES Shipping "National Fire Safety Publicity Month" Activities in 2025

November 2025 marked the 34th National Fire Safety Publicity Month. Focusing on the theme "Fire Safety for All, Life First", the Company organized fire evacuation drills for employees in line with actual safety requirements, continuously enhancing on-site response and emergency avoidance capabilities.

5. Mental Health Care System

In 2025, the Company focused on building a mental health care system for crew members, systematically advancing the full-process management of "prevention - identification - intervention - support". Key achievements included launching the "XinYue TongXing (馨悦同行)" mental health hotline platform, establishing a quarterly management meeting mechanism, building a digital mental health platform, conducting a fleet-wide mental health survey, and providing specialized training for management personnel, all aimed at effectively implementing mental health management.

"XinYue TongXing" Mental Health Hotline Platform

- Provide 7 × 24 mental health care service in Chinese via both hotline and WeChat in collaboration with the Nautical Psychology Research Center of the Institute of Special Environment Medicine, Nantong University.
- Focus on building an online science popularization platform and a professional testing platform to achieve prevention-oriented mental health management.

Normalized Operational Management Mechanism

- Establish a quarterly crew mental health management meeting mechanism to regularly report on the implementation of mental health counseling, challenges faced, and future work plans, thus achieving systematic closed-loop management.

Mental Health Status Survey

- Collect 5,329 valid questionnaires using professional tools such as the *Mental Health Assessment Scale for Chinese Seafarers*, conduct in-depth on-board interviews on 12 vessels, and carried out one-on-one interviews with key crew members requiring special attention, thus providing a scientific basis for the development of intervention strategies.

Specialized Training for Key Positions

- Conduct two specialized training sessions on "Crew Mental Health Service and Management" for key ship management positions, and dynamically adjust the curriculum to focus on early identification of psychological crises and practical communication and mediation skills and cover captains, chief engineers and other management personnel, thereby extending management effectiveness to grassroots levels.



Case CMES Shipping Publicity Week on the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

In 2025, the Company carried out a publicity campaign on the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* on the theme of "Caring for Workers' Mental Health", paying close attention to employees' mental health issues and strengthening mental health counseling.

6. Safety Education and Emergency Drills

(1) Safety Education

Safety Education Framework



Online Platform

Regularly publish safety knowledge articles and video tutorials to ensure full coverage and enable learning at any time for all employees.



Offline Training

Organize practical safety skills training and emergency drills, particularly for new employees and key position personnel, to ensure safety skills meet the required standards.



Interactive Learning

Host activities such as "Safety Skills Competitions" and organize employees to watch warning education films for work safety, aiming to enhance employee interest in learning and expand their knowledge of work safety.

Category and Content of Safety Skills Training



Senior Crew Training

Provide training on the latest IMO regulations and advanced ship management skills for senior crew members such as captains and chief engineers to enhance their ability to handle complex sea conditions and emergencies.



Special Operation Training

Organize specialized safety operation procedure and emergency response training for the transportation of hazardous cargo, liquefied cargo, and other special goods, ensuring operational safety.



Mental Health Counseling

Focus on crew mental health by organizing mental health management training for crew members, and inviting psychological experts from universities to provide professional training on mental health, crisis intervention, and trauma coping.

CMES Shipping Strengthening Safety Culture Construction



Safety Awareness Enhancement

Enhance overall safety awareness through safety activities, safety meetings, and pre-shift briefings, continuously reinforcing the concept of "Life First, Safe Development".



Safety Culture Construction

Continue to deeply implement special initiatives such as the "Three-year Campaign for Improving the Safety Management", "Work Safety Month", and "Fire Safety Month", firmly establishing the concept of safe development and promoting a "new" safety culture that resonates at all levels.

(2) Emergency Drills

The Company has established a hierarchical emergency management system to strengthen integrated ship-shore emergency response capabilities. By developing and continuously refining a hierarchical and categorized emergency response plan system, and optimizing the emergency management framework and procedures, the Company enhances the scientific rigor and effectiveness of emergency response measures. Regularly, the Company organizes multi-scenario and multi-level emergency drills to comprehensively assess the feasibility of the plans, optimize resource allocation for emergencies, strengthen team collaboration and response capabilities, and refine the emergency response mechanism. Concurrently, the Company actively promotes safety education and skills training, aimed at enhancing the safety awareness of all personnel and building a robust foundation for its stable operations.

In 2025, the Company organized a total of 11,799 safety emergency drills, covering 281,470 participants.

2025

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Case Rapid Response and Inspection Following a Land-Based Fire Incident

Following an external safety incident, the Company promptly activated its emergency contact and inspection mechanism. All employees at the site of the external incident were individually assessed and confirmed to ensure personnel safety. On this basis, the Company organized targeted special safety inspections, focusing on fire-fighting facilities, electrical circuits, and hazardous materials management in workplaces and storage areas to eliminate potential safety hazards. Meanwhile, the Company provided timely fire safety awareness education for all employees to enhance their fire prevention awareness and emergency response capabilities, thereby reducing the likelihood of similar incidents.



Case Fire Evacuation Drill at China Merchants Property Operation and Service Building

In November 2025, the Company conducted a fire evacuation drill at China Merchants Property Operation and Service Building, focusing on key procedures such as fire alarm activation, initial firefighting, personnel evacuation, casualty rescue, and on-site security control. The drill proceeded smoothly. Participants responded promptly according to the plan, demonstrated familiarity with evacuation routes and assembly points, and operated relevant firefighting equipment and communication devices in a largely compliant manner. The drill achieved the preset objectives of enhancing employees' fire safety awareness, familiarizing them with emergency evacuation procedures, and ensuring the safety of building occupants.

SAFEGUARDING EMPLOYEE RIGHTS AND BENEFITS

Policies and Institutions

CMES Shipping strictly adheres to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant national and local employment regulations, ensuring that all human resource management activities are conducted within the legal framework. The Company conducts stringent verification of identity documents for prospective employees in strict accordance with the *Provisions on the Prohibition of Child Labor* and the *Law of the People's Republic of China on the Protection of Minors* to prevent child labor at its source and effectively safeguard the legitimate rights and interests of all employees.

To safeguard the legitimate interests of both the Company and its employees, CMES Shipping has established comprehensive regulations, including the *Regulations on Employee Recruitment Management* and *Regulations on Labor Employment Management*, which detail procedures for employee recruitment, transfer, employment, and contract management. In 2025, the Company optimized policies related to employee recruitment and career development particularly by revising the *Measures for Company Education and Training Management (Trial)* and *Measures for the Management of Dual-Track Career Development for Headquarters Employees*, and continuously reviewed and updated these policies in line with legal requirements and corporate development needs to ensure their scientific rigor, rationality, and effectiveness.

Strategic Objectives

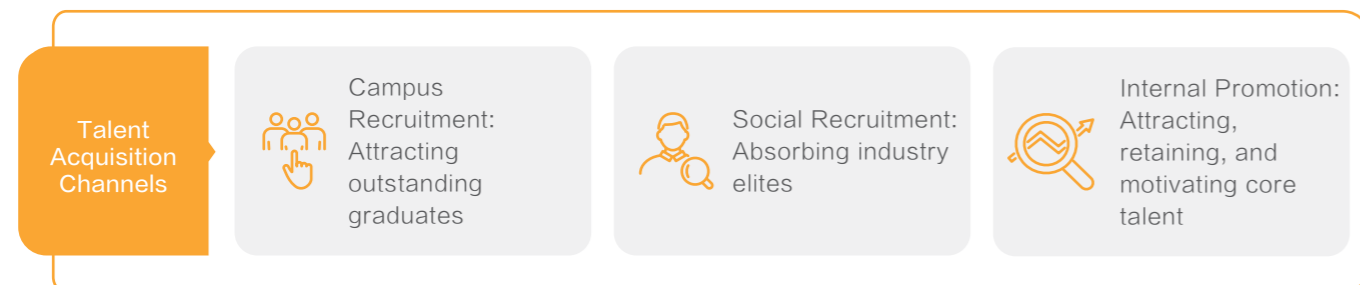
CMES Shipping places high importance on talent development, regarding human capital as a core pillar for high-quality and sustainable development. The talent development plan is guided by strategic direction, precise adaptation, institutional innovation, and practical implementation, focusing on enhancing organizational capabilities and building a comprehensive talent development system. By strengthening the three core elements (talent workforce, management mechanism, and business adaptation) and supported by an institutional framework and risk prevention and control measures, the Company continuously improves its talent governance and development ecosystem. This lays a solid foundation for sustainable development of a diversified business pattern of "tanker, dry-bulk, LNG, RORO and container shipping".

Work Achievements

1. Talent Acquisition and Retention

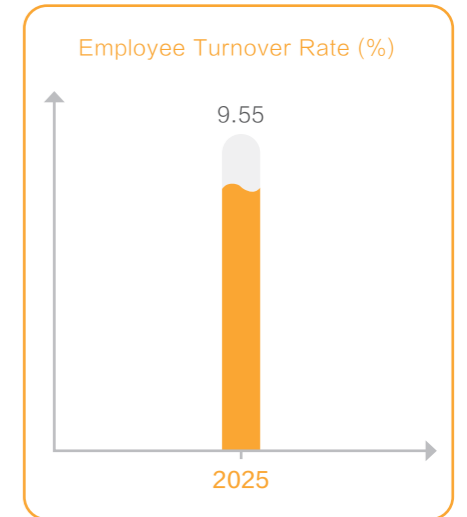
The Company is committed to building a comprehensive and diverse talent management system, cultivating a talent development ecosystem that combines internal nurturing and external recruitment while maintaining seamless mobility. By making use of the human resource management platform and talent assessment tools, we carry out precise and sophisticated management of talent resources. Meanwhile, we strive to create an equal, harmonious, and free workplace environment without discrimination based on age, ethnicity, gender, race, religious belief, or social status, and to provide equal opportunities for all employees.

CMES Shipping Talent Acquisition Mechanism



The Company continuously intensifies its talent recruitment efforts, updates the reserve talent pool, broadens talent sources, deepens cooperation with professional recruitment platforms, and actively organizes campus recruitment activities such as campus presentations. In 2025, the Company recruited 797 new employees, including 91 female employees, representing 11.42% of the total. The overall employee turnover rate for the year was 9.55%.

Employee Recruitment and Turnover in 2025		
Indicator		2025
Number of New Hires (persons)		797
By Recruitment Channel	Social Recruitment (persons)	462
	Campus Recruitment (persons)	262
	Other Recruitment Channels (persons)	73
By Gender	Number of New Male Hires (persons)	706
	Number of New Female Hires (persons)	91
Number of Employee Departures (persons)		513



By the end of 2025, the Company's global workforce had grown to a total of 5,513 employees, marking five consecutive years of steady growth. This figure includes 59 dispatched employees. The Company maintained a 100% labor contract signing rate in 2025. Additionally, the Company actively recruits employees from diverse ethnic backgrounds, with 259 minority employees representing 4.93% of the total workforce.

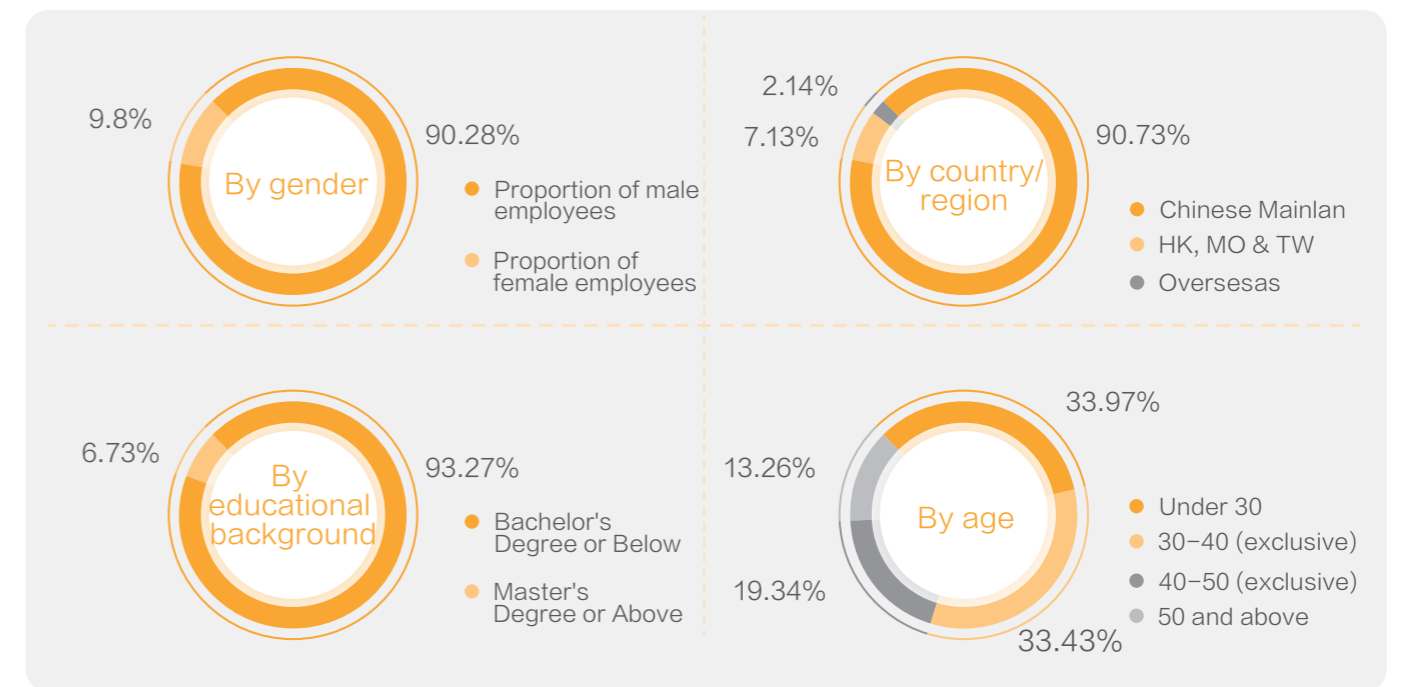


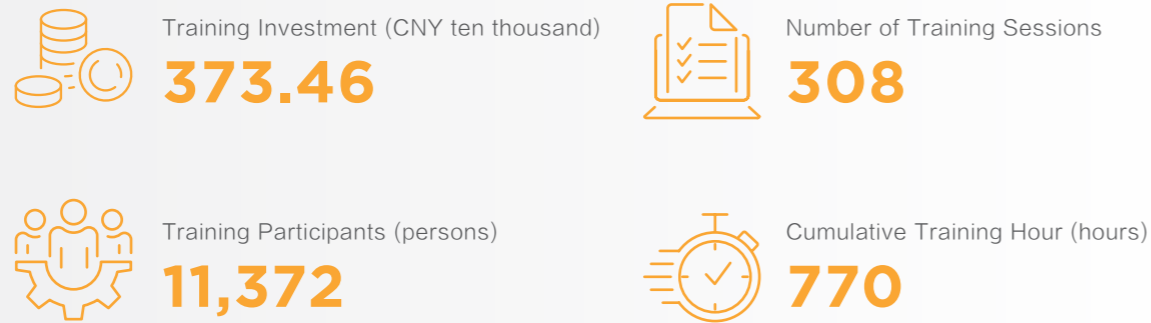
Figure: Employee Structure of 2025

2. Employee Training and Development

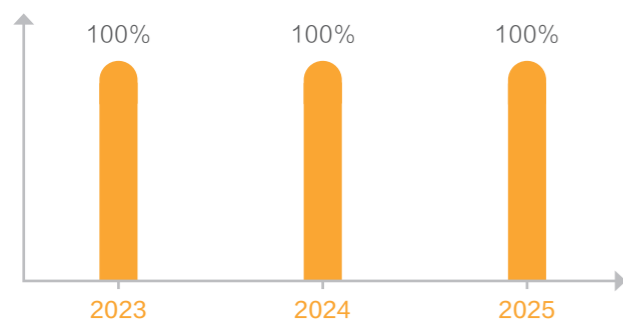
CMES Shipping has developed a tailored talent training system based on talent development needs, and offered training programs that meet the career development needs of multiple positions. The Company focuses on nurturing and selecting outstanding talent and strengthening the development of its reserve cadre team. At present, the Company has set up a tiered employee training framework that combines online and offline training and integrates both internal and external resource. This framework continuously promotes the development of a learning organization.

In 2025, the Company focused on building a phased, tiered, modular, and systematic training system. Specifically, it formulated the *Education and Training Management Measures (Trial)* and diligently carried out overall planning, system construction, coordination, guidance, supervision, and inspection for education and training activities, further advancing the scientific, institutionalized, and standardized management of education and training. The Company placed great emphasis on the "Hai Liao Series" training brands, and promoted the implementation of key projects such as "Hai Liao Pioneer", "Hai Liao High Potential Class", and "Hai Liao Kunpeng". A total of 308 training sessions were conducted, covering 11,372 participants. In 2025, the Company spent CNY 3.7346 million in employee training, providing strong support for employee capability enhancement. Meanwhile, the Company maintained a 100% training coverage rate, achieving full coverage across all job grades in 2025.

Key Employee Training Indicators in 2025



Employee Training Coverage in the Past Three Years



Employee Training Coverage in 2025 (by Job Grade)



Case "Hai Liao Kunpeng" Talent Development Program

To address the shortage of highly skilled, multi-disciplinary talent in the shipping industry, CMES Shipping launched the "Hai Liao Kunpeng" Talent Program in 2025. This program aims to build a multi-level, comprehensive training system and create a high-quality platform for crew development and growth. Through the program, participants will enhance their practical skills, improve overall competence, and achieve personal improvement and growth.



Figure: "Hai Liao Kunpeng" Participants in On-the-Job Practice

Case CMES Shipping "Hai Liao Qihang" Young Cadre Training Program

In September 2025, CMES Shipping launched its Young Cadre Training Program and first Technology and Innovation Policy Study Program at Hong Kong Polytechnic University. The program focused on four core areas: global trade, team collaboration, sustainable development, and cutting-edge technology, aiming to effectively enhance participants' global vision, collaboration skills, and innovative thinking.



Figure: Young Cadres Studying at the Legislative Council of Hong Kong

Case CMES Shipping Specialized AI Training Program for Smart Shipping

In December 2025, CMES Shipping held a special training session titled "AI Empowering New Functions in Shipping". This training provided an in-depth analysis of how AI technology empowers the shipping industry, and offered detailed explanations on the application of AI+big data in shipping operations, the trends of AI technologies in ship building and repair, and the practices and prospects of smart ship management, aiming to help employees gain a deeper understanding of the application trends, practical achievements, and innovation directions of AI technologies in the transportation and logistics sector, and further promote the Company's digital and intelligent transformation.



Figure: "AI Empowers New Functions in Shipping" Special Training Program

3. Career Development and Promotion

CMES Shipping strives to provide employees with clear and fair career development paths along with diverse promotion opportunities. In keeping with its strategic development aims, the Company constantly improves the dual-track system for management and professional positions, providing multiple career development paths to cater to the growth needs of staff in different roles. Also, in accordance with job performance and functional specifications, the Company proactively constructs transition routes between the management and professional tracks, thereby further perfecting the dual-track system.



4. Employee Benefits and Well-being

CMES Shipping is dedicated to protecting the legitimate rights, interests, and benefits of its employees in strict accordance with the laws and regulations of the jurisdictions where it operates. The Company also provides tailored benefits initiatives aimed at enhancing employee trust and fostering a stronger sense of belonging.

CMES Shipping Employee Benefits System

Insurance	<ul style="list-style-type: none"> Statutory social insurance: The Company provides pension-related security in accordance with local (Chinese Mainland/Hong Kong/overseas) laws and regulations Housing provident fund Supplementary medical insurance
Seafarer Benefits	<ul style="list-style-type: none"> Provision of "Kangqiao Huilian" ("康桥互联") remote medical platform service Payment of "Six Insurances and Two Funds", along with supplementary commercial accident insurance Seafarer Care System, including care for work-related injuries, severe illnesses, bereavement, family disasters, and employees in difficulty Establishing the Seafarers' Family Committee, enhancing the connections between seafarers and their families within the same regional scope, promoting mutual assistance, and organizing daily care activities. Engaging in active communication with seafarers and their families to address their concerns
Female Benefits	<ul style="list-style-type: none"> Female employees' rights and benefits during pregnancy, maternity, and breastfeeding periods, such as maternity leave, breastfeeding leave, and paternity leave Women's Day care and support activities
Holiday Benefits	<ul style="list-style-type: none"> Statutory holidays Paid annual leave Paid sick leave
Other Personalized Benefits	<ul style="list-style-type: none"> Enterprise annuity Regular medical examination Company Day events and various social activities

Key Employee Benefit Indicators in 2025



CMES Shipping consistently upholds the core values of diversity, equity, and inclusion, striving to build a work environment that respects individual differences, provides equal opportunities, and stimulates innovative vitality. The Company actively fosters an open, inclusive, and mutually trusting organizational culture. Leveraging a range of employee benefits and care initiatives, the Company not only enhances team cohesion and a sense of belonging, but also inject broader talent and innovation momentum into sustainable development.

CMES Shipping Employee Care Ecosystem

Creating an Open and Inclusive Environment

- As an international shipping enterprise, CMES Shipping respects and values the unique cultural backgrounds and perspectives of all employees, and unequivocally opposes any form of discrimination or prejudice based on age, gender, nationality, race, color, or religious belief.
- In alignment with its business objectives, CMES Shipping actively fulfills its social responsibilities by promoting employment opportunities for individuals with disabilities.

Organizing Cultural and Sports Activities for Employees

- The Company meticulously organizes a diverse range of cultural exchange and interest-based activities, which not only enrich employees' leisure time and promote their physical and mental well-being, but also effectively alleviate work-related stress. These initiatives further ignite employees' enthusiasm and innovation at work, thereby injecting sustained impetus into the Company's longterm development.

Empowering Female Seafarers' Career Advancement

- Support women's career development: The Company ensures equal pay for equal work between male and female employees, taking concrete actions to promote equality and inclusiveness in labor practices.
- Promote gender equality: The Company's entities in Chinese Mainland have established Women's Committees within their trade unions, which are provided adequate working funds to organize activities to promote gender equality and inclusiveness. Additionally, special events are held on International Women's Day to recognize and show appreciation for female employees.
- Focus on the growth and development of female seafarers: The Company prioritizes the personal and professional advancement of female crew members, demonstrating its commitment to supporting and empowering women in the maritime industry. We firmly believe in the invaluable contributions of women to the maritime sector and are dedicated to assisting more women in achieving their career aspirations, creating a new generation of "female captains of the sea".

Supporting Employees in Difficulty

- The Company actively conducts care and support initiatives for disadvantaged groups and employees facing hardship, such as care and support for work-related injuries, serious illnesses, fatalities, family disasters, and employees in difficulty.

Offering Regular Care to Employees

- Regularly care for retired employees: The Company demonstrates its commitment to retired employees through annual representative symposiums and other forms of regular engagement.
- Care for frontline employees on board and ashore: The Company demonstrates its commitment to caring for frontline employees both on board and ashore through a variety of initiatives, including on-board inspections and crew visits.

Case CMES Shipping Company Day Walking Event on the Theme of "Riding the Wave of Innovation, Pursuing the Dream"

In October 2025, CMES Shipping held the Company Day Walking Event on the theme of "Riding the Wave of Innovation, Pursuing the Dream" simultaneously in Shenzhen, Hong Kong, and online. The event featured a 30-day walking challenge, together with online quizzes and fun lotteries, attracting over 300 employees.



Figure: AMCL (A Subsidiary of CMES Shipping) Actively Participating in Outdoor Activities

5. Employee Communication

Democratic management and feedback mechanisms play a crucial role in fostering harmonious labor relations and driving sustainable development. The Company has set up institutionalized communication channels, such as the Staff Congress, to guarantee that employees can actively engage in the decision-making process. This, in turn, enhances their sense of belonging and responsibility. Moreover, the Company regularly carries out grassroots employee satisfaction surveys, installs suggestion boxes, and organizes symposiums at different levels, thereby providing diverse communication channels to listen to employees' voices and respond promptly to their concerns.

CMES Shipping Employee Communication in 2025

Periodic Conversations

Conduct periodic conversations with employees to establish direct communication channels.

Employee Satisfaction Survey

Conduct satisfaction surveys among frontline employees, and achieve a 100% satisfaction rate for three consecutive years.

Labor Union

The Labor Union represents employees in providing timely feedback to the Company on issues critical to employees' well-being, including labor compensation, working hours and rest periods, insurance and benefits, occupational safety and health, and vocational training.

In 2025, CMES Shipping held 5 Labor Union activities and Staff Congress meetings, and organized 510 Labor Union events, thoroughly addressing and promptly resolving employees' immediate concerns.

Performance Dispute Resolution

Provide clear performance appeal channels. Employees who receive their assessment results have three working days to submit an appeal application to the Human Resources Department, requesting a formal review. Upon receipt of the appeal, the Human Resources Department will conduct a thorough investigation and formulate a review decision. The final outcome will be communicated to the employee in a timely manner.

Employee Grievance Feedback

Provide employees with both online and offline channels, such as public email, compliance email, and employee forums, to promptly address employees' diverse needs, concerns regarding performance evaluations, and other feedback or grievances. The relevant departments shall provide timely and constructive feedback on employees' concerns, fostering a positive and proactive interaction between the Company and its workforce.

Case CMES Shipping Hosts the International Women's Day Event Titled "Exploring a Better Life through Carbon Initiatives"

In March 2025, on the occasion of the 115th International Women's Day, CMES Shipping held a themed event titled "Exploring a Better Life through Carbon Initiatives" in Shenzhen. Over 100 female employees from CMES Shipping and its subsidiaries, based in Shenzhen and Hong Kong, gathered together. Through visiting a carbon neutrality demonstration park and experiencing unique courses integrating health and environmental protection, they deeply explored green and low-carbon development models, gained insight into environmental innovation, and also fostered a profound understanding of the Company's green development philosophy.



Figure: CMES Shipping International Women's Day Event Titled "Exploring a Better Life through Carbon Initiatives"

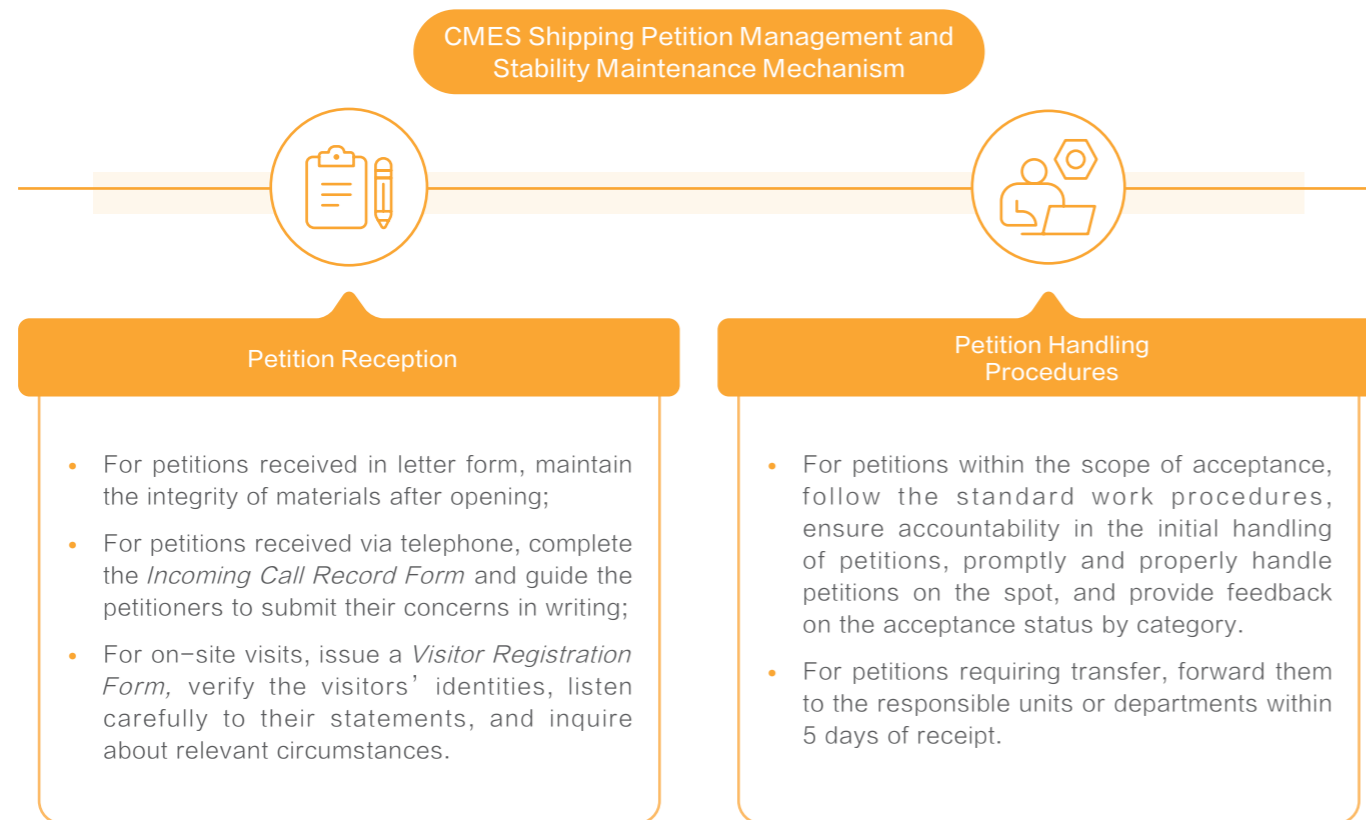
Case CMES Shipping Hosts "Embracing Health Together" Themed Activities

In January 2025, CMES Shipping held the launch ceremony of the "Embracing Health Together" themed activities. The Company is always committed to continuously improving its employee care system. The "Embracing Health Together" activities aim to stimulate employees' enthusiasm for physical exercise and enhance health awareness through diversified sports activities and specialized health courses. By offering a variety of activities to meet different needs and building a platform for communication and cooperation, we help employees better understand and practice a healthy lifestyle, improve their physical fitness, and strengthen team collaboration.



Figure: Launch Ceremony of CMES Shipping "Embracing Health Together" Themed Activities

In the meantime, the Company has established the Petition Management and Stability Maintenance Work Leading Group, supported by a dedicated working body. The Company strictly adheres to the *Regulations on Petition Management* and *Interim Administrative Measures on Petition Management of China Merchants Group Co., Ltd.* Our petition work follows the principles of "territorial jurisdiction with tiered accountability, supervisor-specific responsibility, lawful and timely resolution at local levels, and integrated counseling-education". We continuously promote the legalization of petition work, deepen the governance of petition issues at their source, and earnestly address employees' urgent, difficult, worrying, and pressing concerns, as well as their realistic interests.



OPTIMIZING SUPPLY CHAIN MANAGEMENT

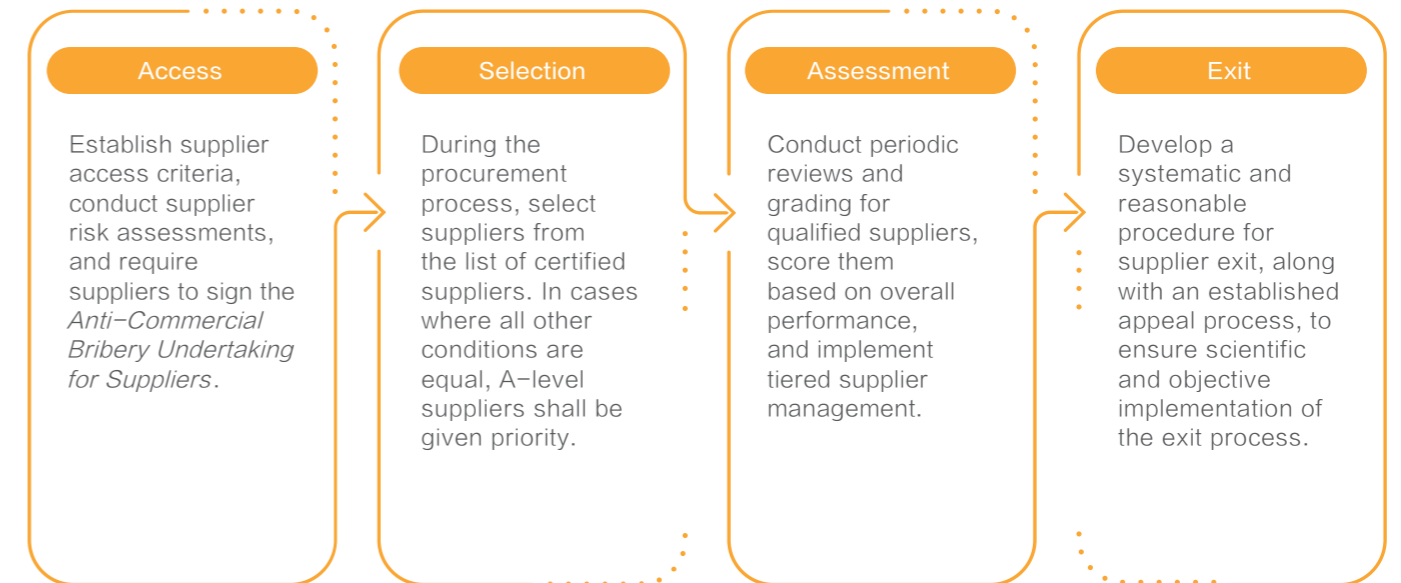
Policies and Institutions

CMES Shipping has established a sound supply chain management system, and formulated and implemented a series of management policies, including the *Detailed Rules for Supplier Management*, *Measures for Centralized Procurement of Ship Materials and Services*, and *Measures for the Procurement of Marine Fuel*. In 2025, the Company revised the *Procurement Management Regulations (2025 Edition)*, promoting standardized, lean, collaborative, and intelligent procurement management. The Company also explicitly incorporated green and low-carbon concepts into procurement activities, and prioritized the procurement and use of raw materials, products, and services that are energy-saving, water-saving and material-saving, and conducive to environmental protection. Based on its sound supply chain management system, the Company standardizes supplier access, selection, assessment, and exit processes, upholds fairness across the supply chain, treat small and medium-sized enterprises equally, and accelerates digital transformation of the supply chain to strengthen the support of its platform-based supply chain infrastructure.

Management System

In supplier management, CMES Shipping has adopted a management system centered on the *Detailed Rules for Supplier Management*. This system encompasses all aspects of supplier access, selection, assessment, and exit, ensuring the stability and efficient operation of the vessel supply chain.

CMES Shipping Supplier Management Process



In line with the national green development strategy, the Company incorporates "green procurement" principles into its procurement management system and is dedicated to building a comprehensive and strong green procurement framework. By giving priority to environmentally friendly products and services and optimizing procurement processes, the Company reduces resource waste and environmental pollution.

Work Achievements

CMES Shipping maintains a strong sense of responsibility and commitment to procurement supervision. Through comprehensive reviews and assessments, the Company carries out special self-inspection activities for procurement. This initiative aims to ensure the openness, transparency, compliance, and legality of procurement processes, while further enhancing the efficiency and quality of procurement. Additionally, the Company engages in in-depth research and exchanges with its subsidiaries to effectively supervise and guide their procurement activities, ensuring compliance with established regulations and standards. This not only helps reduce risks, but also further optimizes procurement processes, enhances overall operational efficiency, and lays a solid foundation for stable development.

1. Improving Standardization in Procurement Management

In 2025, CMES Shipping updated its Procurement Management Regulations, focusing on optimizing procurement management rules and their application, improving procurement process standards and overseas procurement management guidelines, further enhancing the guidance and operability of the procurement regulations, and promoting standardized and precise development of the Company's procurement management system.

Additionally, in 2025, the Company organized a system-wide specialized training on standardized procurement documents and their application. Through on-site demonstrations, the training visually explained the core functions and key points of procurement documents. The training proved highly effective, significantly enhancing procedural compliance and management efficiency of procurement, and further strengthening the institutional foundation of the Company's supply chain management.

CMES Shipping Key Supply Chain Indicators during 2023–2025

Indicator	Unit	2023	2024	2025
Total Number of Suppliers	units	19,730	21,305	9,837
Number of Suppliers in Chinese Mainland	units	11,212	13,840	6,740
Number of Suppliers in Hong Kong, Macao and Taiwan of China	units	2,481	2,137	816
Number of Overseas Suppliers	units	6,037	5,328	2,281
Number of Suppliers Suspended Due to Non-compliance	units	9	0	0
Number of Suppliers Rejected Due to Non-compliance	units	22	5	2

2. Strengthening the Concept of Compliant Procurement

In 2025, the Company strictly implemented the special governance requirements for key issues in the bidding sector. No major compliance risks were identified. Concurrently, the Company established a monthly self-inspection mechanism, under which regular self-inspection reports were submitted to the Group's Procurement Management Office, thus promoting normalized supervision. Through exchanges with business units on enhancing procurement management, the Company thoroughly analyzed difficulties and challenges in practice, communicated policy requirements, and continuously strengthened compliance awareness and risk prevention capabilities for all employees.

Additionally, the Company leveraged opportunities such as contract reviews, audit supervision, and special surveys to conduct special procurement inspections from multiple dimensions, including legal compliance and risk control. Regarding digital support, the Company strengthened prior approval and preliminary review of procurement projects using tools like pre-procurement system, continuously optimized its IMP/ISP information system, and promoted electronic, transparent, and standardized full-process procurement management, thus effectively enhancing operational standards and supervision efficiency. For issues identified during inspections, the Company developed corrective measures through policy communication, operational training, and self-correction, and conducted closed-loop tracking to ensure that all procurement activities were carried out lawfully, compliantly, and efficiently according to the procurement, filing and contract signing procedures.

3. Building a Digital Supply Chain Platform

The Company strictly implements the requirements for full-process procurement management and actively promotes digital transformation of procurement. With the guidance and support of the Group's Procurement Supply Chain Platform Team, the Company successfully launched the pre-procurement system, and organized basic operational training for the pre-procurement system, aiming to promote its full adoption by relevant units.

Furthermore, the Company continuously optimizes the interface between its self-developed IMP system and the Group's trading platform, expanding the functional application of the IMP system in procurement management. With the support of the Group's Bidding Center, the Company has set up a special working group to advance system integration and optimization, thus further enhancing digital procurement management.

4. Strengthening Procurement Training

In 2025, the Company organized a total of 3 company-wide procurement training sessions in April and October, covering procurement policy communication, management experience sharing, practical skill enhancement, and special discussions on technical procurement.

Externally, the Company actively leveraged Group resources and sent representatives to participate in the Group's Procurement Supply Chain Management Talent Training Program. All participants successfully completed four professional courses: Supply Chain Operations, Supply Chain Planning, Supply Chain Leadership, and Procurement Management.

CO-CREATING SOCIETAL VALUE

CMES Shipping is fully aligned with the strategic imperatives of the new era, proactively assuming emerging responsibilities and leveraging its maritime expertise to drive both industry advancement and societal progress. The Company has achieved notable milestones in diversifying its business portfolio, strengthening global maritime partnerships, and supporting Hong Kong's evolution as an international shipping hub. As a responsible societal stakeholder, the Company integrates social responsibility into its development strategy. While pursuing economic benefits, it continues to engage in key areas such as rural revitalization, community integration, and industry ecosystem co-building, demonstrating its corporate commitment through practical actions and injecting positive momentum into long-term sustainable social development.

Contributing to Industry Development

CMES Shipping has established corporate social responsibility (CSR) as a strategic cornerstone, actively championing the sustainable development of the maritime industry. The Company emphasizes coordinated development with upstream and downstream partners and promotes industry resource sharing and capacity co-building across the value chain, thus fostering a more efficient and inclusive shipping ecosystem. The Company has joined several key associations, including China Association for Public Companies, Shanghai Association for Public Companies, China Shipowners' Association, and Hong Kong Shipowners Association.

Case

CMES Shipping Hosts the World Maritime Merchants Forum 2025

On November 17, 2025, the 5th World Maritime Merchants Forum, themed "Breaking Barriers and Embracing Change: Advancing Sustainable Development", was held in Hong Kong. The forum brought together experts and industry elites across the industry chain to explore how the sector can transform toward higher efficiency, greener development, and sustainability in the context of an increasingly complex and volatile global trade landscape.



Figure: World Maritime Merchants Forum 2025



Figure: Inaugural Issue of the *WORLD MARITIME*

The World Maritime Merchants Forum launched the inaugural issue of the *WORLD MARITIME*, an English academic journal, aiming to provide a high-end cross-sectoral dialogue platform, serve as a "strategic think tank" for maritime decision-makers, and offer feasible solutions to address challenges in achieving carbon reduction targets and global cooperation. The inaugural issue focuses on four core topics: trust, resilience, green development, and innovation. Through rigorous academic research and practical insights, it helps the shipping industry move towards a green, innovative, and sustainable future, and helps Hong Kong consolidate its position as an international shipping center.

Case

CMES Shipping Sponsors the 7th "Captain's Table" Hong Kong International Maritime, Shipping & Logistics Innovation Challenge

CMES Shipping sponsored the 7th "Captain's Table" Hong Kong International Maritime, Shipping & Logistics Innovation Challenge. The finals were held at the HKEX Connect Hall on November 20, 2025, and were broadcast live via the World Maritime Merchants Forum's live streaming platform. The event received over 40 proposals from 19 countries and regions. The six finalists focused on cutting-edge areas including marine data integration, carbon capture, vessel energy efficiency optimization, corrosion protection, and maritime safety, highlighting industry innovation trends in digitalization, decarbonization, and safety.



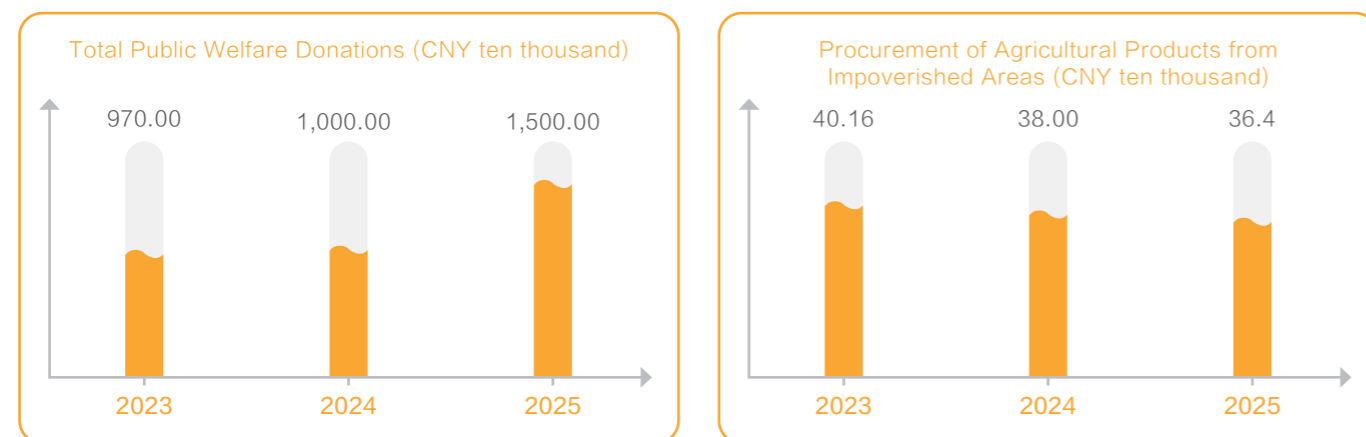
Figure: "Captain's Table" Hong Kong International Maritime, Shipping & Logistics Innovation Challenge 2025

Supporting Rural Revitalization

CMES Shipping is fully aligned with the strategic imperatives of the new era, proactively assuming emerging responsibilities and leveraging its maritime expertise to drive both industry advancement and societal progress. The Company has achieved notable milestones in diversifying its business portfolio, strengthening global maritime partnerships, and supporting Hong Kong's evolution as an international shipping hub. As a responsible societal stakeholder, the Company integrates social responsibility into its development strategy. While pursuing economic benefits, it continues to engage in key areas such as rural revitalization, community integration, and industry ecosystem co-building, demonstrating its corporate commitment through practical actions and injecting positive momentum into long-term sustainable social development.

Rural Revitalization

CMES Shipping has been actively committed to the cause of rural revitalization. Through a range of educational assistance initiatives and diverse public welfare projects, CMES Shipping has injected new vitality into the economic and social development of rural areas, contributing its significant efforts. CMES Shipping places equal emphasis on commercial success and social responsibility. By taking concrete actions, it supports rural education, enhances the living standards of residents, and promotes educational equity. These endeavors not only provide rural children with enhanced learning opportunities but also offer robust support for the sustainable development of rural communities. Furthermore, they exemplify deep commitment and positive contributions of CMES Shipping to societal well-being.



Case CMES Shipping Organizes "Encounter by Mountains and Seas, Forging Dreams in the Deep Blue" Youth Study Camp

In August 2025, CMES Shipping organized the "Encounter by Mountains and Seas, Forging Dreams in the Deep Blue" Youth Study Camp. The event invited student representatives from Xingfeng Township Primary School in Zhong County, Chongqing, along with youth from Shenzhen and Hong Kong, to jointly participate in a maritime-themed study and practice summer camp, aiming to encourage young people from the three places to broaden their horizons, enhance their skills, and grow into motivated and ambitious youngsters of the new era.



Figure: Maritime-themed Study and Practice Summer Camp

Participation in Social Welfare

As a shipping enterprise with substantial influence, CMES Shipping recognizes its central role in driving social development. Consequently, it actively engages in public welfare initiatives, and organizes community-based events designed to support disadvantaged groups and promote social harmony. These endeavors not only underscore CMES Shipping's robust commitment to corporate social responsibility but also enhance its brand image, social standing, and employee cohesion.

In 2025, the Company organized a series of activities for public welfare and social value creation. By leveraging internal and external resources, the Company carried out initiatives such as spiritual and cultural dissemination and green public welfare advocacy, deepening internal and external collaboration. CMES Shipping contributed a total of CNY 15 million through the Group's foundation. Since its establishment in 2014, the "CMES Shipping Scholarship" program has developed a comprehensive support system comprising "Scholarships + Excellence Fund + Hai Liao Fund", benefiting over 20,000 students annually. This initiative effectively promotes collaborative innovation across enterprises, universities and research institutions and contributes to talent development in the shipping industry. Additionally, the Company donated ship models, books, and other materials to maritime universities to support maritime talent development, and actively participated in industry events such as maritime technology education exhibitions and exchanges with maritime universities, disseminating ESG concepts and leading the trend of sustainable development in the industry.

Case CMES Shipping Actively Organizes "A Journey Through China, A Vision for Today" Study Tour Program

In August 2025, young mentors from CMES Shipping led teachers and students from 10 secondary schools in Hong Kong on a six-day cultural study tour from Hong Kong to Jiangxi Province. At the source of Dongjiang River in Ganzhou, the study group listened to the moving stories about how the Dongjiang River nourishes Hong Kong, gaining a profound understanding of the saying, "When drinking water, one should think of its source". The event successfully helped Hong Kong youth enhance their understanding of and identification with the motherland and experience the boundless vitality of traditional Chinese culture.



Figure: Teachers and Students of the Study Group at the Source of the Dongjiang River

Case CMES Shipping Hosts the Hong Kong Youth 3x3 Basketball Tournament 2025

In October 2025, CMES Shipping hosted the 4th "CMG Cup" Hong Kong Youth 3x3 Basketball Tournament. Through the competition, numerous Hong Kong youths strengthened their perseverance and resilience, improved their athletic skills, and cultivated the spirit of striving for progress. The vitality and determination demonstrated by these youths brought fresh momentum to the development and heritage of Hong Kong's sports sector.



Figure: "CMG Cup" Hong Kong Youth 3x3 Basketball Tournament 2025

Case CMES Shipping Joins Hands with Students from Dalian Maritime University to Fulfill the "Deep Blue Promise"

On November 19, 2025, CMES Shipping invited over 50 faculty and students from Dalian Maritime University, who were following the teaching and training vessel "Yukun," to visit the Company for exchange. This visit not only built a bridge for in-depth university-enterprise interaction but also provided a valuable practical opportunity for maritime students. Going forward, CMES Shipping will continue to deepen its school-enterprise cooperation with Dalian Maritime University, actively explore new models of industry-education integration, and jointly deliver more high-quality, versatile talents for the national maritime industry, contributing to the building of a strong transportation nation.

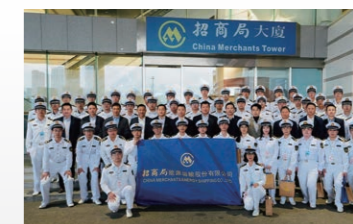


Figure: Faculty and students from Dalian Maritime University visit CMES shipping

Governance

Efficient Governance and Responsibility



CMES Shipping upholds a governance philosophy rooted in efficiency and prudence. By establishing an efficient, transparent governance framework, the Company leverages strong corporate governance to drive high-quality development. The Company continuously enhances the governance functions of the Shareholders' Meeting and the Board of Directors, optimizes decision-making procedures, and safeguards stable and compliant operations. It actively explores remuneration and equity incentive mechanisms to stimulate internal motivation through long-term incentives. A comprehensive risk control system has been established to identify and manage various risks and challenges. The Company strictly adheres to business ethics, integrating legal compliance and ethical standards into all business activities. Through ongoing governance enhancement, the Company is committed to creating long-term value for investors, partners and society, thus illuminating the future of the shipping industry through excellence in governance.

Material ESG Issues

- Ameliorating Corporate Governance
- Protecting Shareholders' Rights and Interests
- Continuously Managing Risks
- Upholding Business Ethics

United Nations Sustainable Development Goals (SDGs)



AMELIORATING CORPORATE GOVERNANCE

Corporate Governance

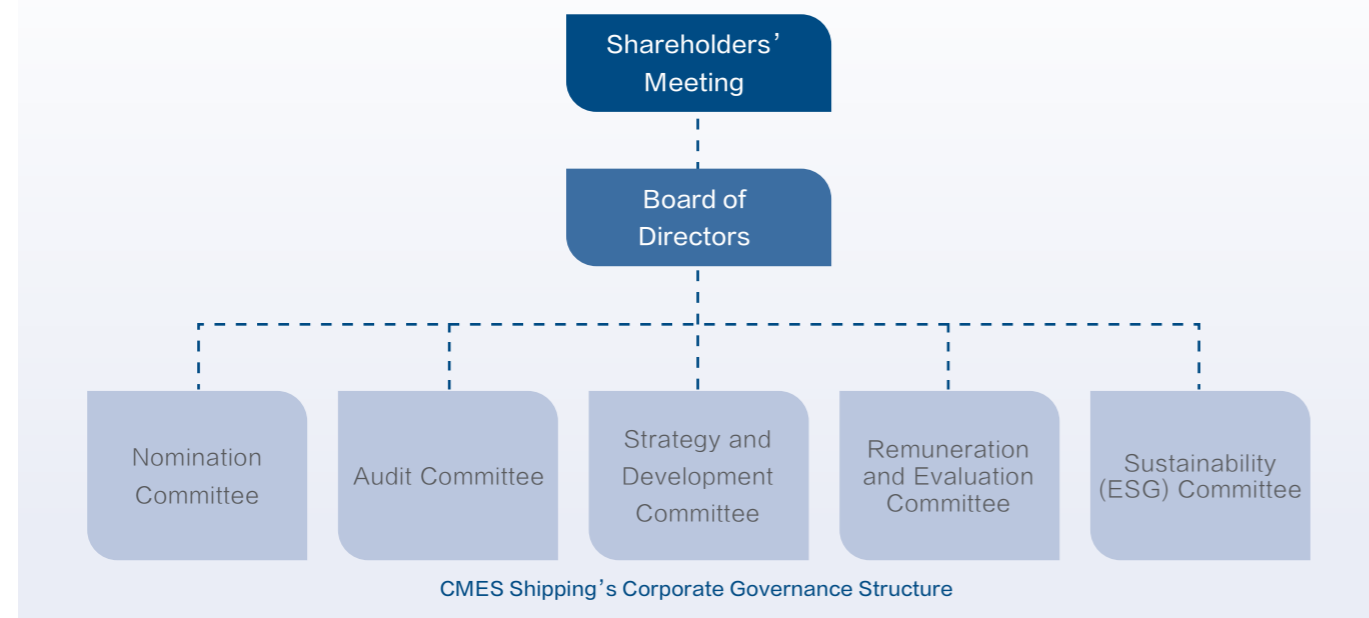
CMES Shipping, in accordance with *Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies* has established a corporate governance structure based on the *Articles of Association of China Merchants Energy Shipping Co., Ltd.* This structure comprises the Shareholders' Meeting, Board of Directors and Board of Supervisors, together with the Nomination Committee, the Audit Committee, the Strategy and Development Committee, the Remuneration and Evaluation Committee, and the Sustainability (ESG) Committee under the Board of Directors. It forms a governance system with clear lines of accountability, mutual checks and balances, and sound operational procedures, guarantees the Company's stable operations and sustainable development through evidence-based, highly transparent decision-making.

In 2025, in response to evolving regulatory requirements and the need for governance optimization, the Company completed the batch revision and issuance of 25 institutional documents, including the *Articles of Association of China Merchants Energy Shipping Co., Ltd.* and various rules of procedure. These revisions systematically removed provisions related to the Board of Supervisors, improved mechanisms for protecting shareholders' rights and interests and regulating the operation of the Shareholders' Meeting, strengthened the responsibilities of specialized committees, refined the supervisory role of independent directors, and supplemented provisions governing the performance and accountability of directors and senior management. In accordance with regulatory requirements, the Company actively implemented the updated *Company Law of the People's Republic of China*, effective July 1, 2024, and the *Guidelines on the Bylaws of Listed Companies (2025 Revision)*, abolishing the Board of Supervisors and transferring its functions to the Audit Committee under the Board of Directors. This reform further streamlined the governance structure, strengthened the Board's oversight of financial reporting, auditing and internal control, and established a more integrated and efficient supervision and evaluation system, providing a solid foundation for the Company's transition from compliance-oriented governance to high-quality and efficient governance.

In 2025,

the Company completed the batch revision and issuance of

25 institutional documents



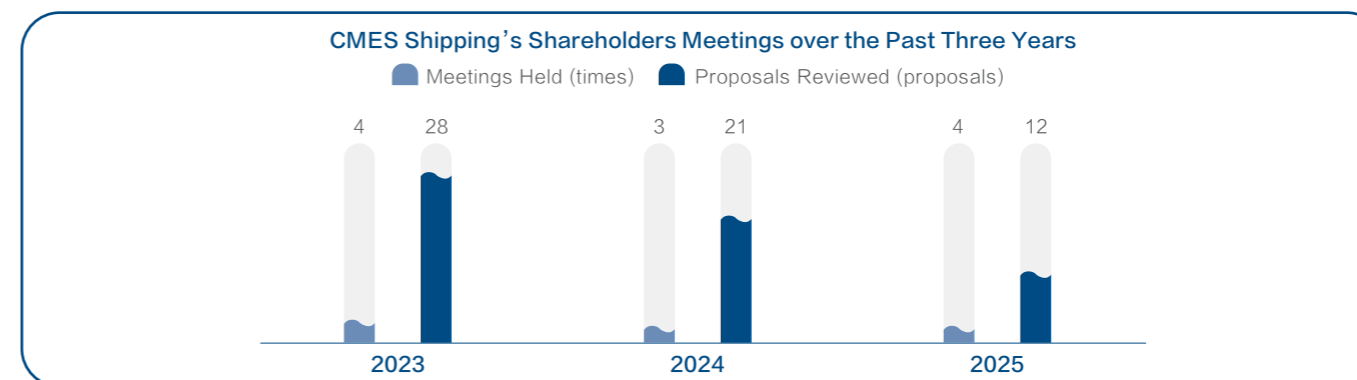
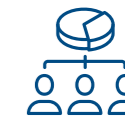
1. Shareholders' Meeting

The Shareholders' Meeting is the highest authority of the Company, consisting of the Annual Shareholders' Meeting and the Extraordinary Shareholders' Meeting. The Shareholders' Meeting exercises decision-making authority over major matters such as amendments to the Articles of Association, the election and removal of directors, and approval of financial statements and profit distribution plans. CMES Shipping has formulated and strictly implemented the *Rules of Procedure for Shareholders' Meetings*, establishing a sound operational mechanism for the Shareholders' Meeting, which clearly define the procedures for convening, holding, proposing motions, voting and adopting resolutions, thereby establishing a standardized, fair and efficient operating mechanism. Meeting preparation, agenda disclosure and information release follow established procedures to ensure adequate preparation of proposals and to safeguard shareholders' right to information. The rules of procedure and voting methods are clearly stipulated in the Articles of Association, balancing statutory requirements with decision-making efficiency to ensure the legality and transparency of resolutions. The Company adopts a combination of on-site voting and online voting to facilitate shareholder participation. For major matters affecting the interests of minority investors, a separate vote-counting mechanism for minority shareholders is implemented to ensure that voting results accurately reflect the will of all shareholders.

During the reporting period, the Company convened Shareholders' Meetings

4 times

during which **12** proposals were considered.



2. Board of Directors

As of the conclusion of the reporting period, the Board of Directors of CMES Shipping comprises 12 members, including 4 independent directors. Throughout the reporting period, all directors exhibited a strong commitment to their roles, achieving an 100% attendance rate at Board meetings.

By adhering to the stipulations of the *Regulations for Listed Companies*, the Company undertakes a systematic annual evaluation of the performance of the Board of Directors, placing significant emphasis on the independence, diversity and professionalism of the Board. The evaluation centers on the composition of the Board, with a detailed examination of the congruence of members' professional backgrounds, the depth of their industry experience, and the diversity of their profiles, including aspects such as gender and age. This is to ensure that the Board embodies extensive representativeness and profound professional expertise.

In the context of performance fulfillment, the Board of Directors undertakes a comprehensive evaluation of its own construction and operational effectiveness, rigorously assessing the standardization of its operations and the efficacy of its decision-making processes. The Board places paramount importance on the quality of strategic decision-making while closely monitoring its capacity for risk management, with the objective of advancing the Company's development in a prudent and sustainable manner. In terms of institutional enforcement, the Board focuses on the integrity and completeness of the corporate governance system and the compliance of execution procedures, ensuring dynamic alignment between deliberation rules, authorization mechanisms, and regulatory requirements, upholding the standardization and solemnity of corporate governance. To further enhance professional oversight, the specialized committees, including the Audit Committee and the Remuneration and Evaluation Committee, continuously conduct specialized compliance inspections. These committees provide robust support for the development of a high-quality Board through regular reviews of internal control reports, stringent assessments of the compliance of related-party transactions, and comprehensive monitoring of the quality of information disclosure.

Board Operation Effectiveness Evaluation

Independence

- CMES Shipping has a total of 4 independent directors, constituting one-third of the entire board. The number and proportion comply with the regulations of the China Securities Regulatory Commission, the Shanghai Stock Exchange, and relevant laws.
- The Company strictly evaluates the independence of each independent director to ensure that none of them holds any position within the Company other than that of an independent director, nor do they hold any position in the Company's major shareholders.

Professionalism

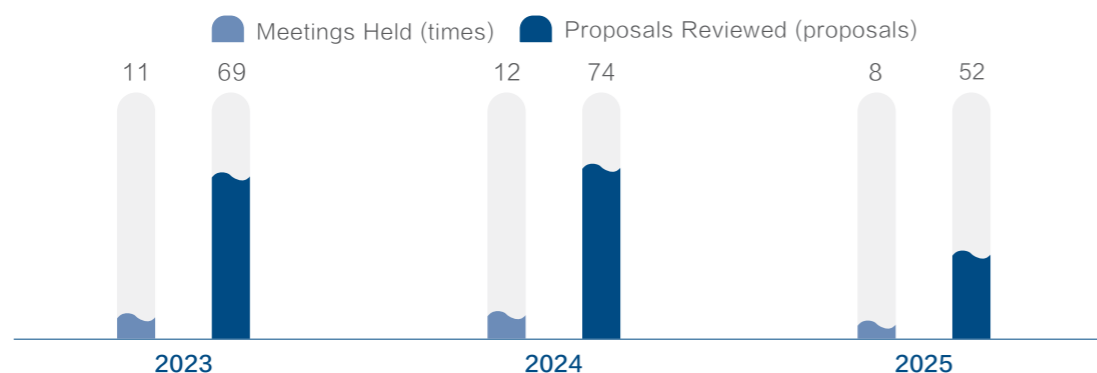
- The professional backgrounds of the Board members cover areas related to the Company's business and development, including shipping, finance, law and risk management, with diverse expertise and professional skills.
- 2 directors have held management positions in the shipping industry for many years and possess extensive experience in the operational and managerial aspects of shipping companies.
- 6 directors are senior management professionals from large state-owned enterprises, with extensive experience in corporate management, finance and related fields.
- 4 independent directors are distinguished experts in fields of shipping, law, finance, and risk control, with in-depth research on the development of the international shipping industry. One of them is from Hong Kong, China, and is familiar with both international and Chinese accounting standards, possessing professional knowledge in internal compliance control and risk management.

Diversity

- The Board members represent diverse professional fields, cultural backgrounds, and gender identities, providing the Company with varied perspectives and decision-making support.
- On the premise of appointing individuals based on merit, the Company actively promotes gender balance and seeks potential female leadership candidates. Currently, there are 2 female directors on the Board, accounting for 17% of the Board members.

The Board of Directors holds regular meetings to ensure the effective implementation of its decisions by the management team, safeguard the interests of shareholders and other stakeholders.

CMES Shipping's Board Meetings over the Past Three Years



3. Specialized Committees

The Board of Directors of CMES Shipping has established a number of specialized committees, including the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee, Strategy and Development Committee, and Sustainability (ESG) Committee. These committees operate under the direct accountability of the Board of Directors, carrying out their duties in line with the Company's *Articles of Association* and the authority granted by the Board. To ensure the effective and standardized operation of each committee, the Board of Directors has developed comprehensive working procedures for their respective functions.

All members of the specialized committees are drawn from the Board of Directors. For the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee, and Sustainability (ESG) Committee, independent directors constitute more than half of the membership and serve as the conveners of these committees. Additionally, the members of the specialized committees bring professional expertise in areas such as finance, taxation, accounting, law and maritime affairs, and all possess substantial management experience within the shipping industry.

Key Responsibilities of Specialized Committees

Board Committee	Key Responsibilities
Audit Committee	<ul style="list-style-type: none"> • The Audit Committee undertakes the primary functions of risk management, responsible for reviewing the Company's financial information and disclosures, supervising and evaluating both internal and external audit work, and ensuring the legality, compliance, and the authenticity, accuracy and completeness of the Company's financial information. Following the abolition of the Board of Supervisors, the Audit Committee assumed and further expanded the related supervisory responsibilities. • The members of the Audit Committee are appointed by the Board of Directors from directors who are not senior management of the Company, with the convener being an independent director with expertise in accounting or relevant financial management experience.
Nomination Committee	<ul style="list-style-type: none"> • The Nomination Committee is responsible for studying the selection criteria and procedures for the Company's directors and senior management and making recommendations.
Remuneration and Evaluation Committee	<ul style="list-style-type: none"> • The Remuneration and Evaluation Committee is responsible for establishing and implementing the assessment criteria for the Company's directors and senior management as well as their remuneration policies and plans.
Strategy and Development Committee	<ul style="list-style-type: none"> • The Strategy and Development Committee is responsible for the research of the Company's long-term sustainable development strategy, major project decisions and significant matters, providing recommendations accordingly.
Sustainability (ESG) Committee	<ul style="list-style-type: none"> • The Sustainability (ESG) Committee is responsible for organizing, guiding and supervising the implementation of the Company's ESG initiatives. • The Sustainability (ESG) Committee is composed of five directors, with the Chairman being an independent director. Additionally, the Company has a dedicated ESG team within the Board of Directors office, responsible for the execution and promotion of ESG implementation.

Composition of the Specialized Committees

Board Committee	Members
Audit Committee	The 7th session: Deng Huangjun, Shing Mo Han Yvonne, Wang Yingbo
Nomination Committee	The 7th session: Shing Mo Han Yvonne, Liu Zhenhua, Deng Huangjun, Wang Yingbo, Qu Baozhi
Remuneration and Evaluation Committee	The 7th session: Zou Yingying, Deng Huangjun, Wang Yingbo, Zhong Fuliang, Hunag Chuanjing
Strategy and Development Committee	The 7th session: Feng Boming, Liu Zhenhua, Chen Xue, Wang Yongxin, Yu Zhiliang
Sustainability (ESG) Committee	The 7th session: Wang Yingbo, Deng Huangjun, Zou Yingying, Yu Zhiliang, Hunag Chuanjing

CMES Shipping's Specialized Committees Meetings over the Past Three Years

Indicator	Unit	2023	2024	2025
Audit Committee Meetings Held	times	11	12	5
Proposals Reviewed at Audit Committee Meetings	proposals	69	74	24
Nomination Committee Meetings Held	times	2	5	2
Proposals Reviewed at Nomination Committee Meetings	proposals	2	6	3
Remuneration and Evaluation Committee Meetings Held	times	3	2	2
Proposals Reviewed at Remuneration and Evaluation Committee Meetings	proposals	8	3	3
Strategy and Development Committee Meetings Held	times	2	1	2
Proposals Reviewed at Strategy and Development Committee Meetings	proposals	5	3	3
Sustainability (ESG) Committee Meetings Held	times	-	1	1
Proposals Reviewed at Sustainability (ESG) Committee Meetings	proposals	-	2	1

4. Independent Director

CMES Shipping has appointed independent directors in compliance with relevant laws and regulations, ensuring that independent directors constitute no less than one-third of the Board. The Company has implemented a dedicated working system for independent directors, enabling their active participation in strategic research, auditing, internal control and financial management. This ensures the integrity and transparency of the Company's decision-making processes.

The primary responsibilities of independent directors include oversight and checks, deliberation of proposals and strategic advice. Independent directors meet regularly to consider major proposals regarding financial reports, the remuneration of directors and senior management, related-party transactions, significant investment and financing decisions, internal control and risk management, as well as corporate governance and compliance matters. Additionally, based on their professional expertise and independent judgment, they offer professional and impartial advice on the Company's business development, enhancing the Board's decision-making capabilities and safeguarding the legitimate rights and interests of shareholders and other stakeholders.

To ensure the effective performance of duties by independent directors, the Company has established supporting and evaluation mechanisms, including regular provision of operational information, organization of special research activities, and arrangement of compliance training, enabling independent directors to obtain timely and comprehensive understanding of the Company's operations.

During the reporting period, the Company held

6 times

independent director meetings

during which

12 proposals

were considered



Remuneration and Equity Incentives

Under the ESG governance framework, CMES Shipping's Board Remuneration and Evaluation Committee upholds the principles of responsible governance and continuously refines the remuneration management mechanisms for directors and senior management. The Committee reviewed the proposal on the *Disclosure of Remuneration of Directors, Supervisors and Senior Management Compensation for China Merchants Energy Shipping for 2025*, which was subsequently submitted to the Board of Directors Meeting and Shareholders' Meeting for formal deliberation. The Company has integrated ESG performance indicators into its executive management performance appraisal system to align leadership accountability with sustainable development objectives.

As reviewed and approved at the Annual Shareholders' Meeting, the remuneration details for the Company's directors and senior management for the year 2025 are as follows:

Remuneration of Directors and Senior Management

Name	Position	Gender	Age	Date of Commencement of Term of Office	Date of Termination of Term of Office	Number of Shares Held at the Beginning of the Year	Number of Shares Held at the End of the Year	Variations in the Number of Shares Held During the Year	Reasons for Variations	Total Pre-Tax Remuneration Received from the Company During the Reporting Period (in CNY ten thousand) ¹	Whether Remuneration is Received from Related Parties of the Company
Feng Boming	Chairman of the Board	Male	56	2023-07-28	2026-07-28	-	-	-	-	-	Yes
Liu Zhenhua	Vice Chairman of the Board	Male	52	2024-10-28	2026-07-28	-	-	-	-	-	Yes
Chen Xue	Vice Chairman of the Board	Male	59	2024-10-28	2026-07-28	-	-	-	-	-	Yes
Wang Yongxin	Director, General Manager	Male	51	2019-01-22	2026-07-28	1,121,000	1,121,000	0	Equity incentive exercise	228.41	No
Zhong Fulliang	Director	Male	57	2020-10-19	2026-07-28	-	-	-	-	-	Yes
Yu Zhiliang	Director	Male	57	2023-07-28	2026-07-28	-	-	-	-	-	Yes
Tao Wu	Former director	Male	59	2023-07-28	2025-07-11	-	-	-	-	-	Yes
Qu Baozhi	Director	Male	59	2023-05-12	2026-07-28	-	-	-	-	-	Yes
Huang Chuanjing	Director	Male	42	2025-09-26	2026-07-28	-	-	-	-	-	Yes
Deng Huangjun	Independent Director	Male	64	2023-07-28	2026-07-28	-	-	-	-	30.00	No
Sheng Muxian	Independent Director	Female	70	2020-10-19	2026-07-28	-	-	-	-	36.32	No
Zou Yingying	Independent Director	Female	53	2023-07-28	2026-07-28	-	-	-	-	30.00	No
Wang Yingbo	Independent Director	Male	63	2023-07-28	2026-07-28	-	-	-	-	30.00	No
Sun Xiangyi	Former Chairman of the Board of Supervisors	Male	58	2023-05-12	2025-09-26	-	-	-	-	202.54	No

¹ The aggregate pre-tax remuneration comprises the base annual salary, performance-related pay, bonuses, festival allowances, spousal allowances, and other relevant components.

Name	Position	Gender	Age	Date of Commencement of Term of Office	Date of Termination of Term of Office	Number of Shares Held at the Beginning of the Year	Number of Shares Held at the End of the Year	Variations in the Number of Shares Held During the Year	Reasons for Variations	Total Pre-Tax Remuneration Received from the Company During the Reporting Period (in CNY ten thousand) ¹	Whether Remuneration is Received from Related Parties of the Company
Jiang Hongmei	Former supervisor	Female	49	2019-04-26	2025-09-26	-	-	-	-		Yes
Zhuang Jie	Former employee supervisor	Female	37	2023-06-26	2025-09-26	-	-	-	-	65.23	No
Xu Hui	Deputy General Manager	Male	57	2014-05-23	2026-07-28	866,490	650,490	216,000	Equity incentive exercise	207.14	No
Lou Dongyang	Chief Financial Officer	Male	50	2022-12-03	2026-07-28	-	-	-	-	165.30	No
Shi Xiuli	Former General Counsel and Chief Compliance Officer	Female	52	2024-03-27	2025-05-21	-	-	-	-	86.45	No
Sun Jianfeng	Deputy General Manager	Male	53	2022-03-28	2026-07-28	-	-	-	-	144.71	No
Hu Bin	Deputy General Manager, Chief Captain	Male	51	2022-03-28	2026-07-28	285,560	214,560	71,000	Equity incentive exercise	168.28	No
Huang Maosheng	Deputy General Manager	Male	53	2022-08-31	2026-07-28	-	-	-	-	146.00	No
Kong Kang	Board Secretary	Male	56	2014-05-23	2026-07-28	750,360	608,400	141,960	Equity incentive exercise	145.77	No
Zhai Juan	General Counsel, Chief Compliance Officer	Female	46	2025-10-29	2026-07-28	-	-	-	-	22.29	No
In total	/	/	/	/	/	3,023,410	2,594,450	428,960	/	1,708	/

The equity incentive grants to the Company's directors and senior management during the reporting period are as follows:

Name	Position	Number of Stock Options Held at the Beginning of the Year	Number of New Stock Options Granted During the Reporting Period	Exercisable Shares During the Reporting Period	Stock Option Exercised Shares During the Reporting Period	Exercise Price (CNY)	Number of Stock Options Held at the End of the Reporting Period	Market Price at the End of the Reporting Period (CNY)
Wang Yongxin	Director, General Manager	1,260,000	0	0	0	7.31	428,400	8.98
Xu Hui	Vice General Manager	945,000	0	0	0	7.31	321,200	8.98
Lou Dongyang	Chief Financial Officer	882,000	0	0	0	7.31	299,800	8.98
Zhai Juan	General Counsel, Chief Compliance Officer	697,000	0	0	0	7.31	237,000	8.98
Shi Xiuli	Former General Counsel and former Chief Compliance Officer	857,600	0	0	0	7.73	291,600	8.98
Sun Jianfeng	Vice General Manager	756,000	0	0	0	7.31	257,000	8.98
Hu Bin	Vice General Manager, Chief Captain	756,000	0	0	0	7.31	257,000	8.98
Huang Maosheng	Vice General Manager	756,000	0	0	0	7.31	257,000	8.98
Kong Kang	Secretary of the Board of Directors	735,000	0	0	0	7.31	249,800	8.98

PROTECTING SHAREHOLDERS' RIGHTS AND INTERESTS

Implementing One Share, One Vote

According to the Company's Articles of Association, the Company strictly adheres to the principle of equal rights for each ordinary share. Shareholders holding ordinary shares enjoy equal voting rights, dividend distribution rights and other statutory rights, with each share carrying one vote. The Company ensures that shareholders' rights to information and participation in decision-making processes are fully respected and protected, and adopts reasonable measures to facilitate the participation of minority shareholders and ensure fair voting rights.

Compliant Information Disclosure

CMES Shipping strictly follows the *Securities Law of the People's Republic of China, Measures for the Administration of Information Disclosure by Listed Companies* and other relevant laws and regulations, and has established and implemented the *Measures for Information Disclosure Management*. Through periodic reports, ad interim announcements and investor communication activities, the Company performs its information disclosure obligations in a timely, effective and compliant manner, ensuring the timeliness, completeness and accuracy of disclosed information. At the same time, the Company strictly implements the *Management System for Insider Information Holders and Management System for External Information Users*, and strictly carries out registration and filing procedures for insiders to ensure the security of inside information. These measures help shareholders stay informed about the Company's operations, financial position, and the progress of significant matters, effectively safeguarding the legitimate rights and interests of investors.

Investor Communication

The Company continuously strengthens the institutionalization of its investor communication mechanism and enhances engagement with shareholders, institutional investors and other capital-market participants through diversified channels and formats.

Investor Communication Mechanism

Shareholders' Meeting

- The communication with shareholders is conducted through a combination of on-site interactions and online video participation. Investor concerns are collected and addressed in advance to ensure that all shareholders can exercise their rights on an equal and informed basis.
- The Company strictly adheres to the *Rules for the Shareholders' Meetings of Listed Companies* issued by the China Securities Regulatory Commission and the Company's *Rules of Procedure for Shareholders' Meetings*, among other relevant regulations, to ensure the orderly conduct and efficient decision-making of the shareholders' meeting.

Performance Briefings

- A total of 6 regular performance briefings were held throughout the year, providing existing and potential investors with detailed information about the Company's financial position, operating results, core development strategy, and future prospects.

Roadshow

- Additionally, 212 specialized roadshow events were held both domestically and internationally with brokers, engaging with investors and financial institutions to increase the Company's visibility and recognition in the capital markets, thereby attracting more international and domestic investors.

Routine Communication

- The Company communicate with investors through various channels, including the official website, investor hotline, online meetings, the SSE e-interaction platform and emails. This allows the Company to promptly, proactively and accurately communicate information to the capital markets and investors, maintaining effective two-way communication and working to uphold a strong image in the capital markets.

Information Disclosure

- During the reporting period, the Company disclosed 65 interim announcements and 4 periodic reports, covering external investments, equity incentives, share repurchases, guarantees, related-party transactions, profit distribution, and the use of proceeds.

Case 2024 Annual Results Briefing under the Theme "Innovation-Driven, Striving for Excellence"

In 2025, the Company continued to act as the lead organizer, together with its controlling shareholder China Merchants Group Co., Ltd. and five affiliated listed companies on the Shanghai Stock Exchange, to jointly hold the annual results briefing at the Shanghai Stock Exchange studio. Focusing on key topics including industry market trends, corporate strategy, technological innovation, ESG development, and the cultivation of new quality productive forces, the event facilitated in-depth communication with investors, analysts and media representatives through both on-site discussions and online interaction.



Figure: 2024 Annual Results Briefing

Case "Visit CMES Shipping" – Building Transparent Communication and Sharing Long-Term Value

In September 2025, the Company, together with the Shanghai Stock Exchange and Orient Securities, organized the event "Visit CMES Shipping" in Shanghai. The event aimed to provide investors with closer insight into the Company's operations, and promote rational, long-term and value-oriented investment concepts. Nearly 40 institutional investors and minority shareholders from across the country participated in the event. Through site visits and face-to-face communication, the activity further strengthened investors' confidence in the Company's long-term investment value.



Figure: "Visit CMES Shipping" Event

Enhancing Market Value Management

The Company actively responds to the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) and the China Securities Regulatory Commission (CSRC) regarding the improvement of listed company quality and the enhancement of market value management, and has incorporated market value management into the overall framework of corporate strategy and operations. In 2025, under the framework of the *Market Value Management System*, the Company continued to advance the *Action Plan for Improving Quality, Enhancing Efficiency and Increasing Returns and the Three-Year Shareholder Return Plan (2024-2026)*, further reinforcing a positive value cycle of institutional assurance – enhanced shareholder returns – strengthened market confidence. Through disciplined capital management and a stable dividend policy, the Company promotes the coordinated growth of market value and intrinsic corporate value.

As one of the first listed companies to implement share repurchases supported by special refinancing loans, the Company, based on firm confidence in its future development prospects and strong recognition of its intrinsic value, has taken proactive measures to safeguard the interests of all shareholders, continuously enhance market confidence, and improve the Company's investment value. The Company also remains committed to delivering sustainable returns to shareholders by maintaining a stable and progressively improving cash dividend policy. In 2025, total cash dividends and share repurchases accounted for 40.7% of the net profit attributable to shareholders of the listed company. By fostering a virtuous cycle of value creation – shareholder returns – capital accumulation, the Company continues to attract institutional investors and significantly enhance capital market recognition of its long-term value.

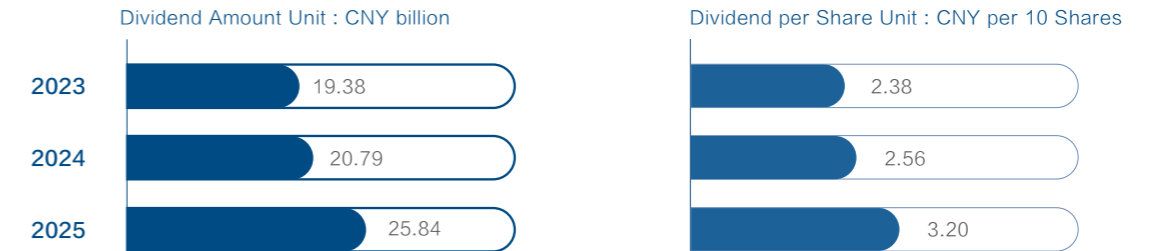
Throughout the entire year

212

specialized roadshow events were held



CMES Shipping Dividend and Payout Performance over the Past Three Years



CONTINUOUSLY MANAGING RISKS Policies and Institutions

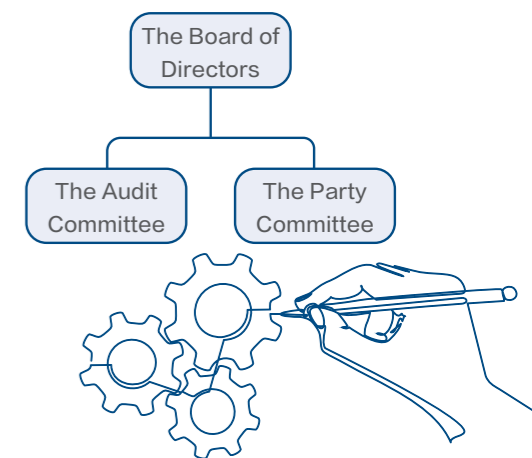
The Company has established and continuously improved a comprehensive risk management and internal control system covering operational, financial, credit and legal compliance risks, promoting the transition of risk management from rule-based control to culture-driven governance. During the reporting period, the Company formulated, dynamically updated and strengthened the implementation of key risk management policies, including the *Regulations for Risk Management and Internal Control of China Merchants Energy Shipping Co., Ltd.*, the *Guidelines for Operational Risk Event Management of China Merchants Energy Shipping Co., Ltd.*, and the *Internal Control Provisions for Trade Business of China Merchants Energy Shipping Co., Ltd. (Trial)*. These policies further enhanced the top-level design of the risk management framework, including annual risk identification and assessment, preparation and updating of the major risk register, tracking and response to significant risks, and the definition and management procedures for major operational risk events. The Company also strengthened control over trade business activities to prevent risk exposure, continuously improving the standardization, systematization and digitalization of risk management.

The Company continues to strengthen its legal and compliance management framework. Based on institutional documents such as the *Guidelines for CMES Shipping Rules and Regulations Management*, the *Regulations for CMES Shipping Compliance Management* and the *Guidelines for CMES Shipping Overseas Project Legal and Compliance Work*, the Company has established and improved a legal compliance management system covering corporate governance, operational management and overseas business activities, providing strong assurance for sound operations and high-quality development.

Management System

1. Risk Management Framework

The Company has established a clearly defined and effectively functioning risk management and internal control structure, with well-defined responsibilities spanning the Board of Directors, senior management, headquarters functional departments, and all subsidiaries. The Board of Directors serves as the highest decision-making body for CMES Shipping's risk management and internal control, overseeing overall strategic decision-making and supervision. The Audit Committee under the Board plays a critical role in comprehensively reviewing and understanding the Company's key risk issues, while also coordinating and supervising the implementation of risk management and internal control practices throughout the organization. The Party Committee performs its leadership role in setting direction, overseeing the overall situation and ensuring effective implementation, and conducts prior review of major risk management and internal control matters. At the management level, the Rule-of-Law Management and Risk Management Leading Group and the Risk Control and Compliance Management Working Group serve as the leadership and coordination bodies for risk management and internal control, promoting the effective implementation of major risk prevention and control mechanisms. At the execution level, the Legal Compliance and Risk Management Department acts as the standing body responsible for the daily operation of the risk management and internal control system, coordinating departments and subsidiaries to identify, assess and control major operational risks under the guidance of the relevant leadership groups, while the Audit Department is responsible for internal audit activities. Additionally, the Company conducts an annual internal control self-assessment and engages an external accounting firm to perform internal control audits, covering all operational locations of the Company.



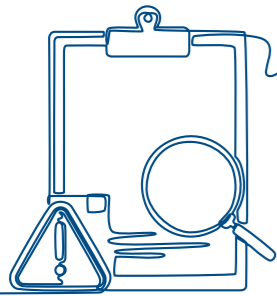
2. Legal Compliance Risk Management

The Company has established a regular tracking mechanism for relevant conventions, norms, laws, regulations, policy changes and their impacts. At the same time, the Company actively participates in relevant legislative processes, reflecting the voice of the industry and the enterprise.

3. Financial Risk Management

CMES Shipping is dedicated to developing a comprehensive and effective financial risk management system, enhancing the financial management evaluation framework, and establishing a three-tiered financial structure: strategic finance, business finance, and operational finance. By progressively refining asset-liability management mechanisms, strengthening full-cycle asset management, optimizing the core asset management system, and establishing a capital operations financial boundary indicator system, the Company aims to improve capital efficiency. Furthermore, CMES Shipping continually updates its internal control regulations for financial risks, integrating the management of various financial risks – such as liquidity, exchange rate, interest rate and tax risks – into all operational processes. This approach ensures the creation of a robust, stringent, standardized, and effective financial risk control system, safeguarding the steady advancement of the Company's financial operations.

4. Tax Risk Management



In accordance with the current tax-related laws and regulations of the People's Republic of China, CMES Shipping has formulated the *CMES Shipping Tax Management Measures* and continuously improves its tax management framework, defining responsibilities, standardizing procedures, and promoting systematic and compliant tax management.

The Company regularly reviews changes in domestic and international tax policies, strengthens research and interpretation of key tax regulations and cross-border tax matters, and organizes periodic tax analysis across all business units to identify the causes of tax fluctuations, thereby enhancing the forward-looking and targeted nature of tax risk management.

Leveraging digital information systems, the Company has advanced the standardization of tax declaration and accounting management. The tax filing module has achieved full coverage, and tax risk early-warning indicators have been embedded in the system to enhance risk identification and monitoring capabilities, promoting a shift from reactive tax risk control to proactive risk prevention.

Work Achievements

1. Major Risk Prevention

In 2025, building on the continued implementation of systematic risk identification and assessment, the Company further advanced the management of major operational risks from a risk register-based approach to a more indicator-based and dynamic monitoring framework.

Based on the results of the 2025 annual major operational risk assessment, and taking into account the characteristics of key business segments and performance evaluation requirements, the Company integrated and optimized the existing risk monitoring indicator system. The revised framework focuses on key risk areas including profitability, solvency, liquidity, market/operation, credit, exchange rate, environmental protection, and energy conservation and emission reduction. Based on the principle of "one policy for each enterprise", the Company established a risk monitoring indicator system combining common indicators and entity-specific indicators, forming a customized monitoring framework aligned with the Company's industry characteristics, business nature and operational realities.

2. Risk Control

In 2025, the Company continued to strengthen the full-cycle digital management of risk events, promoting the transition of risk management from reactive response to forward-looking early-warning and closed-loop control.

In accordance with the *Guidelines for Operational Risk Event Management of China Merchants Energy Shipping Co., Ltd.*, the Company urges its subsidiaries to conduct risk event assessment and reporting, response, disposal and monitoring. During the reporting period, the Company achieved centralized online management of risk events, with all risk events now being tracked online. Through centralized online management covering the entire process – from risk identification and reporting to response and post-event review – the Company improved the timeliness and standardization of risk event handling.

On this basis, the Company further promoted the application of the risk monitoring indicator system at the subsidiary level. Risk monitoring indicator tables have been deployed to six subsidiaries, including Sinolines, AMCL, HKMW, SHMW, CMRORO and CMLNG. Centralized online management of risk monitoring indicators has been established, and quarterly monitoring and tracking will continue to be conducted to strengthen penetrating supervision, improve the accuracy and relevance of early-warning signals, and provide strong assurance for the stable and compliant development of business operations.

Case

CMES Shipping Promotes the Establishment of the "Hong Kong Marine War Risks Insurance Pool"

In response to the complex international maritime environment, the Company took the initiative to promote the establishment of the "Hong Kong Marine War Risks Insurance Pool" on WMMF 2026. By consolidating Hong Kong's local maritime insurance best practices and leveraging Hong Kong's advantages in finance and jurisdiction, the pool provides localized and reliable risk protection solutions, further improving Hong Kong's maritime insurance ecosystem and enhancing its high-end maritime service capabilities.



3. Policy Updates and Compliance Management

The Company continues to strengthen the systematic, standardized and coordinated development of its institutional framework. In 2025, based on practical needs in risk management, internal control and operational risk event management, the Company revised existing policies and updated their titles accordingly, and formally issued the *Regulations for Risk Management and Internal Control of China Merchants Energy Shipping Co., Ltd.* and the *Guidelines for Operational Risk Event Management of China Merchants Energy Shipping Co., Ltd.* These policies further enhanced the top-level design of the risk management framework, including annual risk identification and assessment, preparation and updating of the major risk register, tracking and response to significant risks. At the same time, the Company formulated the *Internal Control Provisions for Trade Business of China Merchants Energy Shipping Co., Ltd. (Trial)* to strengthen risk control over trade business. As an international shipping enterprise, the Company faces compliance risks related to economic sanctions and export controls arising from changes in the external regulatory environment. In response, the Company has promptly formulated and updated its compliance framework for economic sanctions and export control, together with supporting contingency plans.

Compliance Management Actions

Compliance Reporting Channels

- The Company has established a unified platform for reporting violations of discipline and regulations, providing a reporting hotline and email. The compliance, internal audit and other relevant departments handle the reports according to their responsibilities and authority.
- The Company allows anonymous reporting and ensures the protection of whistle-blowers.
- A cross-department accountability mechanism is implemented. Through case-based investigations, compliance gaps are identified and rectified, promoting the continuous improvement of the governance system.

Compliance Review Management

- The Company adheres to the principle that all policies must be reviewed and all contracts must undergo countersignature. The legal and compliance team intervenes in advance and participates throughout the process for key projects and contracts.
- The compliance management mechanism for economic sanctions and export controls is continuously improved, and the requirements of the compliance framework are strictly implemented.
- Credit management is strengthened in accordance with institutional requirements. By using RPA (Robotic Process Automation) risk-screening tools, real-time digitalized control of customer credit investigation at the business front end has been realized, and a quantitative credit evaluation model for the dry bulk segment has been established.

Case Strengthening the Foundation of Rule-of-Law Culture – Legal Awareness Promotion and Knowledge Quiz

In 2025, the Legal and Risk Control Department actively carried out rule-of-law awareness initiatives. In conjunction with the Company Day activities, a legal knowledge quiz focusing on legal issues related to daily business operations and management was organized for all employees across the Company. This activity further enhanced employees' legal awareness and consolidated the foundation for law-based corporate governance.

4. Internal Control

The Company continuously strengthens the development of its internal control system in strict accordance with the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) and the Ministry of Finance, including the *Notice on Accelerating the Construction of the Internal Control System for Central Enterprises* and *Implementation Opinions on Strengthening the Construction and Supervision of the Internal Control System for Central Enterprises*. In line with internal regulations such as the *Regulations for Risk Management and Internal Control of China Merchants Energy Shipping Co., Ltd.*, the Company continuously optimizes its internal control framework, focusing on key management areas including strategic management, financial management, human resources management, vessel management, crew management and procurement management.

To enhance the effectiveness of internal control, the Company has further improved its internal control evaluation mechanism. It has established dedicated evaluation teams are established and updated the internal control process matrix. A combination of professional methodologies – including document review, walk-through testing and sample inspection – is applied to systematically identify potential control deficiencies. Relevant departments are required to formulate and implement practical corrective actions, ensuring closed-loop improvement of internal control effectiveness. At the same time, the Company actively promotes the digital transformation of internal control management by advancing the online operation and centralized management of internal control authority lists, supervision and inspection procedures, and control environment assessments. These measures have significantly improved the efficiency, coordination and quality of risk prevention and control.

In compliance with the *Basic Standards for Enterprise Internal Control* and other related regulations, the Company maintains effective internal control over financial reporting in all areas. Additionally, the Company has appointed a third party to conduct an annual compliance and internal control audit, which includes auditing CMES Shipping's financial reports and providing an internal control audit opinion. The audit concluded that during the reporting period, the Company maintained effective internal control over financial reporting in all material respects.

5. Audit

The Company conducts annual audits to ensure effective coverage of key risk areas. In 2025, the primary audit projects included financial audits and special-purpose audits.

Annual Audit Activities

Financial Audit

- In 2025, the Company commissioned the independent external auditor KPMG Huazhen to conduct the annual audit of the Company's financial statements and internal control over all operating locations. The auditor issued a standard unqualified opinion.

Special Audit

- To promote the optimization of the cost management system and improve economic efficiency, special audits on cost and expense management were conducted for each fleet. The audits focused on the procurement and financial control of key cost items, including fuel, vessel repair and spare parts.



UPHOLDING BUSINESS ETHICS

Policies and Institutions

CMES Shipping adheres to the principles of honesty, integrity and legal compliance in its business operations. The Company strictly follows relevant laws, regulations and supervisory requirements in terms of anti-corruption and integrity. It has formulated the *Code of Integrity and Compliance*, *Guidelines for Anti-Corruption Risk Prevention Overseas*, and *Implementation Measures for Strengthening the Construction of Clean Culture in the New Era*. Additionally, the Company has established a series of management systems regulating bidding, procurement, intermediary agencies, brokers, and more. These efforts provide a solid foundation for integrity, anti-corruption and anti-bribery initiatives within the Company.

In accordance with the requirements of the *CMES Shipping Internal Audit Management System*, the Company's Audit Department regularly organizes and conducts business ethics audit activities to ensure that a comprehensive audit supervision covering 100% of the Company is completed at least once every three years. During these audits, the auditors focus particularly on whether there are any violations of national laws, regulations, policies and integrity discipline, as well as any acts of abuse of power for personal gain, embezzlement, misappropriation, private division of public funds, transfer of company assets, bribery, and extravagance and waste.

In 2025, the Company further optimized the top-level design of its audit framework, strengthened its institutional foundation, enhanced professional capacity building, and promoted coordination among supervisory functions, thereby further improving the authority, independence and effectiveness of audit work.

a comprehensive audit supervision covering

100%
of the Company



Management System

The Company has established an anti-corruption working leadership team, with an office set up under the Discipline Inspection Department. In parallel, the Company maintains a professional audit team and has established an accountability network covering all organizational levels, ensuring that accountability mechanisms are supported by clear organizational structures, sound frameworks and dedicated personnel. It has set up an anti-corruption coordination mechanism, fully leveraging the collaborative supervision efforts of departments such as human resources, finance, legal and compliance, audit and discipline inspection. The focus is on key areas and critical points, strengthening daily supervision and deepening the prevention and control of integrity risks.



Work Achievements

1. Anti-Corruption and Integrity Management

Anti-Corruption and Integrity Management Measures of CMES Shipping



Routine Supervision and Management

- Holding meetings on integrity building and anti-corruption work to make relevant arrangements and deployments.
- Conducting self-examination and declaration regarding whether there are any shadow companies or shadow shareholders related to the Company's leadership, senior management and other relevant personnel.
- Establishing a special inspection team to conduct supervision and inspection of subordinate units.



Integrity Risk Assessment

- Conducting a comprehensive review and assessment of integrity risk points.
- From April to June 2025, the Company organized the disciplinary inspection bodies of seven subsidiaries to carry out a special rectification campaign on bidding and procurement management. Through the review and analysis of 11 representative procurement cases, 5 major categories comprising 17 specific issues were identified, all of which were rectified within the reporting period.
- Strengthening the anti-corruption risk prevention and control for overseas branches, organizing these branches to identify integrity risk points, and developing relevant measures and revise system mechanisms.
- Based on the daily supervision in 2025, the handling of problem clues, issues discovered during inspections and audits and other factors, the Company has conducted a comprehensive review and identification of integrity risks in the regulations and internal control systems. This has led to further refinement and optimization of the integrity risk levels and preventive measures. Compared with 2024, the Company identified 14 additional integrity risks, added 21 new risk links and specific risk points, formulated 30 new control measures, and optimized and improved 54 existing control measures.



Integrity Education and Awareness Campaigns

- Conducting pre-appointment integrity talks for candidates to be promoted or assigned to shipboard positions, and signing relevant integrity commitment letters.
- Over 30 articles related to integrity education were published through channels such as the integrity culture column and emails, ensuring that anti-corruption education reaches the ears, minds and hearts of employees.
- In 2025, the Company organized a warning and compliance education meeting, at which the Party Committee Secretary delivered a special lecture on Party discipline education. A total of 385 employees watched warning education videos, and 110 young managers were organized to study integrity education materials.
- In 2025, a total of 155 management personnel and 1 director received training on anti-commercial bribery and anti-corruption.

2. Antitrust and Fair Competition

The Company strictly complies with antitrust laws and regulations, adhering to the principle of compliant operations. It has developed the *Guidelines for Antitrust Compliance Management*, to strengthen internal management and ensure that all business activities are carried out in a legal and compliant manner. Concurrently, based on the existing *Guidelines for Antitrust Compliance Management*, the Company tracks the revision of the *Maritime Shipping Regulations* and the legislative and enforcement developments of national shipping anti-monopoly laws. Based on the *Guidelines for CMES Shipping Overseas Project Legal and Compliance Work* and other relevant guidelines, the Company guides its subsidiaries to operate in accordance with the laws and regulations. In major projects, the Company strictly implements the declaration of concentration of undertakings and other national anti-monopoly declarations and reviews in accordance with the law to prevent antitrust compliance risks. The Company also organizes antitrust law compliance training, covering all departments and subsidiaries.



The Company explicitly prohibits employees from engaging in the following activities: disclosing sensitive business information to competitors, unlawfully acquiring competitors' trade secrets, defaming or spreading false information about competitors, entering into monopolistic agreements with competitors or business partners, and engaging in unfair competition by exploiting a dominant market position. We are committed to continually strengthening compliance awareness, maintaining a fair competitive market environment, and ensuring the sustainable development of the Company.

In order to effectively strengthen antitrust management, CMES Shipping conducted systematic antitrust law training and education for employees. It aims to enhance compliance awareness and lay a solid foundation for the Company's compliant operations. In 2025, the Company organized 1 training session on antitrust and fair competition, engaging 36 participants and delivering 1.5 hours of training.

At the same time, the Company continues to closely monitor the latest developments in antitrust legislation and enforcement both internationally and domestically. A professional team is organized to conduct in-depth research and precise interpretation, and to update and refine the *Guidelines for Antitrust Compliance Management* as needed. This ensures that the Company's management measures are always in line with the latest legal requirements, enabling the Company to move forward with sound compliance practices and actively respond to challenges in the global market.

3. Whistle-blowing and Complaint System and Channels

Reporting Policy

The Company has established a reporting management system in accordance with relevant laws and regulations, and has set up multiple reporting channels. All stakeholders have the right to report to the Discipline Inspection Department. CMES Shipping commits to strictly implementing a whistle-blower protection system, ensuring strict confidentiality of the whistle-blower's information, and safeguarding the whistle-blower's legal rights.

Reporting Channels

The Company has established a centralized platform for reporting violations. The channels for reporting (including phone numbers, email addresses, and physical office locations) are clearly communicated. Relevant departments process these reports according to their specific responsibilities, conducting preliminary investigations. Depending on the nature of the reported violations, cases are escalated to the appropriate accountability or discipline inspection departments for further action.

Feedback Mechanism

For whistleblowers who submit reports under their real names, the Company provides feedback on the handling results upon completion of the investigation, except where disclosure would involve confidential information. The Company strictly safeguards the identity of whistleblowers and the confidentiality of reported matters, and takes disciplinary action against any acts of retaliation, intimidation or malicious reporting.

4. Employee Ethics Training

CMES Shipping has implemented a range of diversified and regular initiatives to strengthen employees' awareness of business ethics, prevent corruption, enhance professional ethical values, and promote the Company's healthy and sustainable development. During the reporting period, business ethics training – including anti-corruption, anti-money laundering and other business conduct topics – recorded a total of 2,710 participant attendances, and 64 warning and compliance education meetings were conducted. The specific measures include:

a total of
2,710 participant
attendances, and
64 warning



Publishing Typical Cases

By publishing typical case materials, the Company is raising employees' awareness of the serious consequences of violating business ethics and legal regulations, encouraging them to learn from these examples and comply with professional ethical standards.



Posting Integrity Posters or Risk Alerts

Integrity posters and risk alerts, through their intuitive and vivid forms, integrate the concept of integrity into employees' daily work environment. They remind employees to stay vigilant at all times, creating an atmosphere of integrity within the Company, allowing employees to subtly absorb integrity education.



Organizing Specialized Lectures

Industry experts, legal advisors or senior practitioners are invited to give specialized lectures on topics such as anti-corruption, anti-bribery, anti-money laundering and anti-trust, providing employees with in-depth and systematic knowledge explanations and case analyses. Through face-to-face communication, it helps answer employees' questions and deepens their understanding of relevant policies and laws and regulations.



Regular Training and Policy Awareness Campaigns

The Company integrates training on anti-corruption, anti-bribery, anti-money laundering and anti-trust compliance into its annual training plan and conducts regular policy communication and awareness sessions. This helps employees stay updated on the latest laws, regulations and policy requirements, enhancing their compliance awareness and capabilities.

APPENDIX

Key Performance

Indicator	Unit	2023	2024	2025
Economic Performance				
Operating Revenue	CNY hundred million	258.81	257.99	281.77
Net Profit Attributable to Shareholders of Listed Company	CNY hundred million	48.37	51.07	60.12
Total Assets	CNY hundred million	623.95	706.19	820.55
Dividend Payment Ratio ⁶	%	40.07	40.70	42.98
Cash Dividend Amount	CNY hundred million	19.38	20.79	25.84
Cumulative Repurchase Amount of Shares	CNY hundred million	–	1.32	3.11
Dividend per 10 Shares	CNY	2.38	2.56	3.20
Environmental Performance				
Environmental Performance	CNY ten thousand	41,509.87	32,858.06	31,413.91
Total Fuel Savings by the Fleet	ten thousand tons	7.19	6.26	7.36
Total Fuel Savings from Fleet	CNY ten thousand	13,218.07	9,946.72	10,746.22
Investment in Fleet Environmental Retrofit	CNY ten thousand	28,291.80	22,911.34	20,667.69
Total Energy Consumption of the Fleet	ten thousand tce	271.78	277.68	293.57
	ten thousand tce per million in revenue	0.011	0.011	0.011
Fuel Consumption per Ship	kilograms of standard coal per thousand ton-nautical miles	2.23	2.18	2.21
Fuel Oil	ten thousand tons	181.97	186.06	196.17
Marine Gasoline	ten thousand tons	0.010	0.005	0.004
Marine Diesel	ten thousand tons	8.31	8.09	8.24
Electricity Consumption by Ships	ten thousand kW · h	–	196.47	243.32
Renewable Energy Consumption	ten thousand tce	–	–	1.30
Other Energy Consumption: Wind Power	tce	–	–	740.53
Other Energy Consumption: Biofuels	ten thousand tons	–	0.02	0.84
Other Energy Consumption: Biomass Energy	tce	–	–	12,285.65
Total Number of Shore Power Connections	times	1,472	1,258	1,075
Total Number of Shore Power Connections	ten thousand kW · h	80.56	196.40	234.00

⁶ The figure is presented on a consolidated financial statement basis, meaning that the total dividend amount represents the proportion of dividends to the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements.

Indicator	Unit	2023	2024	2025
Fuel Savings from Shore Power	tons	731.47	1,783.28	2,124.68
CO ₂ Emission Reduction from Shore Power	tCO ₂ e	2,340.70	5,706.48	6,798.96
Proportion of Ships with Ballast Water Treatment Systems	%	100	100	100
Total Wastewater Discharge from Ships	ten thousand tons	6.67	5.93	6.77
Nitrogen Oxides (NO _x) Emissions ⁷	ten thousand tons	0.44	0.45	0.48
Sulfur Oxides (SO ₂) Emissions ⁸	ten thousand tons	1.70	1.74	1.84
Total Solid Waste Discharge	ten thousand tons	0.32	0.30	0.38
Solid Waste Disposal Rate	%	82.97	100	100
Total GHG Emissions from Fleet Operations (Scope 1 & 2)	ten thousand tCO ₂ e	593.60	606.23	640.22
GHG Emissions (Scope 1 – Direct Emissions)	ten thousand tCO ₂ e	593.50	606.02	639.96
GHG Emissions (Scope 2 – Indirect Emissions)	ten thousand tCO ₂ e	0.10	0.21	0.26
GHG Emissions (Scope 3 – Other Indirect Emissions) ⁹	ten thousand tCO ₂ e	–	0.56	441.30
GHG Emission Intensity (Scope 1 & 2)	ten thousand tCO ₂ e per CNY million of revenue	0.023	0.023	0.023
GHG Emission Intensity (Scope 3 – Other Indirect Emissions) ¹⁰	tCO ₂ e per CNY million of revenue	–	0.22	156.62
Social Performance				
Employees				
Total Number of Employees	persons	4,926	5,279	5,513
Proportion of Female Employees	%	11.00	10.72	9.80
Number of Ethnic Minority Employees	persons	–	166	259
Proportion of Ethnic Minority Employees	%	–	3.14	4.70
Contracted Labor Employees	persons	–	49	59
New Hires				
Number of New Hires	persons	–	808	797
Number of Female New Hires	persons	–	53	91
Number of Male New Hires	persons	–	755	706

⁷ Nitrogen oxides (NO_x) emissions represent the cumulative total emissions from the fleet.

⁸ Sulfur oxides (SO₂) Emissions represent the cumulative total emissions from the fleet.

⁹ 1. Scope 3 emissions of CMES Shipping include emissions from purchased goods and services, fuel- and energy-related activities, business travel transportation, business travel accommodation, and employee commuting transportation. 2. The increase in Scope 3 GHG emissions is primarily due to the addition of Category 1 (Purchased Goods and Services) and Category 3 (Fuel- and Energy-Related Activities).

¹⁰ The increase in Scope 3 GHG emission intensity is primarily due to the addition of Category 1 (Purchased Goods and Services) and Category 3 (Fuel- and Energy-Related Activities).

Indicator	Unit	2023	2024	2025
Employee Attrition				
Number of Employee Departures	persons	-	412	513
Total Employee Turnover Rate	%	9.00	7.80	9.55
Employee Rights				
Employee Satisfaction Rate	%	100	100	100
Number of Employees Assisted in Need	persons	29	27	25
Employee training				
Investment in Employee Training	CNY ten thousand	314.91	351.47	373.46
Employee Training Coverage Rate	%	100	100	100
Occupational Health and Safety				
Occupational Disease Cases	persons	0	0	0
Incidence Rate of Occupational Diseases	%	0	0	0
Investment in Safety Production	CNY ten thousand	17,395.14	23,944.75	36,142.58
Safety Education and Training Sessions	units	2,260	2,702	3,920
Total Duration of Safety Education and Training	hours	124,344	169,308	192,240
Number of Participants in Safety Education and Training	persons	39,715	52,580	54,376
Coverage Rate of Safety Education and Training	%	100	100	100
Average Safety Training Hours per Person	hours	3.13	3.22	3.54
Safety Drills	times	14,624	15,161	11,799
Number of Participants in Safety Drills	persons	345,447	358,052	281,470
Anti-piracy Success Rate	%	100	100	100
Success Rate of Typhoon and Flood Prevention	%	100	100	100
Number of Emergency Drills	times	1,640	1,678	1,311
Number of Participants in Emergency Drills	persons	39,838	40,016	31,275
Recorded Accidents	cases	13	12	9
Major and Above Accidents	cases	-	0	0
Employee Casualties	persons	7	5	4
Employee Fatalities	persons	1	0	0

Indicator	Unit	2023	2024	2025
Fatality Rate Due to Work	%	-	0	0
Lost Time Injury Frequency Rate (LTIFR)	cases/million man-hours	0.18	0.15	0.10
Lost Workdays Due to Work-Related Injuries per Million in Revenue	days	-	0.99	0.03
Contractor Fatalities Due to Work	persons	-	0	0
Contractor Fatality Rate Due to Work	%	-	0	0
Product Quality and Safety				
Zero-defect Rate in PSC Inspections	%	76.10	75.24	73.33
Average Defects per PSC Inspection	items per vessel	0.60	0.69	0.64
Vessel Detention Rate in PSC Inspections	%	0.00	0.32	0.00
Average Defects in Major Oil Company Inspections	items per vessel	1.70	2.48	3.24
R&D Innovation				
R&D Investment	CNY hundred million	394.27	1858.40	8166.15
R&D Personnel	persons	127	159	176
Proportion of R&D Personnel	%	2.58	3.01	3.19
Cumulative Patents	units	7	7	6
Cumulative Software Copyrights	units	38	43	74
Governance Performance				
Number of Shareholders' Meetings Held	times	4	3	4
Number of Board of Directors' Meetings Held	times	11	12	8
Attendance Rate of Board Members	%	100	100	100
Number of Audit Committee Meetings	times	6	6	5
Proportion of Independent Directors on the Audit Committee	%	60	60	100
Number of Remuneration and Evaluation Committee Meetings	times	3	2	2
Proportion of Independent Directors on the Remuneration and Evaluation Committee	%	60	60	60
Number of Nominations Committee Meetings	times	2	5	2
Proportion of Independent Directors on the Nominations Committee	%	60	60	60
Number of Sustainability (ESG) Committee Meetings	times	-	1	1
Proportion of Independent Directors on the Sustainability (ESG) Committee	%	-	60	60

Indicator	Unit	2023	2024	2025
Number of Board Members	persons	12	12	12
Number of Male Board Members	persons	10	10	10
Number of Female Board Members	persons	2	2	2
Proportion of Female Directors	%	16.67	16.67	16.67
Total Number of Independent Directors	persons	4	4	4
Proportion of Independent Directors	%	33	33	33
Average Tenure of Board Members	years	–	3.79	3.67
Proportion of Independent Directors with Tenure Exceeding 6 Years	%	–	0	0
Proportion of Independent Directors with Tenure Exceeding 9 Years	%	–	0	0
Proportion of Independent Directors Serving on More Than 3 Public Company Boards	%	–	25	25
Proportion of Independent Directors Serving on More Than 6 Public Company Boards	%	–	0	0
Number of Anti-Corruption and Integrity Education Conferences ¹¹	times	37	31	64
Number of Participants in Business Ethics Training ¹²	persons	1,724	1,805	2,710
Number of management personnel receiving business ethics training	persons	–	–	155
Number of Antitrust and Fair Competition Training Sessions	times	–	–	1
Number of Participants in Antitrust and Fair Competition Training	persons	–	–	36
Total Duration of Antitrust and Fair Competition Training	hours	–	–	1.5

¹¹ Data adjusted in accordance with the Company's statistical reporting standards.

¹² Data adjusted in accordance with the Company's statistical reporting standards.

Terminology

Term	Definition
VLCC	VLCC: Refers to the Very Large Crude Carrier (VLCC), which has a carrying capacity of over 200,000 tons. It is typically used for the transportation and storage of crude oil and fuel oil.
VLOC	VLOC: Refers to bulk carriers with a carrying capacity of over 200,000 tons, which are specifically used for transporting iron ore and are known as Very Large Ore Carriers (VLOC).
DWT	DWT: Dead Weight Tonnage (DWT) refers to the maximum permissible weight of a vessel's cargo, stores, fuel, lubricating oil, boiler water, fresh water, crew, and passengers in a specific water area and season. It represents the total weight that a ship is allowed to carry and is also known as the Gross Carrying Capacity.
Ballast Water Management Convention	The <i>International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004</i> . According to the requirements of the International Maritime Organization (IMO), existing ships need to meet the Ballast Water Discharge D-2 Standard during their first IOPP renewal inspection after September 8, 2017. Ships delivered on or after September 8, 2017 must meet at least the D-2 discharge standard at the time of delivery. The Marine Environment Protection Committee (MEPC) approved the text of the amendment to Regulation B-3 of the Ballast Water Convention. New ships should be equipped with a Ballast Water Management System (BWMS) at the time of delivery to meet the D-2 discharge standard. Existing ships should install a Ballast Water Management System (BWMS) during their first IOPP renewal inspection on or after September 8, 2019.
EEDI	EEDI: The Energy Efficiency Design Index (EEDI) is an index that measures the ratio of CO ₂ emissions from the energy consumed by a ship to the effective energy output of the ship, also known as the Energy Efficiency Design Index for New Ships. The higher the EEDI value, the lower the energy efficiency.
EEXI	EEXI: Energy Efficiency Existing Ship Index (EEXI).
PSC	PSC: Port State Control (PSC) refers to the specialized inspections conducted by port state authorities worldwide on foreign-flagged vessels arriving in their ports. The purpose of these inspections is to ensure the safety of ships and personnel as well as to prevent marine pollution, with a focus on the technical condition of the ship and its crew.
CII	CII: The Carbon Intensity Index (CII) is an important indicator for measuring the amount of CO ₂ emissions during ship operations. It reflects the carbon emissions generated per unit of cargo transported by ships. This indicator was introduced by the International Maritime Organization (IMO) to address climate change and reduce greenhouse gas emissions. The calculation formula is as follows: CII = Annual Total CO ₂ Emissions/Annual Total Transport Work. The introduction of this indicator aims to encourage ship operators to adopt more energy-efficient and environmentally friendly operational methods to reduce carbon emissions.

Index of Indicators

Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

CMES Shipping, from January 1, 2024 to December 31, 2024, in accordance with the *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* (referred to as the "Guidelines"), has disclosed the information referenced in the index of the Guidelines.

Disclosure	Chapter Index
Climate Change Tackling	Climate Change
Pollutant Discharge	Waste Discharge Management
Waste Disposal	Waste Discharge Management
Ecosystem and Biodiversity Protection	Biodiversity Protection
Environmental Compliance Management	Environmental Compliance Management
Energy Usage	Effective Energy Utilization
Water Resources Utilization	Effective Energy Utilization
Circular economy	Waste Discharge Management
Rural Revitalization	Co-Creating Societal Value
Contributions to the Society	Co-Creating Societal Value
Innovation-Driven Development	Innovation-Driven Development
Ethics in Science and Technology	Innovation-Driven Development
Supply Chain Security	Optimizing Supply Chain Management
Equal Treatment of Small and Medium-sized Enterprises	Optimizing Supply Chain Management
Safety and Quality of Products and Services	Emphasizing Enhanced Quality and Efficiency
Data Security and Customer Privacy Protection	High Quality Customer Service
Employees	Occupational Health and Safety; Safeguarding Employee Rights and Benefits
Due Diligence	About the Report; About Us
Communications with Stakeholders	Sustainability Management; Protecting Shareholders' Rights and Interests
Anti-commercial Bribery and Anti-corruption	Upholding Business Ethics
Anti-unfair Competition	Upholding Business Ethics

GRI Index

CMES Shipping, from January 1, 2025, to December 31, 2025, in accordance with the GRI standard, has reported the information referenced in the GRI index.

Disclosure	Topic	Section Title	Chapter Index
GRI 1: Foundation 2021			About the Report
GRI 2: General Disclosure 2021			
Organization and Reporting	2-1	Organizational details	About the Report
	2-2	Entities included in the organization's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-4	Restatements of information	Notes on Governance Performance
	2-5	External Assurance	Assurance Report
Activities and Workers	2-6	Activities, value chain and other business relationships	About us
	2-7	Employees	Social – Safeguarding Employee Rights and Benefits Social – Occupational Health and Safety
	2-8	Workers who are not employees	Refer to the Annual Report
	2-9	Governance structure and composition	Governance – Ameliorating Corporate Governance
Governance	2-10	Nomination and selection of the highest governance body	Refer to the Annual Report
	2-11	Chair of the highest governance body	Letter from the Chairman
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance – Ameliorating Corporate Governance
	2-13	Delegation of responsibility for managing impacts	Governance – Ameliorating Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Strategy and Management
	2-15	Conflict of Interests	Company Profile
	2-16	Communication of critical concerns	Sustainability Strategy and Management
	2-17	Collective knowledge of the highest governance body	Governance – Ameliorating Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	Key Performance
	2-19	Remuneration policies	Governance – Ameliorating Corporate Governance
	2-20	Process to determine remuneration	Governance – Ameliorating Corporate Governance
	2-21	Annual total compensation ratio	Refer to the Annual Report

Disclosure	Topic	Section Title	Chapter Index
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Sustainability Strategy and Management
	2-23	Policy commitments	Sustainability Strategy and Management
	2-24	Embedding policy commitments	Sustainability Strategy and Management
	2-25	Processes to remediate negative impacts	Sustainability Strategy and Management
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Strategy and Management
	2-27	Compliance with laws and regulations	Full report
	2-28	Membership associations	Social – Co-Creating Societal Value
Stakeholder engagement	2-29	Approach to stakeholder engagement	Sustainability Strategy and Management
	2-30	Collective bargaining agreements	Governance – Protecting Shareholders' Rights and Interests
GRI 3: Material Topics 2021			N/A
Material Topics	3-1	Process to determine material topics	Sustainability Strategy and Management
	3-2	List of material topics	Sustainability Strategy and Management
	3-3	Management of material topics	Sustainability Strategy and Management
Economic Topics			
GRI 201: Economic Performance 2016	3-3	Management of material topics	Refer to the Annual Report
	201-1	Direct economic value generated and distributed	Message from the Chairman
	201-2	Financial implications and other risks and opportunities due to climate change	Environmental – Response to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Social–Safeguarding Employee Rights and Benefits
	201-4	Financial assistance received from government	Environmental – Developing Green Shipping
GRI 202: Market Presence 2016	3-3	Management of material topics	Refer to the Annual Report
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Refer to the Annual Report
	202-2	Proportion of senior management hired from the local community	N/A
GRI 203: Indirect Economic Impacts 2016	3-3	Management of material topics	Refer to the Annual Report
	203-1	Infrastructure investments and services supported	Refer to the Annual Report
	203-2	Significant indirect economic impacts	Refer to the Annual Report

Disclosure	Topic	Section Title	Chapter Index
GRI 204: Procurement Practices 2016	3-3	Management of material topics	Refer to the Annual Report
	204-1	Proportion of spending on local suppliers	Refer to the Annual Report
GRI 205: Anti-corruption 2016	3-3	Management of material topics	Governance – Upholding Business Ethics
	205-1	Operations assessed for risks related to corruption	Governance – Upholding Business Ethics
	205-2	Communication and training about anti-corruption policies and procedures	Governance – Upholding Business Ethics
	205-3	Confirmed incidents of corruption and actions taken	N/A
GRI 206: Anti-competitive Behavior 2016	3-3	Management of material topics	Governance – Upholding Business Ethics
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance – Upholding Business Ethics
	3-3	Management of material topics	Governance – Continuously Managing Risks
GRI 207: Tax 2019	207-1	Approach to tax	Governance – Continuously Managing Risks
	207-2	Tax governance, control, and risk management	Governance – Continuously Managing Risks
	207-3	Stakeholder engagement and management of concerns related to tax	Sustainability Strategy and Management
	207-4	Country-by-country reporting	N/A
Environmental Topics			
GRI 301: Materials 2016	3-3	Management of material topics	N/A
	301-1	Materials used by weight or volume	N/A
	301-2	Recycled input materials used	N/A
	301-3	Reclaimed products and their packaging materials	N/A
GRI 302: Energy 2016	3-3	Management of material topics	Environmental – Energy Conservation, Carbon Reduction, Quality Improvement and Efficiency Enhancement
	302-1	Energy consumption within the organization	Key Performance
	302-2	Energy consumption outside of the organization	/
	302-3	Energy intensity	Key Performance
	302-4	Reduction of energy consumption	Environmental – Effective Energy Utilization
	302-5	Reductions in energy requirements of products and services	Environmental – Effective Energy Utilization

Disclosure	Topic	Section Title	Chapter Index
GRI 303: Water and Effluents 2018	3-3	Management of material topics	Environmental – Waste Discharge Management
	303-1	Interactions with water as a shared resource	Environmental – Waste Discharge Management
	303-2	Management of water discharge-related impacts	Environmental – Waste Discharge Management
	303-3	Water withdrawal	/
	303-4	Water discharge	/
	303-5	Water consumption	/
GRI 101: Biodiversity 2024	3-3	Management of material topics	Environmental – Biodiversity Protection
	101-1	Policies to halt and reverse biodiversity loss	Environmental – Biodiversity Protection
	101-2	Management of biodiversity impacts	Environmental – Biodiversity Protection
	101-3	Access and benefit-sharing	Environmental – Biodiversity Protection
	101-4	Identification of biodiversity impacts	N/A
	101-5	Locations with biodiversity impacts	N/A
	101-6	Direct drivers of biodiversity loss	N/A
	101-7	Changes to the state of biodiversity	N/A
101-8	Ecosystem services	N/A	
GRI 305: Emissions 2016	3-3	Management of material topics	Environmental – Response to Climate Change Environmental – Waste Discharge Management
	305-1	Direct (Scope 1) GHG emissions	Key Performance
	305-2	Indirect (Scope 2) GHG emissions	Key Performance
	305-3	Other indirect (Scope 3) GHG emissions	Key Performance
	305-4	GHG Emissions Intensity	Key Performance
	305-5	Reduction of GHG emissions	Environmental – Response to Climate Change
	305-6	Emissions of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emission	Environmental – Waste Discharge Management Key Performance

Disclosure	Topic	Section Title	Chapter Index
GRI 306: Waste 2020	3-3	Management of material topics	Environmental – Waste Discharge Management
	306-1	Waste generation and significant waste-related impacts	Environmental – Waste Discharge Management
	306-2	Management of significant waste-related impacts	Environmental – Waste Discharge Management
	306-3	Waste generated	Key Performance
	306-4	Waste diverted from disposal	/
	306-5	Waste directed to disposal	Environmental – Waste Discharge Management
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Social – Optimizing Supply Chain Management
	308-1	New suppliers that were screened using environmental criteria	Social – Optimizing Supply Chain Management
	308-2	Negative environmental impacts in the supply chain and actions taken	/
Social Topics			
GRI 401: Employment 2016	3-3	Management of material topics	Social – Safeguarding Employee Rights and Benefits
	401-1	New employee hires and employee turnover	Social – Safeguarding Employee Rights and Benefits Key Performance
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social – Safeguarding Employee Rights and Benefits
	401-3	Parental leave	Social – Safeguarding Employee Rights and Benefits
GRI 402: Labor/ Management Relations 2016	3-3	Management of material topics	/
	402-1	Minimum notice periods regarding operational changes	/

Disclosure	Topic	Section Title	Chapter Index
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	Social – Occupational Health and Safety
	403-1	Occupational health and safety management system	Social – Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Social – Occupational Health and Safety
	403-3	Occupational health services	Social – Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Social – Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Social – Occupational Health and Safety
	403-6	Promotion of worker health	Social – Occupational Health and Safety Social – Safe Shipping Operations
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social – Occupational Health and Safety Social – Safe Shipping Operations
	403-8	Workers covered by an occupational health and safety management system	Key Performance
	403-9	Work-related injuries	Key Performance
GRI 404: Training and Education 2016	3-3	Management of material topics	Social – Safeguarding Employee Rights and Benefits
	404-1	Average hours of training per year per employee	Key Performance
	404-2	Programs for upgrading employee skills and transition assistance programs	Social – Safeguarding Employee Rights and Benefits
	404-3	Percentage of employees receiving regular performance and career development reviews	Refer to the Annual Report
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Social – Safeguarding Employee Rights and Benefits
	405-1	Diversity of governance bodies and employees	Key Performance
	405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	3-3	Management of material topics	Social – Safeguarding Employee Rights and Benefits
	406-1	Incidents of discrimination and corrective actions taken	Social – Safeguarding Employee Rights and Benefits
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	N/A
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor 2016	3-3	Management of material topics	Social – Safeguarding Employee Rights and Benefits
	408-1	Operations and suppliers at significant risk for incidents of child labor	Social – Safeguarding Employee Rights and Benefits
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	Social – Safeguarding Employee Rights and Benefits
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social – Safeguarding Employee Rights and Benefits

Disclosure	Topic	Section Title	Chapter Index
GRI 410: Security Practices 2016	3-3	Management of material topics	N/A
	410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	3-3	Management of material topics	N/A
	411-1	Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	3-3	Management of material topics	Social – Co-Creating Societal Value
	413-1	Operations with local community engagement, impact assessments, and development programs	Social – Co-Creating Societal Value
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Social – Optimizing Supply Chain Management
	414-1	New suppliers that were screened using social criteria	Social – Optimizing Supply Chain Management
	414-2	Negative social impacts in the supply chain and actions taken	/
GRI 415: Public Policy 2016	3-3	Management of material topics	N/A
	415-1	Political contributions	N/A
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	Social – High-Quality Customer Service
	416-1	Assessment of the health and safety impacts of product and service categories	Social – High-Quality Customer Service
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Social – High-Quality Customer Service
GRI 417: Marketing and Labeling 2016	3-3	Management of material topics	N/A
	417-1	Requirements for product and service information and labeling	N/A
	417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
GRI 418: Customer Privacy 2016	417-3	Incidents of non-compliance concerning marketing communications	N/A
	3-3	Management of material topics	Social – High-Quality Customer Service
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social – High-Quality Customer Service

INDEPENDENT ASSURANCE STATEMENT

China Chengxin Green Finance Technology (Beijing) Co., Ltd. (hereinafter referred to as "CCXGF") was commissioned by China Merchants Energy Shipping Co., Ltd. (hereinafter referred to as "CMES Shipping" or the "Reporting Organization") to perform an independent assurance engagement on the sustainability information disclosed in the 2025 Environmental, Social and Governance (ESG) Report of CMES Shipping (hereinafter referred to as the "ESG Report"). The results of the assurance engagement are presented to the users of the ESG Report in the form of this Independent Assurance Statement.

(I) Independence and Competence

CCXGF is an independent third-party professional institution specializing in green finance services. The assurance team consists of ESG professionals with a sound understanding of the AA1000 Assurance Standard v3 (AA1000AS v3) and the competencies required to perform ESG assurance engagements. Neither CCXGF nor any member of the assurance team has any business relationship with CMES Shipping or its directors or senior management. In addition, under internal control measures including firewall isolation within CCXGF, no conflict of interest exists between CCXGF and CMES Shipping, thereby ensuring the independence of this assurance engagement.

(II) Responsibilities of CMES Shipping

The responsibility of CMES Shipping is to prepare the ESG Report with reference to the *Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)*, the *Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Preparation of Sustainability Report (Revised January 2026)*, the *Reference of ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the *GRI Standards* of the Global Sustainability Standards Board (GSSB), the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD) Framework and the *WMMF ESG Rating Standards*, among other applicable standards and guidelines. CMES Shipping is also responsible for providing the assurance provider with the documentation and information required for the assurance engagement according to the agreed scope and content, establishing appropriate management and monitoring systems for performance indicators subject to assurance, and ensuring that the assured performance data remain consistent across all disclosures issued after completion of the assurance.

(III) Responsibilities of the Assurance Service Provider

The responsibility of CCXGF is to conduct the assurance engagement on the matters within the scope of the ESG Report in accordance with the applicable assurance standards and the scope and content as agreed with the Reporting Organization. Through internal quality control procedures, CCXGF performs a reasonable evaluation of the subject matter and issues this Independent Assurance Statement to the Board of Directors of the Reporting Organization. This statement is intended solely for inclusion in the ESG Report and is not to be used for any other purpose.

(IV) Assurance Standard Applied

CCXGF conducted the "Type 2 Moderate Assurance" on the 2025 ESG Report of CMES Shipping in accordance with the AA1000AS v3 standard.

(V) Subject Matters and Scope

- To evaluate the extent to which the ESG Report prepared by CMES Shipping adheres to the four AA1000 principles of Inclusivity, Materiality, Responsiveness, and Impact in accordance with the agreed assurance type and level;
- To assess the reliability and quality of selected performance information disclosed in the Report;
- The assurance boundary is generally consistent with the scope of the Reporting Organization's consolidated financial statements, while the boundaries of certain performance indicators have been adjusted as appropriate.

(VI) Procedures

To ensure the effective implementation of the assurance engagement, CCXGF developed an assurance plan and timetable and conducted the engagement in an objective and professional manner. The procedures performed mainly included:

- Evaluating the processes by which the Reporting Organization applies the AA1000 principles, and reviewing stakeholder management practices and business processes based on interviews, communications, and supporting evidence obtained;
- Performing sampling tests on the reliability and quality of selected performance information;
- Recalculating selected performance data on a sample basis; and
- Performing such other procedures as CCXGF considered necessary for the assurance engagement.

(VII) Conclusion

In accordance with the AA1000AS v3 Standard, CCXGF performed a "Type 2 Moderate Assurance" engagement on the sustainability information disclosed in the ESG Report of CMES Shipping and reached the following conclusions:

ESG Report's compliance with the AA1000 (2018) principles

- **Inclusivity:** CMES Shipping maintains regular communication and exchanges with both internal and external stakeholders, including government departments, shareholders and investors, employees, partners, customers, suppliers, communities, and the environment. It promptly responds to stakeholders' expectations and demands and continuously improves the effectiveness of stakeholder engagement. CMES Shipping's ESG Report complies with the principle of Inclusivity.
- **Materiality:** Taking into account the development trends of the shipping industry, its strategic planning, and the key concerns of stakeholders, CMES Shipping has established procedures for materiality analysis and has disclosed the results of the prioritization assessment of material topics. CMES Shipping's ESG Report complies with the principle of Materiality.
- **Responsiveness:** CMES Shipping has addressed the material issues of concern to stakeholders in the ESG Report. CMES Shipping's ESG Report complies with the principle of Responsiveness.
- **Impact:** CMES Shipping has established an effective risk management and internal control framework throughout the organization, attaches significant importance to the potential impacts of climate change on its operations, proactively identifies climate-related risks and opportunities, and systematically integrates them into the Company's strategic planning and target-setting processes. CMES Shipping's ESG Report complies with the principle of Impact.

Quality of Specific Performance Information in the ESG Report

- Greenhouse gas emissions (Scope 1) (China Merchants Energy Shipping Co., Ltd., consolidated basis)
- Greenhouse gas emissions (Scope 2) (China Merchants Energy Shipping Co., Ltd., consolidated basis)
- Marine diesel consumption (China Merchants Energy Shipping Co., Ltd., consolidated basis)
- Other energy consumption: biofuel (China Merchants Energy Shipping Co., Ltd., consolidated basis)
- Total annual shore power consumption (China Merchants Energy Shipping Co., Ltd., consolidated basis)
- Solid waste disposal rate (China Merchants Energy Shipping Co., Ltd., consolidated basis)
- Percentage of female directors (China Merchants Energy Shipping Co., Ltd., consolidated basis)

Based on the assurance procedures performed, no material misstatements were identified in the above-mentioned performance information.

(VIII) Limitations

- As there are no universally accepted international standards for the evaluation and measurement of non-financial information, different but acceptable methodologies and measurement techniques may affect the comparability of data across organizations.
- The CCXGF team's assurance was explicitly confined to the specific performance indicators identified in this assurance statement, excluding other ESG metrics.
- This assurance engagement included interviews with relevant management personnel of CMES Shipping and personnel responsible for the preparation of the Report, as well as document verification, and did not involve direct engagement with external stakeholders.

FEEDBACK

Thank you for reading the CMES Shipping's 2025 Environmental, Social, and Governance Report. In our ongoing efforts to enhance performance in environmental, social, and governance areas, elevate the Company's capacity for sustainable development, and strengthen engagement with all sectors of society, we sincerely invite your valuable feedback on our work and this report.

Your Information

 Name: _____  Contact Number: _____

 Company/Organization: _____  Email: _____

Multiple-Choice Questions

- | | | | | |
|--|------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1. How do you rate CMES Shipping's 2025 ESG Report? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 2. How do you rate CMES Shipping's customer service? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 3. How do you rate CMES Shipping's technological innovation? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 4. How do you rate CMES Shipping's industry development efforts? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 5. How do you rate CMES Shipping's team building? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 6. How do you rate CMES Shipping's public welfare activities? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 7. How do you rate CMES Shipping's environmental protection efforts? | <input type="checkbox"/> Excellent | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| 8. Additional comments on CMES Shipping's ESG initiatives? | | | | |

Feedback Channels

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